



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 815

Agenda Date: 11/7/2024

Agenda #: 17.

Presentation, discussion, and possible action on recommendation to adopt an Agreed Final Order assessing an administrative penalty relating to Rosemont at Meadow Lane (HTC 03433 / CMTS 3421), and a Final Order of debarment for Evan J. Hunden, David B. Ratliff, and Michael Volz

RECOMMENDED ACTION

WHEREAS, Rosemont at Meadow Lane (HTC 03433 / CMTS 3421) (Property), owned by Rosemont Meadow Lane Apartments, LLC, had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, Evan J. Hunden, David B. Ratliff, and Michael Volz (the Responsible Parties) control Rosemont Meadow Lane Manager, LLC, the 100% member of Rosemont Meadow Lane Apartments, LLC;

WHEREAS, Evan J. Hunden has five Actively Monitored Developments, three of which have been referred for an administrative penalty during the last three years;

WHEREAS, David B. Ratliff has seven Actively Monitored Developments, four of which have been referred for an administrative penalty during the last three years;

WHEREAS, Michael Volz has seven Actively Monitored Developments, four of which have been referred for an administrative penalty during the last three years;

WHEREAS, Tex. Gov't Code §2306.0504(b) states that the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the Department in the administration of its programs;

WHEREAS, 10 TAC §2.401 defines the violations that are eligible for debarment;

WHEREAS, the Responsible Parties have exceeded the 50% debarment threshold identified at 10 TAC §2.401(e)(2)(a) to trigger mandatory debarment for repeated violations in a portfolio, with 50% or more of the Actively Monitored Developments under their Control being referred for a penalty in the last three years;

WHEREAS, the Enforcement Committee previously considered debarment in 2022 for the same 50% threshold violation and voted to dismiss the debarment, but the Department reserved the right to consider future debarment under 10 TAC §2.401(e)(2)(A) in the event that there were additional administrative penalty referrals for this ownership portfolio;

WHEREAS, there have been 10 monitoring reviews in the intervening period since 2022, with seven reviews corrected timely, one review referred for an administrative penalty, and two reviews with pending corrective action deadlines;

WHEREAS, the Responsible Parties failed to timely submit corrective documentation for the noncompliance identified during the 2023 Uniform Physical Standards (UPCS) inspection at the Property, which scored 47 out of 100, resulting in an administrative penalty referral that violated the 50% referral threshold at 10 TAC §2.401(e)(2)(a) for a second time;

WHEREAS, the Responsible Parties participated in an informal conference with the Enforcement Committee on July 30, 2024, regarding the administrative penalty referral for the Property and the referral for debarment;

WHEREAS, the Responsible Parties agreed, subject to Board approval, to enter into an Agreed Final Order, assessing an administrative penalty of \$20,000.00 for the 2023 UPCS noncompliance, with \$15,000.00 payable at signing and the remainder to be forgiven if acceptable corrections were submitted per the terms of the order;

WHEREAS, the Enforcement Committee agreed to table their debarment recommendation per the Responsible Parties' request to await the results of a physical inspection at the Property that was due to take place on or after September 26, 2024;

WHEREAS, TDHCA performed a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection on September 26, 2024, recording a score of 75.28 out of 100;

WHEREAS, TDHCA's NSPIRE inspection confirmed resolution of the remaining noncompliance from the 2023 UPCS inspection, rendering a forgivable portion of the administrative penalty in the Agreed Final Order to no longer be necessary;

WHEREAS, on October 03, 2024, the Enforcement Committee reconvened and voted to recommend a two-year debarment term;

WHEREAS, on October 15, 2024, the TDHCA Executive Director issued a debarment determination notice recommending a two-year debarment term for the Responsible Parties;

WHEREAS, on October 22, 2024, Responsible Parties appealed their debarment determination to the Board;

WHEREAS, staff has based the above debarment term recommendations on the Department's rules for debarment and an assessment of each and all of the material factors identified at 10 TAC §2.401(j) that are to be considered in determining a recommended period of debarment, applied specifically to the facts and circumstances present in this case; and

WHEREAS, staff has based the above recommendation for an Agreed Final Order for an administrative penalty on the Department's rules for administrative penalties and an

assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that two Orders, including: (1) a Final Order of Debarment for a term of two years for the Responsible Parties; and (2) an Agreed Final Order assessing an administrative penalty of \$15,000.00 against Rosemont Meadow Lane Apartments, LLC, substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, are hereby adopted as the order of this Board.

BACKGROUND

PROPERTY AND FINANCING INFORMATION: The Property is subject to a Land Use Restriction Agreement (LURA) signed by a prior owner in 2004 in consideration for a housing tax credit allocation to build and operate the Property, an apartment complex composed of 264 units, located in Dallas. The Responsible Parties acquired the Property on January 29, 2021. TDHCA's UPCS inspection score on July 9, 2021, was 65 out of 100. The previous UPCS inspection conducted on September 1, 2017, scored 83 out of 100. The property management company at the time of the current violations at issue was Avenue5, but they were replaced by Asset Living in October 2024.

VIOLATIONS SUBJECT TO ADMINISTRATIVE PENALTIES: The TDHCA Compliance Division (Compliance) performed a UPCS inspection at the Property on September 26, 2023. This inspection scored 47 out of 100, and the list of deficiencies was extensive, including 86 Level 1 deficiencies, 39 Level 2 deficiencies, and 131 Level 3 deficiencies, with Level 3 being the most severe. Scoring is at Exhibit 1. Owner was required to: (1) certify to the correction of cited exigent and fire safety hazards within three working days; and (2) submit work orders and/or invoices to document correction of all cited deficiencies on or before December 27, 2023. TDHCA granted deadline extensions for the requirement to submit work orders and/or invoices to document correction of all cited deficiencies through March 26, 2024, the maximum allowed. Owner uploaded the certification for correction of exigent fire and safety hazards (EH&S) on October 1, 2023, but did not submit any documentation of work orders and/or invoices to document correction of any of the 256 cited deficiencies.

On April 1, 2024, Compliance referred the property owner, Rosemont Meadow Lane Apartments, LLC, for an administrative penalty. The Property was also placed on an annual inspection schedule due to its low inspection score of 47 out of 100. Owner submitted partial corrections on April 11, 2024, in response to the administrative penalty referral. Additional corrective documentation was submitted on April 12, 2024, May 15, 2024, and July 26, 2024, and items that remained unresolved as of the July 30, 2024 informal conference are highlighted in yellow at Exhibit 1. The Compliance Division confirmed resolution of those final deficiencies during their September 26, 2024 National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection. Additional new noncompliance was identified during the 2024 NSPIRE

inspection, but it is within its 90-day corrective action period, and is not eligible for an administrative penalty at this time.

VIOLATIONS SUBJECT TO DEBARMENT: Tex. Gov't. Code 2306.0504(c) states, "(c) The department shall debar a person from participation in a department program if the person: (1) materially or repeatedly violates any condition imposed by the department in connection with the administration of a department program, including a material or repeated violation of a land use restriction agreement regarding a development supported with a housing tax credit allocation;"

10 TAC §2.401(e)(2)(A) states, "(e) Repeated Violations of a LURA that shall be referred to the Committee for Debarment. [...] (2) Repeated violations in a portfolio. Persons who control five or more Actively Monitored Developments will be considered for Debarment based on repeated violations in a portfolio. A Person shall be referred to be committee if an inspection or referral, after April 1, 2021, indicates the following: (A) 50% or more of the Actively Monitored Developments in the portfolio have been referred to the Enforcement Committee within the last three years. The Enforcement Committee may increase this threshold at its discretion. For example, if three properties in a five-property portfolio are monitored in the same month, and then referred to the Enforcement Committee at the same time, it may be appropriate to increase the 50% threshold;"

TDHCA analysis of the ownership portfolio after the administrative penalty referral for the Property indicated that Evan J. Hunden, David B. Ratliff, and Michael Volz, the Responsible Parties in Control, had exceeded the 50% administrative penalty referral threshold under 10 TAC §2.401(e)(2)(A). A copy of that analysis is at Exhibit 2. This is the second debarment referral for Mr. Ratliff and Mr. Volz, who were previously considered for debarment in 2022 under the same rule. That 2022 debarment referral was dismissed after the Enforcement Committee decided to increase the 50% referral threshold; however, the Department reserved the right to consider future debarment under 10 TAC §2.401(e)(2)(A) in the event that there were additional administrative penalty referrals for this ownership portfolio.

DEBARMENT IS MANDATORY UNLESS 50% THRESHOLD IS INCREASED: The above constitutes a mandatory debarment violation unless the 50% referral threshold is increased again in accordance with 10 TAC §2.401(a). Unlike the 2022 debarment referral, there are no extenuating circumstances to consider, and the Enforcement Committee thought that increasing the threshold a second time would effectively render the 50% threshold meaningless. The 2022 debarment referral should have been a "wake-up call," but the promised changes from 2022 were not fully implemented.

RESPONSIBLE PARTIES IN CONTROL AND ACTIVELY MONITORED DEVELOPMENT ANALYSIS: Definitions are at Exhibit 3. Evan J. Hunden, David B. Ratliff, and Michael Volz are Responsible Parties in Control for purposes of this analysis. They are the managing members of Rosemont Meadow Lane Manager, LLC, the 100% member of Rosemont Meadow Lane Apartments, LLC, the property owner. The analysis at Exhibit 2 concludes that Mr. Ratliff controls seven Actively Monitored Developments, Mr. Volz controls seven, and Mr. Hunden controls five. Of those, four

Actively Monitored Developments have been referred for an administrative penalty in the past three years, exceeding the 50% administrative referral threshold.

All three Responsible Parties are executive officers of DevCo, LLC, headquartered in Washington State. It is Washington's largest provider of affordable housing, and they develop, own, and manage approximately 12,000 units throughout the US. They expanded into Texas on December 29, 2020.

RECOMMENDATION INITIALLY TABLED AND PROPERTY INSPECTED AGAIN: The Enforcement Committee considered administrative penalties and debarment during its informal conference on July 30, 2024. The Committee recommended an Agreed Final Order for an administrative penalty of \$20,000.00, with \$15,000.00 payable at signing and the remainder to be forgiven if acceptable corrections were submitted per the Order, but it tabled the debarment recommendation per owner's counsel's request because the Property was due for a TDHCA physical inspection in September. Responsible Parties were confident of an improved score and hoped that would be taken into consideration. TDHCA performed a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection on September 26, 2024, scoring 75.28 out of 100 (see Exhibit 4).

FACTORS CONSIDERED TO DETERMINE RECOMMENDED DEBARMENT TERM: On October 15, 2024, the TDHCA Executive Director issued a debarment determination notice for a two-year debarment term for the Responsible Parties. Although this is a mandatory debarment under the rule, there is no required minimum or maximum debarment term, and the Board may increase or decrease this term. Pursuant to 10 TAC §2.401(j), the recommended period of debarment was based upon the following material factors:

- 1. REPEATED OCCURRENCES:** The debarment violation was caused by repeated referrals for an administrative penalty, exceeding the 50% threshold defined at 10 TAC §2.401(e)(2) (A). The same violation occurred in 2022. The 2022 debarment referral was dismissed with no action taken due to a variety of factors that supported increasing the debarment threshold, however, the Department reserved the right to consider future debarment under 10 TAC §2.401(e)(2)(A) in the event that there were additional administrative penalty referrals in this ownership portfolio. Rosemont at Meadow Lane was referred for an administrative penalty on April 1, 2024, repeating the debarment violation.
- 2. SERIOUSNESS OF UNDERLYING ISSUES:** The Responsible Parties continue to rely too heavily upon the property management team at Avenue 5 Residential, which was understaffed in 2022, and still understaffed in 2024. The Responsible Parties acknowledged that they were not adequately supervising Avenue 5 despite repeated failures to perform to an adequate standard, and despite assurances made to the Enforcement Committee in 2022. All penalty referrals that contributed to violating the 50% referral threshold are reviews where the Responsible Parties failed to submit any corrective documentation. Additionally, the 2023 UPCS inspection showed that the property was in poor condition, scoring 47 out of 100. The 50% referral threshold was established in 10 TAC §2.401(e)(2)(A) in 2021 to signal to the Department that there is a serious problem in the ownership

portfolio that must be addressed before the ownership group should further expand its portfolio, or receive additional funds in Texas. In 2024, the rule was amended to establish a three-year look-back period, comparable to previous participation reviews. Exceeding the 50% referral threshold indicates that the Responsible Parties are repeatedly failing to adhere to TDHCA compliance requirements, so continuing to grow the TDHCA portfolio is not advisable. Debarment is not exclusively a punishment; its purpose is primarily to give the Responsible Parties time to regroup and fix their internal policies and mechanisms to show that they can responsibly administer TDHCA properties and funding.

- 3. PRESENCE OR ABSENCE OF CORRECTIVE ACTION:** As noted above, the Responsible Parties submitted timely certification of correction for exigent and fire safety hazards cited during the 2023 UPCS inspection, but failed to submit any corrective documentation for cited deficiencies on or before December 27, 2023. On April 1, 2024, Compliance referred the property owner for an administrative penalty. The Responsible Parties submitted partial corrections between April 11, 2024, and July 26, 2024, addressing all noncompliance except the items marked in yellow at Exhibit 1. TDHCA staff verified resolution of those final items during the inspection on September 26, 2024.

During the 2024 informal conference, the Responsible Parties offered vague assurances that changes would be made to their processes, but did not provide any substantive information to lead the Enforcement Committee to believe that any demonstrable changes will be taking place in the near future. The Responsible Parties were in the process of replacing the property management company, however, they did not appear to be making sufficient changes to how they supervise the property management company, and it appeared they would be relying on the same system that repeatedly failed with Avenue 5 Residential. The Responsible Parties are based in Washington State, and they have recently started to implement systems with regional managers, but those managers were not previously in Texas, which the Responsible Parties recognized was an issue. They now have a regional manager in Dallas. Alan Maynie is their asset manager who has access to CMTS and is responsible for monitoring for compliance. However, Mr. Manie already had this level of access prior to referral. During the 2022 informal conference, the Responsible Parties stated that they had implemented trackers and meeting schedules pertaining to TDHCA compliance, and that TDHCA compliance items would be a standing agenda item on all executive leadership meetings at DevCo. This was a significant component in the decision not to debar in 2022. During the 2024 informal conference, Mr. Hunden admitted that process was not implemented at the executive level. It appears that the Responsible Parties did not prioritize compliance despite assurances made during the 2022 debarment informal conference.

- 4. OTHER MATERIAL FACTORS:** There have been ten monitoring reviews in the intervening period since the 2022 debarment informal conference, including seven successful monitoring reviews where the Responsible Parties submitted timely and complete corrective documentation, one review that was referred for an administrative penalty after failing to submit corrections, and two reviews that are pending corrective action deadlines. The administrative penalty referral percentage will decrease in 2025 when some of the

referrals pass the three-year lookback period.

The inspection score history was also considered. The property scored 83 out of 100 during its UPCS inspection on September 1, 2017; 65 out of 100 during its UPCS inspection on July 9, 2021; 82 out of 100 on its UPCS inspection on October 28, 2022; 47 out of 100 on its 2023 UPCS inspection; and 75.28 out of 100 on its NSPIRE inspection on September 26, 2024. The current owner purchased the property on January 29, 2021. This history demonstrates a decline in condition in 2021, improvement in 2022, a steep decline in 2023, and then improvement in 2024. Committee members compared the 2023 and 2024 inspection reports and noted that there is some overlap regarding deficiency types observed, such as exposed electrical wiring, broken or missing stairway handrails, and damaged locks.

The Responsible Parties indicated that this is a complicated property from physical and security perspectives. Crime is significant in this area of the city, and safety and security issues contribute to problems with the physical condition. Significant effort is required in order to prevent quickly declining conditions due to vandalism.

On May 22, 2024, the City of Dallas filed a lawsuit against Rosemont Meadow Lane Apartments, LLC, Avenue 5 Residential, LLC, and 4722 Meadow Street, Dallas, Texas 75215, in rem, seeking a temporary injunction to require compliance with city code, citing violations of various public health and safety-related ordinances, and seeking to enjoin the owner from operating the Property in a manner that constitutes a common nuisance by permitting habitual serious criminal activity at the Property between 2022 - 2024. The City cited failure to abate public health and safety ordinances, and failure to implement basic maintenance and crime abatement strategies. The City first documented health and safety violations in September 2021. It stated that the owner required frequent City assistance and inspection pressure to come into compliance and close the matter. Despite that assistance, the City stated that the property returned to its previous substandard condition, failing its annual inspection on April 19, 2023, with a score of 60/100. This timeline is consistent with TDHCA's 2021 UPCS timeline and the temporary UPCS score improvement that was also observed by TDHCA in 2022. Owner's counsel indicated that during the TDHCA informal conference on July 30, 2024, the Owner was working with the City on an Agreed Temporary Injunction (TI). That TI was signed on August 15, 2024, and includes a series of City deadlines spanning from September 13, 2024, through January 10, 2025.

The Enforcement Committee is also recommending a separate Agreed Final Order for an administrative penalty relating to the 2023 UPCS noncompliance noted above for the Property. During the informal conference on July 30, 2024, the Committee voted to assess a \$20,000.00 administrative penalty, with \$15,000.00 due at signing and \$5,000.00 forgivable if all noncompliance is resolved within 30 days of Board approval. Compliance confirmed resolution of the final deficiencies during their September 2024 NSPIRE inspection, so the Agreed Final Order has been adjusted accordingly. The Responsible Parties spent \$2,021,139.00 on repairs at the Property between December 31, 2023, and July 1, 2024. This is a significant amount, and additional expenditures are needed to repair deficiencies

from the TDHCA NSPIRE inspection conducted on September 26, 2024, and the City's TI. \$15,000.00 is an appropriate administrative penalty, recognizing that the property has negative net cash flow, and that the Department would prefer for funds to be invested in the property to improve tenant conditions rather than a penalty.

Finally, Committee members considered the Responsible Parties' history in Texas. DevCo purchased their first property in Texas on December 29, 2020, and it can take time to establish compliance procedures. It also considered that this 50% administrative referral threshold for debarment is relatively new, established April 1, 2021, so the Committee has only seen a few of them. The fact that two of those referrals are for the Responsible Parties is significant. The Responsible Parties are actively expanding in Texas, and they resyndicated six of their TDHCA HTC properties in 2023. Those six properties are currently undergoing rehabilitation, including: Park at Humble HTC 23434 (substantially completed), Tigon Villas HTC 23424 (substantially completed), Positano HTC 23421 (anticipated completion December 2024), Costa Almadena HTC 23437 (anticipated completion December 2024), Rosemont Ash Creek HTC 23420 (anticipated completion February 2025), and Brookside Gardens HTC 23454 (anticipated completion February 2025). Each will have final construction inspections, file monitoring reviews, and NSPIRE inspections at some point after completion. The Responsible Parties need to complete those projects, and adjust compliance procedures to ensure complete and timely responses to monitoring reviews before receiving further TDHCA funding or purchasing additional TDHCA properties.

DEBARMENT APPEAL: Owner's counsel submitted written responses on May 15, 2024, and July 29, 2024, and then submitted an appeal to the board on October 22, 2024. Their arguments from the three submissions include:

1. Noting that property management timely submitted the Exigent Health and Safety Certificate for the 2023 UPCS inspection, and outlining correspondence timelines regarding requested extensions for the corrective action deadline. Stated that delays were due to insufficient onsite staff to resolve the noncompliance once the EH&S deficiencies were corrected.
2. Noting that there were no other penalty referrals after July 2022, and suggesting that this shows corrective measures implemented after their 2022 informal conference have been working.
3. Stating that if the referral had come later, the 50% threshold would not have been breached:
 - a. Two of the developments are not Actively Monitored yet (see Exhibit 2). If Actively Monitored, the Responsible Parties would not trigger the 50% threshold, assuming that neither is referred.
 - b. Cites 3-year lookback period. Multiple referrals will fall off the analysis chart soon.

4. Stating that primary problem is Avenue5's turnover and lack of staffing onsite. This was the reason for requesting an extension for the 2023 UPCS inspection that caused this referral.
5. Analyzing miscommunication by Avenue5's onsite staff, thinking they had requested another extension, past the deadline of March 26, 2024. TDHCA staff notes that the maximum extension was through March 26, 2024, which TDHCA communicated when it approved the final extension in January. This demonstrates poor supervision and internal controls by both the Responsible Parties and Avenue5.
6. Focusing on their other performance and overall improvement since 2022.
7. Was notably silent regarding the poor physical condition of the property cited in the 2023 UPCS inspection.

The day before their July informal conference, Owner's Counsel presented a new argument that Costa Almadena and Brookside Gardens (see analysis at Exhibit 2) should be considered Actively Monitored Developments, therefore bringing the Responsible Parties below the 50% referral threshold. For this analysis, TDHCA reviews each property in the ownership portfolio for: (1) the Control start date (purchase date), (2) whether a monitoring report or other deadline has been issued to the Responsible Parties for a physical inspection, file review, or affirmative marking / policies review in the past three years, and (3) whether there was an administrative penalty referral during the past three years under the Responsible Party. Although two of the TDHCA letters noted below did fall within the three-year period in question, the purpose of analyzing Actively Monitored Developments under 10 TAC §2.401(e)(2)(a) is to review a Responsible Party's conduct for the past three years for properties under their Control in their ownership portfolio. The current owner was not in Control at the time of any of the monitoring events below, nor did they submit any corrections for those reviews. Conducting the analysis in the way proposed would essentially allow owners to purchase a prior owner's good compliance history and take credit for it. This interpretation would encourage owners who are nearing the 50% debarment threshold to add more properties to their portfolio, which is inconsistent with the rule's and the statute's intent. Accordingly, it is inconsistent with the intention of the rule to consider these Actively Monitored Developments for the period in question, and they are therefore excluded from that calculation:

1. Costa Almadena: UPCS inspection conducted July 7, 2021. Inspection Report issued August 6, 2021. Corrections submitted by prior owner October 18, 2021, reflecting a final correction date of September 27, 2021. Responsible Parties purchased the property December 1, 2021. TDHCA issued a close-out letter March 14, 2022. The only overlap with Responsible Parties was the TDHCA close-out letter date.
2. Brookside Gardens: UPCS inspection conducted April 19, 2022. Inspection Report issued May 20, 2022. Corrections submitted by prior owner June 6, 2022, reflecting a final

correction date of May 26, 2022. Responsible Parties purchased the property June 22, 2022. TDHCA issued a close-out letter October 3, 2022. The only overlap with Responsible Parties was the TDHCA close-out letter date.

Owner's Counsel submitted an appeal on October 22, 2024, including a new argument that the analysis for Evan Hunden at Exhibit 2 omits three developments that should be counted because the developments were resyndicated in 2023, and he now has control authority in the new organizational structures for The Mondello, The Positano, and Costa Almadena. TDHCA staff analyzed those arguments at Exhibit 2, but Mr. Hunden's administrative penalty referral percentage remains unchanged for the same reasons outlined above, since TDHCA has not monitored any of those three developments since Mr. Hunden's control authority began.

A partially probationary debarment term was not considered. The recommended two-year term will provide adequate time for the Responsible Parties to implement changes to internal monitoring procedures, and for TDHCA to confirm that problems have been addressed. Additionally, the debarment term would need to be more than one year to make an impact on the Responsible Parties' ability to apply for more tax credits.

It is not part of the Enforcement Committee recommendation, but the Property will remain on an annual TDHCA physical inspection schedule through September 2025, at which time the inspection schedule will be re-evaluated by the Compliance Division based upon the property condition and other relevant information.

Accordingly, after consideration of all appropriate factors, including those set out in TEX. GOV'T CODE §2306.0504 and 10 TEX. ADMIN. CODE §2.401, the Enforcement Committee and Executive Director recommend two orders:

1. A Final Order of Debarment for a term of two years for Evan J. Hunden, David B. Ratliff, and Michael Volz.
2. An Agreed Final Order assessing an administrative penalty of \$15,000.00 against Rosemont Meadow Lane Apartments, LLC.

Exhibits:

1. *2023 UPCS Scoring*
2. *Actively Monitored Development Analysis*
3. *Statute and rule excerpts*
4. *2024 NSPIRE Scoring*
5. *October 22, 2024 Appeal*

REAC Scoring for Rosemont at Meadow Lane

4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 1

Scoring Summary		
Areas	Possible Points	Points Scored
Site	16.6	.0
Building Exteriors	17.7	10.8
Building Systems	22.7	17.3
Building Common Areas	.3	.0
Units	42.7	18.5
Inspection Total	100	47

Site

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
4.930		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	12.5%	5	1
2.958		Grounds	Ponding/Site Drainage	12.5%	3	1
2.366		Fencing and Gates	Holes/Missing Section/Damaged/Falling/Leaning (Security, Safety)	10%	3	1
2.219		Health & Safety	Hazards - Sharp Edges	12.5%	2.25	1
1.479		Grounds	Erosion/Rutting Areas	12.5%	3	0.5
1.109		Grounds	Overgrown/Penetrating Vegetation	12.5%	2.25	0.5
0.947		Market Appeal	Litter	8%	3	0.5
0.592		Retaining Walls	Damaged/Falling/Leaning	10%	3	0.25

Bldg Exterior

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.022	Bldg 11	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.114	Bldg 12	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.152	Bldg 14	Lighting	Broken Fixtures/Bulbs	18.4%	3	0.5
0.057	Bldg 14	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 14	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.228	Bldg 16	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	1
0.022	Bldg 16	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057	Bldg 17	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 17	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.247	Bldg 18	Walls	Missing Pieces/Holes/Spalling	14.9%	3	1
0.057	Bldg 18	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 18	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.305	Bldg 19	Roofs	Ponding	18.4%	3	1
0.114	Bldg 19	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.254	Bldg 20	Roofs	Damaged Soffits/Fascia/Soffit Vents	18.4%	5	0.5

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 2

Bldg Exterior

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.228	Bldg 20	Health & Safety	Hazards - Sharp Edges	18.4%	2.25	1
0.057	Bldg 20	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 20	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057	Bldg 21	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 21	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.114	Bldg 23	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.022	Bldg 23	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.114	Bldg 24	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.022	Bldg 24	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.228	Bldg 25	Health & Safety	Hazards - Sharp Edges	18.4%	2.25	1
0.022	Bldg 25	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.228	Bldg 26	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	1
0.022	Bldg 26	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057	Bldg 3	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 3	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.114	Bldg 30	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.022	Bldg 30	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.508	Bldg 31	Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	18.4%	5	1
0.057	Bldg 31	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 31	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.305	Bldg 32	Doors	Damaged Surface (Holes/Paint/Rusting)	18.4%	3	1
0.057	Bldg 32	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.179	Bldg 33	Windows	Damaged Sills/Frames/Lintels/Trim	13%	5	0.5
0.057	Bldg 33	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 33	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.127	Bldg 34	Doors	Damaged Frames/Threshold/Lintels/Trim	18.4%	1.25	1
0.114	Bldg 34	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.022	Bldg 34	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.123	Bldg 35	Walls	Missing Pieces/Holes/Spalling	14.9%	3	0.5
0.057	Bldg 35	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 35	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.228	Bldg 36	Health & Safety	Garbage and Debris - Outdoors	18.4%	2.25	1
0.057	Bldg 36	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.179	Bldg 37	Windows	Damaged Sills/Frames/Lintels/Trim	13%	5	0.5
0.057	Bldg 37	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022	Bldg 37	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057	Bldg 38	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.040	Bldg 38	Windows	Cracked/Broken/Missing/Cracked Panes	13%	2.25	0.25
0.022	Bldg 38	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.114	Bldg 39	Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 3

Bldg Exterior

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.022 Bldg 39		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057 Bldg 4		Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022 Bldg 4		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.179 Bldg 40		Windows	Damaged Sills/Frames/Lintels/Trim	13%	5	0.5
0.127 Bldg 40		Doors	Damaged Frames/Threshold/Lintels/Trim	18.4%	1.25	1
0.114 Bldg 40		Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.5
0.022 Bldg 40		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.022 Bldg 5		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.411 Bldg 6		Walls	Cracks/Gaps	14.9%	5	1
0.179 Bldg 6		Windows	Damaged Sills/Frames/Lintels/Trim	13%	5	0.5
0.022 Bldg 6		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.022 Bldg 7		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057 Bldg 8		Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022 Bldg 8		Windows	Damaged/Missing Screens	13%	1.25	0.25
0.057 Bldg 9		Roofs	Missing/Damaged Components from Downspout/Gutter	18.4%	2.25	0.25
0.022 Bldg 9		Windows	Damaged/Missing Screens	13%	1.25	0.25

Bldg Systems

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.181 Bldg 11		Sanitary System	Missing Drain/Cleanout/Manhole Covers	15.5%	2.25	1
0.181 Bldg 17		Sanitary System	Missing Drain/Cleanout/Manhole Covers	15.5%	2.25	1
0.402 Bldg 20		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15.5%	5	1
0.402 Bldg 20		Electrical System	Missing Covers	15.5%	5	1
0.402 Bldg 25		Fire Protection	Missing/Damaged/Expired Extinguishers	15.5%	5	1
0.181 Bldg 35		Sanitary System	Missing Drain/Cleanout/Manhole Covers	15.5%	2.25	1
0.402 Bldg 36		Electrical System	Missing Covers	15.5%	5	1
0.402 Bldg 36		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15.5%	5	1
0.402 Bldg 39		Electrical System	Missing Covers	15.5%	5	1
0.402 Bldg 39		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15.5%	5	1
0.402 Bldg 6		Electrical System	Missing Covers	15.5%	5	1
0.402 Bldg 6		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15.5%	5	1
0.402 Leasing Office		Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15.5%	5	1
0.402 Leasing Office		Electrical System	Missing Covers	15.5%	5	1
0.402 Leasing Office		Domestic Water	Missing Pressure Relief Valve	15.5%	5	1
0.052 Leasing Office		Emergency Power	Auxiliary Lighting Inoperable	2%	5	1

Other Community Spaces

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.046 Bldg 14		Lighting	Missing/Damaged/Inoperable Fixture	5%	3	1
0.046 Bldg 40		Lighting	Missing/Damaged/Inoperable Fixture	5%	3	1
0.023 Leasing Office		Lighting	Missing/Damaged/Inoperable Fixture	5%	3	0.5

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 4

Patio/Porch/Balcony

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.009	Leasing Office	Outlets/Switches/Cover Plates	Missing or Broken	5%	2.25	0.25

Patio/Porch/Balcony

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.035	Bldg 40	Porch/Balcony	Baluster/Side Railing Damaged	5%	2.25	1
0.035	Leasing Office	Doors	Damaged Hardware/Locks	5%	2.25	1

Pools and Related Structures

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.019	Leasing Office	Pools	Not Operational	5%	1.25	1

Restrooms/Pool Structures

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.005	Leasing Office	Bathroom	Restroom Cabinet - Damaged/Missing	5%	1.25	0.25

Units

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.602	Bldg 11 / 1101	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	15%	5	1
0.602	Bldg 11 / 1101	HVAC System	Not Operable	15%	5	1
0.271	Bldg 11 / 1101	Health & Safety	Air Quality - Mold and/or Mildew Observed	15%	2.25	1
0.136	Bldg 11 / 1101	Kitchen	Range/Stove - Missing/Damaged/Inoperable	15%	2.25	0.5
0.040	Bldg 11 / 1101	Walls	Mold/Mildew/Water Stains/Water Damage	4%	1.25	1
0.036	Bldg 11 / 1101	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.081	Bldg 11 / 1103	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.271	Bldg 16 / 1606	Kitchen	Plumbing - Leaking Faucet/Pipes	15%	2.25	1
0.108	Bldg 16 / 1606	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.045	Bldg 16 / 1606	Doors	Missing Door	4.5%	5	0.25
0.038	Bldg 16 / 1606	Bathroom	Cabinets - Damaged/Missing	15%	1.25	0.25
0.036	Bldg 16 / 1606	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.402	Bldg 17 / 1711	Electrical	GFI Inoperable	10%	5	1
0.020	Bldg 17 / 1711	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	0.25
0.020	Bldg 17 / 1711	Windows	Cracked/Broken/Missing Panes	4.5%	2.25	0.25
0.602	Bldg 18 / 1805	HVAC System	Not Operable	15%	5	1
0.090	Bldg 18 / 1805	Bathroom	Plumbing - Leaking Faucet/Pipes	15%	3	0.25
0.038	Bldg 18 / 1805	Bathroom	Cabinets - Damaged/Missing	15%	1.25	0.25
0.036	Bldg 18 / 1805	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.602	Bldg 2 / 204	HVAC System	Not Operable	15%	5	1
0.271	Bldg 2 / 204	Health & Safety	Air Quality - Mold and/or Mildew Observed	15%	2.25	1
0.271	Bldg 2 / 204	Health & Safety	Hazards - Sharp Edges	15%	2.25	1
0.181	Bldg 2 / 204	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.5
0.096	Bldg 2 / 204	Floors	Soft Floor Covering Missing/Damaged	4%	3	1

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 5

Units

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.068	Bldg 2 / 204	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.040	Bldg 2 / 204	Walls	Mold/Mildew/Water Stains/Water Damage	4%	1.25	1
0.040	Bldg 2 / 204	Ceiling	Mold/Mildew/Water Stains/Water Damage	4%	1.25	1
0.020	Bldg 2 / 204	Doors	Damaged Hardware/Locks	4.5%	2.25	0.25
0.602	Bldg 20 / 2003	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	15%	5	1
0.271	Bldg 20 / 2003	Health & Safety	Hazards - Sharp Edges	15%	2.25	1
0.081	Bldg 20 / 2003	Windows	Cracked/Broken/Missing Panes	4.5%	2.25	1
0.081	Bldg 20 / 2003	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.075	Bldg 20 / 2003	Kitchen	Countertops - Missing/Damaged	15%	1.25	0.5
0.075	Bldg 20 / 2003	Kitchen	Dishwasher/Garbage Disposal - Inoperable	15%	1.25	0.5
0.068	Bldg 20 / 2003	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.045	Bldg 20 / 2003	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.020	Bldg 20 / 2003	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	0.25
0.010	Bldg 20 / 2003	Ceiling	Mold/Mildew/Water Stains/Water Damage	4%	1.25	0.25
0.602	Bldg 21 / 2104	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	15%	5	1
0.602	Bldg 21 / 2104	Bathroom	Plumbing - Clogged Drains	15%	5	1
0.602	Bldg 21 / 2104	HVAC System	Not Operable	15%	5	1
0.602	Bldg 21 / 2104	Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	15%	5	1
0.361	Bldg 21 / 2104	Kitchen	Plumbing - Clogged Drains	15%	3	1
0.271	Bldg 21 / 2104	Health & Safety	Infestation - Insects	15%	2.25	1
0.271	Bldg 21 / 2104	Health & Safety	Air Quality - Mold and/or Mildew Observed	15%	2.25	1
0.136	Bldg 21 / 2104	Kitchen	Range/Stove - Missing/Damaged/Inoperable	15%	2.25	0.5
0.090	Bldg 21 / 2104	Bathroom	Plumbing - Leaking Faucet/Pipes	15%	3	0.25
0.081	Bldg 21 / 2104	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.075	Bldg 21 / 2104	Kitchen	Dishwasher/Garbage Disposal - Inoperable	15%	1.25	0.5
0.075	Bldg 21 / 2104	Kitchen	Cabinets - Missing/Damaged	15%	1.25	0.5
0.068	Bldg 21 / 2104	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.045	Bldg 21 / 2104	Doors	Missing Door	4.5%	5	0.25
0.036	Bldg 21 / 2104	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.271	Bldg 25 / 2507	Health & Safety	Infestation - Insects	15%	2.25	1
0.045	Bldg 25 / 2507	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.108	Bldg 3 / 304	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.090	Bldg 3 / 304	Bathroom	Plumbing - Leaking Faucet/Pipes	15%	3	0.25
0.081	Bldg 3 / 304	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.024	Bldg 3 / 304	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	4%	3	0.25
0.602	Bldg 3 / 306	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	15%	5	1
0.301	Bldg 3 / 306	Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing	15%	5	0.5
0.108	Bldg 3 / 306	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.041	Bldg 3 / 306	Doors	Damaged Hardware/Locks	4.5%	2.25	0.5
0.038	Bldg 3 / 306	Bathroom	Cabinets - Damaged/Missing	15%	1.25	0.25
0.602	Bldg 31 / 3106	HVAC System	Not Operable	15%	5	1
0.602	Bldg 32 / 3206	HVAC System	Not Operable	15%	5	1
0.081	Bldg 32 / 3206	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.075	Bldg 32 / 3206	Kitchen	Dishwasher/Garbage Disposal - Inoperable	15%	1.25	0.5
0.045	Bldg 32 / 3206	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.602	Bldg 33 / 3306	HVAC System	Not Operable	15%	5	1
0.602	Bldg 33 / 3306	Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	15%	5	1
0.271	Bldg 33 / 3306	Health & Safety	Hazards - Sharp Edges	15%	2.25	1
0.271	Bldg 33 / 3306	Health & Safety	Infestation - Insects	15%	2.25	1
0.181	Bldg 33 / 3306	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.5

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
 4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 6

Units

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.108	Bldg 33 / 3306	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.096	Bldg 33 / 3306	Floors	Soft Floor Covering Missing/Damaged	4%	3	1
0.096	Bldg 33 / 3306	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	4%	3	1
0.068	Bldg 33 / 3306	Outlets/Switches	Missing/Broken Cover Plates	4%	2.25	0.25
0.045	Bldg 33 / 3306	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.271	Bldg 34 / 3403	Health & Safety	Infestation - Insects	15%	2.25	1
0.271	Bldg 36 / 3601	Health & Safety	Infestation - Insects	15%	2.25	1
0.136	Bldg 36 / 3601	Kitchen	Range/Stove - Missing/Damaged/Inoperable	15%	2.25	0.5
0.090	Bldg 36 / 3601	HVAC System	Noisy/Vibrating/Leaking	15%	3	0.25
0.081	Bldg 36 / 3601	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	1
0.075	Bldg 36 / 3601	Kitchen	Dishwasher/Garbage Disposal - Inoperable	15%	1.25	0.5
0.045	Bldg 36 / 3601	Doors	Missing Door	4.5%	5	0.25
0.108	Bldg 37 / 3703	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.090	Bldg 37 / 3703	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.068	Bldg 37 / 3703	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.045	Bldg 37 / 3703	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.045	Bldg 37 / 3703	Doors	Missing Door	4.5%	5	0.25
0.041	Bldg 37 / 3703	Doors	Damaged Hardware/Locks	4.5%	2.25	0.5
0.301	Bldg 39 / 3902	Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing	15%	5	0.5
0.081	Bldg 39 / 3902	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	1
0.045	Bldg 39 / 3902	Doors	Missing Door	4.5%	5	0.25
0.045	Bldg 39 / 3902	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.012	Bldg 39 / 3902	Lighting	Missing/Inoperable Fixture	2%	3	0.25
0.181	Bldg 39 / 3903	Bathroom	Ventilation/Exhaust System - Inoperable	15%	3	0.5
0.090	Bldg 39 / 3903	HVAC System	Noisy/Vibrating/Leaking	15%	3	0.25
0.036	Bldg 39 / 3903	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.018	Bldg 39 / 3903	Walls	Damaged	4%	2.25	0.25
0.010	Bldg 39 / 3903	Ceiling	Mold/Mildew/Water Stains/Water Damage	4%	1.25	0.25
0.602	Bldg 39 / 3904	Bathroom	Plumbing - Clogged Drains	15%	5	1
0.602	Bldg 39 / 3904	Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing	15%	5	1
0.602	Bldg 39 / 3904	Health & Safety	Electrical Hazards - Water Leaks on/near Electrical Equipment	15%	5	1
0.402	Bldg 39 / 3904	Hot Water Heater	Inoperable Unit/Components	10%	5	1
0.271	Bldg 39 / 3904	Health & Safety	Hazards - Sharp Edges	15%	2.25	1
0.271	Bldg 39 / 3904	Health & Safety	Infestation - Insects	15%	2.25	1
0.108	Bldg 39 / 3904	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.090	Bldg 39 / 3904	Bathroom	Plumbing - Leaking Faucet/Pipes	15%	3	0.25
0.068	Bldg 39 / 3904	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.068	Bldg 39 / 3904	Kitchen	Refrigerator-Missing/Damaged/Inoperable	15%	2.25	0.25
0.036	Bldg 39 / 3904	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.020	Bldg 39 / 3904	Doors	Damaged Hardware/Locks	4.5%	2.25	0.25
0.010	Bldg 39 / 3904	Ceiling	Mold/Mildew/Water Stains/Water Damage	4%	1.25	0.25
0.181	Bldg 39 / 3905	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.5
0.108	Bldg 39 / 3905	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.081	Bldg 39 / 3905	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.068	Bldg 39 / 3905	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.045	Bldg 39 / 3905	Doors	Missing Door	4.5%	5	0.25
0.036	Bldg 39 / 3905	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.271	Bldg 40 / 4005	Health & Safety	Infestation - Insects	15%	2.25	1
0.020	Bldg 40 / 4005	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	0.25
0.602	Bldg 6 / 602	Bathroom	Plumbing - Clogged Drains	15%	5	1
0.181	Bldg 6 / 602	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.5
0.081	Bldg 6 / 602	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.271	Bldg 7 / 701	Health & Safety	Hazards - Sharp Edges	15%	2.25	1
0.271	Bldg 7 / 701	Health & Safety	Air Quality - Mold and/or Mildew Observed	15%	2.25	1

Texas Department of Housing And Community Affairs
REAC Scoring for Rosemont at Meadow Lane
 4722 Meadow St Dallas, TX 75215

Printed on: September 28, 2023

Page 7

Units

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.108	Bldg 7 / 701	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.096	Bldg 7 / 701	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	4%	3	1
0.096	Bldg 7 / 701	Floors	Soft Floor Covering Missing/Damaged	4%	3	1
0.090	Bldg 7 / 701	Bathroom	Plumbing - Leaking Faucet/Pipes	15%	3	0.25
0.081	Bldg 7 / 701	Doors	Damaged Surface (Holes/Paint/Rusting)	4.5%	2.25	1
0.075	Bldg 7 / 701	Kitchen	Dishwasher/Garbage Disposal - Inoperable	15%	1.25	0.5
0.048	Bldg 7 / 701	Lighting	Missing/Inoperable Fixture	2%	3	1
0.045	Bldg 7 / 701	Doors	Damaged Frames/Threshold/Lintels/Trim	4.5%	1.25	1
0.038	Bldg 7 / 701	Bathroom	Cabinets - Damaged/Missing	15%	1.25	0.25
0.036	Bldg 7 / 701	Stairs	Broken/Missing Hand Railing	2%	2.25	1
0.068	Bldg 7 / 705	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.041	Bldg 7 / 705	Doors	Damaged Hardware/Locks	4.5%	2.25	0.5
0.036	Bldg 7 / 705	Stairs	Broken/Missing Hand Railing	2%	2.25	1

Health & Safety

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.077	Bldg 40	Health & Safety	Electrical Hazards - Exposed Wires/Open Panels	10%	5	1

Exhibit 2: Actively Monitored Development Analysis

Property	David Ratliff	Michael Volz	Evan Hunden	Referred for penalty during last 3 years?	Control Began (date)	Actively Monitored
The Mondello HTC 07053 / CMTS 4080	Managing Member	Managing Member	11/3/2021 – 7/17/2024: No Control authority 7/17/2024 - present: Managing Member of Class B Member and the Developer	4/2022 File Monitoring Referral	11/3/2021 for Ratliff and Volz 7/17/2024 for Hunden ¹	Yes for Ratliff and Volz No for Hunden
Rosemont Ash Creek HTC 23420 / HTC 03410 / Bond 03410B / CMTS 3399	Managing Member	Managing Member	Managing Member	2/2022 UPCS Referral	12/29/2020	Yes
Rosemont Meadow Lane HTC 03433 / CMTS 3421	Managing Member	Managing Member	Managing Member	11/2021 UPCS Referral 4/2024 UPCS Referral	1/29/2021	Yes
Rosemont Lancaster HTC 02479 / Bond 20034 / CMTS 3279	Managing Member	Managing Member	Managing Member	2/2022 UPCS Referral 6/2022 File Monitoring Referral	12/29/2020	Yes
Park at Humble HTC 23434 / HTC 03465 / 03465B / CMTS 4036	Managing Member	Managing Member	Managing Member	No	8/2/2021	Yes
The Positano HTC 23421 / HTC 04490 / CMTS 4184	Managing Member	Managing Member	12/17/2021 – 8/24/2023: No Control authority 8/24/2023 – present: Managing Member of Class B Member and the Developer	No	12/17/2021 for Ratliff and Volz 8/24/2023 for Hunden ²	Yes for Ratliff and Volz No for Hunden

¹ Mr. Hunden is now in a position of Control for The Mondello as of 7/17/2024, due to resyndication. The development is counted in the totals below for Mr. Ratliff and Mr. Volz because it is an Actively Monitored Development (A) during the last three years and (B) since their Control began. However, it has not been monitored since 7/17/2024, so the development is not counted in the totals below for Mr. Hunden.

² Mr. Hunden is now in a position of Control for The Positano as of 8/24/2023, due to resyndication. The development is counted in the totals below for Mr. Ratliff and Mr. Volz because it is an Actively Monitored Development (A) during the last three years and (B) since their Control began. However, it has not been monitored since 8/24/2023, so the development is not counted in the totals below for Mr. Hunden.

- Continued from prior page -

Property	David Ratliff	Michael Volz	Evan Hunden	Referred for penalty during last 3 years?	Control Began (date)	Actively Monitored
Tigoni Villas HTC 23424 / HTC 03136 / CMTS 3353	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1.of LPA	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1.of LPA	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1.of LPA	No	1/7/2022	Yes
Plainview Vistas HTC 04154 / CMTS 4073	No Control authority	No Control authority	No Control authority	No	1/7/2022	Yes, but not in Control, so not counted in the totals for any of the parties. Control structure verified by Coats Rose 5/15/2024.
Costa Almadena HTC 23437 / HTC 060426 / CMTS 4429	Managing Member of Co-GP (primary control authority)	Managing Member of Co-GP (primary control authority)	12/1/2021 – 7/28/2023: No Control authority 7/28/2023 - present: Managing member of Class B Member and the Developer	No	12/1/2021 for Ratliff and Volz 7/28/2023 for Hunden ³	No. ⁴
Brookside Gardens HTC 23454 / HTC 04611 / Bond 04611B / CMTS 4160	Managing Member	Managing Member	Managing Member & Guarantor	No	6/22/2022	No. ⁵
Total Actively Monitored Developments in Control	7 (4 referred)	7 (4 referred)	5 (3 referred)	4		

³ Mr. Hunden is now in a position of Control for Costa Almadena as of 7/28/2023, due to resyndication. The development is counted in the totals above for Mr. Ratliff and Mr. Volz because it is an Actively Monitored Development (A) during the last three years and (B) since their Control began. However, it has not been monitored since 7/28/2023, so the development is not counted in the totals above for Mr. Hunden.

⁴ Inspected 7/7/2021. Report issued 8/6/2021. Corrections submitted by prior owner 10/18/2021. Property sold 12/1/2021. TDHCA close-out letter issued 3/14/2022, after the sale, but none of the monitoring events were during their Control, so it is not considered an Actively Monitored Development for purposes of this analysis

⁵ Inspected 4/19/2022. Report issued 5/20/2022. Corrections submitted by prior owner 6/6/2022. Property sold 6/22/2022. TDHCA close-out letter issued 10/3/2022, after the sale, but none of the monitoring events were during their Control, so it is not considered an Actively Monitored Development for purposes of this analysis

Texas Administrative Code

[TITLE 10](#)

COMMUNITY DEVELOPMENT

[PART 1](#)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[CHAPTER 2](#)

ENFORCEMENT

[SUBCHAPTER A](#)

GENERAL

RULE §2.102

Definitions

The words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Capitalized words used herein have the meaning assigned in the specific chapters of this title that govern the program associated with the request, in Chapter 1 of this title (relating to Administration), or assigned by federal or state law.

(1) **Actively Monitored Development**--A Development that within the last three years has been monitored by the Department, either through a Uniform Physical Condition Standards (UPCS) inspection, a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection, an onsite or desk file monitoring review, an Affirmative Marketing Plan review, or a Written Policies and Procedures Review. UPCS and NSPIRE inspections include inspections completed by Department staff, Department contractors and inspectors from the Real Estate Assessment Center through federal alignment efforts.

(2) **Consultant**--A Person who provides services or advice for a fee in a capacity other than as an employee and does not have Control.

(3) **Control (including the terms Controlled and Controlling)**--"Control" is defined in §11.1 of this title (relating to General) or as identified in the specific Program rule.

(4) **Debarment**--A prohibition from future participation in some or all Programs administered by the Department. Except as otherwise stated in the Order, Debarment does not impact existing or ongoing participation in Department Programs, prior to the date of the Debarment, nor does it affect any continuing responsibilities or duties thereunder.

(5) **Enforcement Committee (Committee)**--A Committee of employees of the Department appointed by the Executive Director. The Committee may be composed of any member of any Department division, but members from the referring division may not be present during deliberations. The Legal Division will designate person(s) to attend meetings and advise the Committee. A Legal Division designee will serve as Secretary to the Committee.

(6) **Event of Noncompliance (including the alternate term Finding of Noncompliance)**--Any event for which a Person may be found to be in noncompliance with Texas Government Code Chapters 2105 or 2306, any rule adopted thereunder, any Program Agreement requirement, or federal program requirements.

(7) **Legal Requirements**--All requirements, as it relates to the particular Department Program, of state, federal, or local statutes, rules, regulations, ordinances, orders, court opinions, official interpretations, policy issuances, OMB Circulars, representations to secure awards, or any similar memorialization of requirement, including contract requirements.

(8) **Monitoring Event**--An onsite or desk monitoring review, a UPCS inspection, a NSPIRE inspection, the submission of the Annual Owner's Compliance Report, Final Construction Inspection, a Written Policies and Procedures Review, or any other instance when the Department's Compliance Division or other reviewing area provides written notice to an Owner or Contact Person requesting a response by a certain date. This would

include, but not be limited to, responding to a tenant complaint.

(9) Person--A legal entity including, without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability corporation, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality or other organization or entity of any nature whatsoever, and shall include any group of Persons acting in concert toward a common goal, including individual members of the group.

(10) Program--Includes any activity performed by a Subrecipient, Administrator, Contractor, Development Owner, or other Person under a Program Agreement or activities performed by a third party under a Program Agreement, including but not limited to a Subgrantee or Subcontractor.

(11) Program Agreements include:

(A) agreements between the Department and a Person setting forth Legal Requirements; and

(B) agreements between a Person subject to a Program Agreement and a third party to carry out one or more Legal Requirements.

(12) Responsible Party--Any Person subject to a Program Agreement.

(13) Vendor--A person who is procured by a subrecipient to provide goods or services in any way relating to a Department program or activity.

Source Note: The provisions of this §2.102 adopted to be effective April 1, 2021, 46 TexReg 1992; amended to be effective March 28, 2024, 49 TexReg 1891

[List of Titles](#)

[Back to List](#)

[HOME](#)

[TEXAS REGISTER](#)

[TEXAS ADMINISTRATIVE CODE](#)

[OPEN MEETINGS](#)

Texas Administrative Code

[Next Rule>>](#)

[TITLE 10](#)

COMMUNITY DEVELOPMENT

[PART 1](#)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[CHAPTER 11](#)

QUALIFIED ALLOCATION PLAN (QAP)

[SUBCHAPTER A](#)

PRE-APPLICATION, DEFINITIONS, THRESHOLD REQUIREMENTS AND COMPETITIVE SCORING

RULE §11.1

General

(29) Control (including the terms "Controlling," "Controlled by," and "under common Control with")--The power, ability, or authority, acting alone or in concert with others, directly or indirectly, to manage, direct, superintend, restrict, regulate, govern, administer, or oversee. As used herein "acting in concert" involves more than merely serving as a single member of a multi-member body. A member of a multi-member body is not acting in concert and therefore does not exercise control in that role, but may have other roles, such as executive officer positions, which involve actual or apparent authority to exercise control. Controlling entities of a partnership include the general partners, may include special limited partners when applicable, but not investor limited partners or special limited partners who do not possess other factors or attributes that give them Control. Persons with Control of a Development must be identified in the Application. Controlling individuals and entities are set forth in subparagraphs (A) - (E) of this paragraph. Multiple Persons may be deemed to have Control simultaneously.

(A) For for-profit corporations, any officer authorized by the board of directors, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, and each stock holder having a 50% or more interest in the corporation, and any individual who has Control with respect to such stockholder.

(B) For nonprofit corporations or governmental instrumentalities (such as housing authorities), any officer authorized by the board, regardless of title, to act on behalf of the corporation, including, but not limited to, the president, vice president, secretary, treasurer, and all other executive officers, the Audit committee chair, the Board chair, and anyone identified as the executive director or equivalent.

(C) For trusts, all beneficiaries that have the legal ability to Control the trust who are not just financial beneficiaries.

(D) For limited liability companies, all managers, managing members, members having a 50% or more interest in the limited liability company, any individual Controlling such members, or any officer authorized to act on behalf of the limited liability company.

(E) For partnerships, Principals include all General Partners, and Principals with ownership interest and special limited partners with ownership interest who also possess factors or attributes that give them Control.

Sec. 2306.0504. DEBARMENT FROM PROGRAM PARTICIPATION. (a) The department shall develop, and the board by rule shall adopt, a policy providing for the debarment of a person from participation in programs administered by the department.

(b) The department may debar a person from participation in a department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

(c) The department shall debar a person from participation in a department program if the person:

(1) materially or repeatedly violates any condition imposed by the department in connection with the administration of a department program, including a material or repeated violation of a land use restriction agreement regarding a development supported with a housing tax credit allocation; or

(2) is debarred from participation in federal housing programs by the United States Department of Housing and Urban Development.

(d) A person debarred by the department from participation in a department program may appeal the person's debarment to the board.

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 8.01, eff. Sept. 1, 2001.
Transferred, redesignated and amended from Government Code, Section 2306.6721 by Acts 2013, 83rd Leg., R.S., Ch. 556 (S.B. 659), Sec. 1, eff. September 1, 2013.

Transferred, redesignated and amended from Government Code, Section 2306.6721 by Acts 2013, 83rd Leg., R.S., Ch. 1079 (H.B. 3361), Sec. 1.07, eff. September 1, 2013.

Texas Administrative Code

[TITLE 10](#)

COMMUNITY DEVELOPMENT

[PART 1](#)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[CHAPTER 2](#)

ENFORCEMENT

[SUBCHAPTER D](#)

DEBARMENT FROM PARTICIPATION IN PROGRAMS ADMINISTERED BY THE DEPARTMENT

RULE §2.401

General

(a) The Department may debar a Responsible Party, a Consultant and/or a Vendor who has exhibited past failure to comply with any condition imposed by the Department in the administration of its programs. A Responsible Party, Consultant or Vendor may be referred to the Committee for Debarment for any of the following:

(1) Refusing to provide an acceptable plan to implement and adhere to procedures to ensure compliant operation of the program after being placed on Modified Cost Reimbursement;

(2) Refusing to repay disallowed costs;

(3) Refusing to enter into a plan to repay disallowed costs or egregious violations of an agreed repayment plan;

(4) Meeting any of the ineligibility criteria referenced in §11.202 of this title (relating to Ineligible Applicants and Applications) or other ineligibility criteria outlined in a Program Rule, with the exception of: ineligibility related to conflicts of interest disclosed to the Department for review, and ineligibility identified in a previous participation review in conjunction with an application for funds or resources (unless otherwise eligible for Debarment under this Subchapter D);

(5) Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department;

(6) Failing to correct Events of Noncompliance as required by an order that became effective after April 1, 2021, and/or failing to pay an administrative penalty as required by such order, within six months of a demand being issued by the Department. In this circumstance, if the Debarment process is initiated but the Responsible Party fully corrects the findings of noncompliance to the satisfaction of the referring division and pays the administrative penalty as required by the order before the Debarment is finalized by the Board, the Debarment recommendation may be cancelled or withdrawn by Committee recommendation and Executive Director concurrence. This type of referral would be initiated by the Secretary;

(7) Controlling a multifamily Development that was foreclosed after April 1, 2021, where the foreclosure or deed in lieu of foreclosure terminates a subordinate TDHCA LURA;

(8) Controlling a multifamily Development and allowing a change in ownership after April 1, 2021, without Department approval;

(9) Transferring a Development, after April 1, 2021, without regard for a Right of First Refusal requirement;

(10) Being involuntary removed, or replaced due to a default by the General Partner under the Limited Partnership Agreement, after April 1, 2021;

(11) Controlling a multifamily Development and failing to correct Events of Noncompliance before the expiration of a Land Use Restriction Agreement, after the effective date of this rule;

(12) Refusing to comply with conditions approved by the Board that were recommended by the Executive Award Review Advisory Committee after April 1, 2021;

(13) Having any Event of Noncompliance that occurs after April 1, 2021, that causes the Department to be required to repay federal funds to any federal agency including, but not limited to the U.S. Department of Housing and Urban Development; and/or

(14) Submitting a written certification that non-compliance has been corrected when it is determined that the Event of Noncompliance was not corrected. For certain Events of Noncompliance, in lieu of documentation, the Compliance Division accepts a written certification that noncompliance has been corrected. If it is determined that the Event of Noncompliance was not corrected, a Person who signed the certification may be recommended for debarment;

(15) Refusing to provide an amenity required by the LURA after April 1, 2021;

(16) Failing to reserve units for Section 811 PRA participants after April 1, 2021;

(17) Failing to notify the Department of the availability of 811 PRA units after April 1, 2021;

(18) Taking "choice limiting" actions prior to receiving HUD environmental clearance (24 CFR §58.22);

(19) Substandard construction, as defined by the Program, and repeated failure to conduct required inspections;

(20) Repeated failure to provide eligible match. 24 CFR §92.220, 24 CFR §576.201, and as required by NOFA;

(21) Repeated failure to report program income. 24 CFR §200.80, 24 CFR §570.500, 24 CFR §576.407(c), 24 CFR §92.503, (as applicable), and 10 TAC §20.9, or as defined by Program Rule;

(22) Participating in activities leading to or giving the appearance of "Conflict of Interest". As applicable, in 2 CFR Part 215 2 CFR Part 200. 24 CFR §93.353, §92.356 24 CFR, §570.489, 24 CFR §576.404, 10 TAC §20.9, or as defined by Program Rule;

(23) Repeated material financial system deficiencies. As applicable, 2 CFR Part 200, 24 CFR §§, 92.205, 92.206, 92.350, 92.505, and 92.508, 2 CFR Part 215, 2 CFR Part 225 (if applicable), 2 CFR Part 230 (, 10 TAC §20.9, Uniform Grant Management Standards, and Texas Grant Management Standards (as applicable), and as defined by Program Rule.

(24) Repeated violations of Single Audit or other programmatic audit requirements;

(25) Failure to remain a CHDO for Department committed HOME funds;

(26) Commingling of funds, Misapplication of funds;

(27) Refusing to submit a required Audit Certification Form, Single Audit, or other programmatic audit;

(28) Refusing to timely respond to reports/provide required correspondence;

(29) Failure to timely expend funds; and

(30) A Monitoring Event determines that 50% or more of the client or household files reviewed do not contain required documentation to support income eligibility or indicate that the client or household is not income eligible.

(b) The Department shall debar any Responsible Party, Consultant, or Vendor who is debarred from participation in any program administered by the United States Government.

(c) Debarment for violations of the Department's Multifamily Programs. The Department shall debar any Responsible Party who has materially or repeatedly violated any condition imposed by the Department in connection with the administration of a Department program, including but not limited to a material or repeated violation of a land use restriction agreement (LURA) or Contract. Subsection (d) of this section provides the criteria the Department will use to determine if there has been a material violation of a LURA. Subsections (e) (1) and (e)(2) of this section provide the criteria the Department shall use to determine if there have been repeated violations of a LURA.

(d) Material violations of a LURA. A Responsible Party will be considered to have materially violated a LURA, Program Agreement, or condition imposed by the Department and shall be referred to the committee for mandatory Debarment if they:

(1) Control a Development that has, on more than one occasion scored 50 or less on a UPCS inspection or has, on more than one occasion scored 50 or less on a NSPIRE inspection, or any combination thereof. The Compliance Division may temporarily decrease this NSPIRE score threshold with approval by the Executive Director, for a period of time not longer than one year, so long as the score threshold is applied evenly to all properties;

(2) Refuse to allow a monitoring visit when proper notice was provided or failed to notify residents, resulting in inspection cancellation, or otherwise fails to make units and records available;

(3) Refuse to reduce rents to less than the highest allowed under the LURA;

(4) Refuse to correct a UPCS, NSPIRE, or final construction inspection deficiency after the effective date of this rule;

(5) Fail to meet minimum set aside by the end of the first year of the credit period (HTC Developments only) after April 1, 2021; or

(6) Excluding an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program after April 1, 2021.

(e) Repeated Violations of a LURA that shall be referred to the Committee for Debarment.

(1) A Responsible Party shall be referred to the Committee for mandatory Debarment if they Control a Development that, during two Monitoring Events in a row is found to be out of compliance with the following Events of Noncompliance:

(A) No evidence of, or failure to certify to, material participation of a non-profit or HUB, if required by the Land Use Restriction Agreement;

[Cont'd...](#)

[Next Page](#)

List of Titles

Back to List

[HOME](#)

[TEXAS REGISTER](#)

[TEXAS ADMINISTRATIVE CODE](#)

[OPEN MEETINGS](#)

Texas Administrative Code

TITLE 10

COMMUNITY DEVELOPMENT

PART 1

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 2

ENFORCEMENT

SUBCHAPTER D

DEBARMENT FROM PARTICIPATION IN PROGRAMS ADMINISTERED BY THE DEPARTMENT

RULE §2.401

General

(B) Any Uniform Physical Condition Standards Violations that result in a score of 70 or below in sequential UPCS inspections after April 1, 2021 or NSPIRE violations that result in a score of 50 or below in sequential inspections after the effective date of this rule, or any combination thereof. The Compliance Division may temporally decrease this NSPIRE score threshold with approval by the Executive Director, for a period not to exceed one year, so long as the score threshold is applied evenly to all properties;

(C) Refuse to submit all or parts of the Annual Owner's Compliance Report for two consecutive years after April 1, 2021; or

(D) Gross rents exceed the highest rent allowed under the LURA or other deed restriction.

(2) Repeated violations in a portfolio. Persons who control five or more Actively Monitored Developments will be considered for Debarment based on repeated violations in a portfolio. A Person shall be referred to be committee if an inspection or referral, after April 1, 2021, indicates the following:

(A) 50% or more of the Actively Monitored Developments in the portfolio have been referred to the Enforcement Committee within the last three years. The Enforcement Committee may increase this threshold at its discretion. For example, if three properties in a five-property portfolio are monitored in the same month, and then referred to the Enforcement Committee at the same time, it may be appropriate to increase the 50% threshold; or,

(B) 50% or more of the Actively Monitored Developments in the portfolio score a 70 or less during a Uniform Physical Conditions Standards inspection or score 50 or less during a NSPIRE inspection, or any combination thereof. The Compliance Division may decrease this NSPIRE score threshold with approval by the Executive Director, for a period not to exceed one year, so long as the score threshold is applied evenly to all properties.

(f) Debarment for violations of Department Programs, with the exception of the Non-Discretionary funds in the Community Services Block Grant program. Material or repeated violations of conditions imposed in connection with the administration of Programs administered by the Department. Administrators, Subrecipients, Responsible Parties, contractors, multifamily owners, and related parties shall be referred to the Committee for consideration for Debarment for violations including but not limited to:

(1) 50% or more loan defaults in the first 12 months of the loan agreement after April 1, 2021;

(2) The following Davis Bacon Act Violations:

(A) Refusing to pay restitution (underpayment of wages). 29 CFR §5.31.

(B) Refusing to pay liquidated damages (overtime violations). 29 CFR §5.8.

(C) Repeated failure to pay full prevailing wage, including fringe benefits, for all hours worked. 29 CFR §5.31.

(3) The following violations of the Uniform Relocation Act and requirements of §104(d):

(A) Repeated failure to provide the General Information Notice to tenants prior to application. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352 and HUD Handbook 1378.

(B) Repeated failure to provide all required information in the General Information Notice. 49 CFR §24.203, 24 CFR §570.606, 24 CFR §92.353, 24 CFR §93.352, or HUD Handbook 1378.

(C) Repeated failure to provide the Notice of Eligibility and/or Notice of Non-displacement on or before the Initiation of Negotiations date. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(D) Repeated failure to provide all required information in the Notice of Eligibility and/or Notice of Non-displacement. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(E) Repeated failure to provide 90 Day Notices to all "displaced" tenants and/or repeated failure to provide 30 Day Notices to all "non-displaced" tenants. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(F) Repeated failure to perform and document "decent, safe and sanitary" inspections of replacement housing. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §93.352, or 24 CFR §570.606.

(G) Refusing to properly provide Uniform Relocation Act or §104(d) assistance. 49 CFR §24.203, 24 CFR §92.353, 24 CFR §570.606 and §104(d) of the Housing & Community Development Act of 1974 - 24 CFR Part 42.

(4) Refusing to reimburse excess cash on hand;

(5) Using Department funds to demolish a homeowner's dwelling and then refusing to rebuild;

(6) Drawing down Department funds for an eligible use and then refusing to pay a properly submitted request for payment to a subgrantee or vendor with the drawn down funds.

(g) The referring division shall provide the Responsible Party with written notice of the referral to the Committee, setting forth the facts and circumstances that justify the referral for Debarment consideration.

(h) The Secretary shall then offer the Responsible Party the opportunity to attend an Informal Conference with the Committee to discuss resolution of the. In the event that the Debarment referral was the result of a violated agreed order or a determination that 50% or more of the Actively Monitored Developments in their portfolio have been referred to the Enforcement Committee, the above written notice of the referral to the Committee and the informal conference notice shall be combined into a single notice issued by the Secretary.

(i) A Debarment Informal Conference may result in the following, which shall be reported to the Executive Director:

(1) A determination that the Department did not have sufficient information and/or that the Responsible Party does not meet any of the criteria for Debarment;

(2) An agreed Debarment, with a proposed agreed order to be prepared and presented to the Board for approval;

(3) A recommendation by the Committee to the Executive Director for Debarment;

(4) A request for further information, to be considered during a future meeting; or,

(5) If Debarment is not mandatory, an agreement to dismiss the matter with no further action, an agreement to

dismiss the matter with corrective action being taken, or any other action as the Committee deems appropriate, which will then be reported to the Executive Director.

(j) The Committee's recommendation to the Executive Director regarding Debarment shall include a recommended period of Debarment. Recommended periods of Debarment will be based on material factors such as repeated occurrences, seriousness of underlying issues, presence or absence of corrective action taken or planned, including corrective action to install new responsible persons and ensure they are qualified and properly trained. Recommended periods of Debarment if based upon HUD Debarment, shall be for the period of the remaining HUD Debarment; or, if based upon criminal conviction, shall be up to ten (10) years or until fulfillment of all conditions of incarceration and/or probation, whichever is greater.

(k) The Executive Director shall accept, reject, or modify the Debarment recommendation by the Committee and shall provide written notice to the Responsible Party of the determination, and an explanation of the determination if different than the Committee's recommendation, including the period of Debarment, if any. The Responsible Party may appeal the Debarment determination in writing to the Board as described in §1.7 of this title (relating to Appeals Process).

(l) The Debarment recommendation will be brought to the next Board meeting for which the matter can be properly posted. The Board reserves discretion to impose longer or shorter Debarment periods than those recommended by staff based on its finding that such longer or shorter periods are appropriate when considering all factors and/or for the purposes of equity or other good cause. An action on a proposed Debarment of an Eligible Entity under the CSBG Act will not become final until and unless proceedings to terminate Eligible Entity status have occurred, resulting in such termination and all rights of appeal or review have run or Eligible Entity status has been voluntarily relinquished.

(m) Until the Responsible Party's Debarment referral is fully resolved, the Responsible Party may not participate in new Department financing and assistance opportunities.

(n) Any person who has been debarred is prohibited from participation as set forth in the final order of Debarment for the term of their Debarment. Unless specifically stated in the order of Debarment, Debarment does not relieve a Responsible Party from its current obligations, or prohibit it from continuing its participation in any existing engagements funded through the Department, nor limit its responsibilities and duties thereunder. The Board will not consider modifying the terms of the Debarment after the issuance of a final order of Debarment.

(o) If an Eligible Entity under the CSBG Act meets any of the criteria for Debarment in this rule, the Department may recommend the Eligible Entity for Debarment. However, that referral or recommendation shall not proceed until the termination of the Eligible Entity's status under the CSBG Act has concluded, and no right of appeal or review remains.

(p) All correspondence under this rule shall be delivered electronically.

Source Note: The provisions of this §2.401 adopted to be effective November 19, 2014, 39 TexReg 8976; amended to be effective April 1, 2021, 46 TexReg 1992; amended to be effective March 28, 2024, 49 TexReg 1891

[Previous Page](#)

List of Titles

Back to List

HOME

TEXAS REGISTER

TEXAS ADMINISTRATIVE CODE

OPEN MEETINGS

Exhibit 4:
2024 NSPIRE Scoring

**Rosemont at Meadow Lane (correct
building #): (Multiple Units)**
Results by Area
NSPIRE: Annual

Scheduled: 09/26/2024

Closed: Sep 26 2024

ID: 557377

Score: 75.28

Scoring Summary - NSPIRE

Units Inspected: 27 HUD Samp. Size: 15	Outside		Inside		Unit		Totals	
	#	Pts	#	Pts	#	Pts (Adj)	#	Pts
Life Threatening	1	3.31	0	0.00	3	6.67	4	9.97
Severe	0	0.00	0	0.00	6	3.29	6	3.29
Moderate	3	0.90	0	0.00	37	7.54	40	8.44
Low	0	0.00	0	0.00	34	3.02	34	3.02
Totals	4	4.21	0	0.00	80	20.52	84	24.72

Score	75.28*	Note: The unit points are adjusted based on the count of units inspected and not the HUD-defined unit sample size. Outside and Inside points are based on the HUD Sample Size.
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Message	Non-scoring findings excluded from score: (Handrail,Smoke Detectors), Temporary non-scoring findings excluded from score, Repeated HUD Standard findings within an area are counted only once
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Inspection Results

Outside											
3	Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
	Side Entry	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	AC connection	6	09/26/24 10:27 CF		LT	3.31 ³		24H
3 Outside NSPIRE Totals											
Life Threatening: 1/3.31			Severe: 0/0		Moderate: 0/0				Low: 0/0		
5	Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
	Side of Building	Wall Covering and Finish – Exterior	Building has large holes in the exterior wall	At AC unit 502	11	09/26/24 10:48 CF		Mod	0.30		30D
5 Outside NSPIRE Totals											
Life Threatening: 0/0			Severe: 0/0		Moderate: 1/0.3				Low: 0/0		

Inspection Results (Continued)

14										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Roof Assembly	Roof assembly is damaged		<u>1</u>	09/26/24 11:57 CF		Mod	0.30		30D
14 Outside NSPIRE Totals										
Life Threatening: 0/0		Severe: 0/0		Moderate: 1/0.3				Low: 0/0		
18										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Conductors, Outlets, Switches	Exposed electrical conductor	AC connection unit 1803	<u>2</u>	09/26/24 13:22 CF		LT	3.31		24H
18 Outside NSPIRE Totals										
Life Threatening: 1/3.31		Severe: 0/0		Moderate: 0/0				Low: 0/0		
21										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Walkway/Steps	Handrail	Handrail is missing (Evidence of Prior Installation)		<u>3</u>	09/26/24 13:43 CF		Mod	0.00 ¹		30D
21 Outside NSPIRE Totals										
Life Threatening: 0/0		Severe: 0/0		Moderate: 1/0				Low: 0/0		
28										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	AC conduit near unit 2806	<u>4</u>	09/26/24 14:47 CF		LT	3.31 ³		24H
28 Outside NSPIRE Totals										
Life Threatening: 1/3.31		Severe: 0/0		Moderate: 0/0				Low: 0/0		
29										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	Wiring for electrical exterior lights exposed	<u>5</u>	09/26/24 14:58 CF		LT	3.31 ³		24H
29 Outside NSPIRE Totals										
Life Threatening: 1/3.31		Severe: 0/0		Moderate: 0/0				Low: 0/0		
30										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	Hey, see conduit exposed wire	<u>7</u>	09/26/24 15:11 CF		LT	3.31 ³		24H
30 Outside NSPIRE Totals										
Life Threatening: 1/3.31		Severe: 0/0		Moderate: 0/0				Low: 0/0		
33										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Rear of Building	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	AC unit conduit at 3304	<u>8</u>	09/26/24 15:18 CF		LT	3.31 ³		24H
33 Outside NSPIRE Totals										
Life Threatening: 1/3.31		Severe: 0/0		Moderate: 0/0				Low: 0/0		

¹Non-Scoring ²Temporary Non-Scoring ³Repeat finding within the area (only 1-scored) *Note: Unit points adjusted to reflect the actual unit count

Inspection Results (Continued)

35										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Side of Building	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	Conduit on AC unit for unit 3505	9	09/26/24 15:41 CF		LT	3.31 ³		24H
Side of Building	Wall Covering and Finish – Exterior	Exterior wall with missing section greater than 12x12in.		10	09/26/24 15:40 CF		Mod	0.30		30D

35 Outside NSPIRE Totals

Life Threatening: 1/3.31 Severe: 0/0 Moderate: 1/0.3 Low: 0/0

Unit										
2: Unit 206										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		32	09/26/24 10:19 CF		Mod	0.37 ³	0.20 ³	30D
Bathroom (Half)	Sink	Sink component is damaged or missing impacting functionality	Sink not installed	33	09/26/24 10:21 CF		Mod	0.37	0.20	30D
Bathroom (Half)	Toilet	Toilet is missing (not only toilet in unit)		34	09/26/24 10:19 CF		Mod	0.37	0.20	30D
Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		35	09/26/24 10:22 CF		Mod	0.37 ³	0.20 ³	30D
Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		36	09/26/24 10:16 CF		Mod	0.37	0.20	30D
Kitchen	Kitchen Sink	Sink is missing or not installed within the primary kitchen			09/26/24 10:18 CF		Mod	0.37	0.20	30D
Kitchen	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		37	09/26/24 10:15 CF		Mod	0.37	0.20	30D
Laundry Room	Door – General	Closet door component is missing, damaged or inoperable		38	09/26/24 10:24 CF		Low	0.16	0.09	60D

2: Unit 206 Unit NSPIRE Totals

Life Threatening: 0/0 Severe: 0/0 Moderate: 7/1.43 Low: 1/0.09

4: Unit 403										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Alternate Location - See Notes for Details	Exhaust System	Exhaust system component is damaged or missing.	Missing exhaust scan cover in the laundry room	76	09/26/24 10:39 CF		Mod	0.37	0.20	30D
Bathroom 1	Toilet	Toilet is damaged or inoperable (not only toilet in unit)	Toilet does not flush		09/26/24 10:37 CF		Mod	0.37	0.20	30D
Bathroom 1	Wall Covering and Finish – Interior	Interior wall has hole greater than 2in.		77	09/26/24 10:35 CF		Mod	0.37	0.20	30D
Bathroom 2	Door – General	A passage door component is damaged/missing/inoperable		78	09/26/24 10:40 CF		Low	0.16	0.09	60D
Bathroom 2	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		79	09/26/24 10:43 CF		Mod	0.37	0.20	30D
Bathroom 2	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		80	09/26/24 10:43 CF		Low	0.16	0.09	60D
Den	Flammables or Combustibles	Improperly Stored Chemicals (Paint, Gasoline, etc.)		81	09/26/24 10:35 CF		LT	4.00	2.22	24H

4: Unit 403 Unit NSPIRE Totals

Life Threatening: 1/2.22 Severe: 0/0 Moderate: 4/0.81 Low: 2/0.18

5: Unit 501										
Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Entire Unit	No Issues/Violations	Inspected - No Issues Were Found			09/26/24 15:55			0.00 ¹	0.00 ¹	

¹Non-Scoring ²Temporary Non-Scoring ³Repeat finding within the area (only 1-scored) *Note: Unit points adjusted to reflect the actual unit count



5: Unit 501 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 0/0

Low: 0/0

6: Unit 601

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		84	09/26/24 11:00 CF		Low	0.16 ³	0.09 ³	60D
Bathroom 2	Bathtub/Shower	Bath/shower stopper damaged, inoperable, or missing with evidence of prior installation		85	09/26/24 11:02 CF		Low	0.16	0.09	60D
Bathroom 2	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 11:01 CF		Low	0.16 ³	0.09 ³	60D
Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)		86	09/26/24 10:59 CF		Mod	0.37	0.20	30D

6: Unit 601 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 1/0.2

Low: 3/0.27

7: Unit 705

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		87	09/26/24 11:07 CF		Low	0.16	0.09	60D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		88	09/26/24 11:10 CF		Severe	0.00 ²	0.00 ²	24H

7: Unit 705 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 0/0

Low: 1/0.09

9: Unit 904

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		89	09/26/24 11:17 CF		Low	0.16	0.09	60D
Kitchen	Infestation	Evidence of other pests	Nats	90	09/26/24 11:15 CF		Mod	0.37	0.20	30D

9: Unit 904 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 1/0.2

Low: 1/0.09

10: Unit 1006

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Sink	Sink component is damaged or missing impacting functionality		12	09/26/24 11:24 CF		Mod	0.37	0.20	30D
Den	Smoke Alarms	Smoke alarm does not produce an audio or visual alarm when tested			09/26/24 11:26 CF		LT	0.00 ¹	0.00 ¹	24H

10: Unit 1006 Unit NSPIRE Totals

Life Threatening: 1/0

Severe: 0/0

Moderate: 1/0.2

Low: 0/0

11: Unit 1104

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		13	09/26/24 11:37 CF		Low	0.16	0.09	60D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		14	09/26/24 11:35 CF		Severe	0.00 ²	0.00 ²	24H

11: Unit 1104 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 0/0

Low: 1/0.09



Inspection Results (Continued)

13: Unit 1302

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Sink	Sink component is damaged or missing impacting functionality		15	09/26/24 11:42 CF		Mod	0.37	0.20	30D
Bathroom (Half)	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		16	09/26/24 11:42 CF		Low	0.16	0.09	60D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		17	09/26/24 11:44 CF		Severe	0.00 ²	0.00 ²	24H
Main Entry	Door Hardware - Entry (non-fire)	Entry door component is damaged, inoperable, or missing (does not affect privacy or security)		18	09/26/24 11:45 CF		Low	0.16	0.09	60D

13: Unit 1302 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 1/0.2

Low: 2/0.18

14: Unit 1401

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 11:48 CF		Low	0.16 ³	0.09 ³	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 11:51 CF		Low	0.16 ³	0.09 ³	60D
Hallways & Corridors	Sharp Edges	Any item or component has a sharp edge that can puncture or cut		19	09/26/24 11:53 CF		Severe	0.99	0.55	24H
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		20	09/26/24 11:54 CF		Severe	0.00 ²	0.00 ²	24H
Stairwell	Handrail	Handrail is not secure/movement at the anchors			09/26/24 11:50 CF		Mod	0.37	0.20	30D

14: Unit 1401 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 2/0.55

Moderate: 1/0.2

Low: 2/0.18

15: Unit 1511

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower basin discolored on more than 50% of surface		21	09/26/24 12:07 CF		Low	0.16	0.09	60D
Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		22	09/26/24 12:06 CF		Mod	0.37	0.20	30D
Rear Entry	Door Hardware - Entry (non-fire)	Entry door component is damaged, inoperable, or missing (does not affect privacy or security)		23	09/26/24 12:03 CF		Low	0.16	0.09	60D
Stairwell	Handrail	Handrail is not secure/movement at the anchors			09/26/24 12:05 CF		Mod	0.37	0.20	30D

15: Unit 1511 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 2/0.41

Low: 2/0.18

17: Unit 1702

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Laundry Room	Door – General	Closet door component is missing, damaged or inoperable		24	09/26/24 13:16 CF		Low	0.16	0.09	60D

17: Unit 1702 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 0/0

Low: 1/0.09

*Non-Scoring *Temporary Non-Scoring *Repeat finding within the area (only 1-scored) *Note: Unit points adjusted to reflect the actual unit count

Inspection Results (Continued)

18: Unit 1802

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower basin discolored on more than 50% of surface		25	09/26/24 13:31 CF		Low	0.16	0.09	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		26	09/26/24 13:30 CF		Low	0.16	0.09	60D
Bathroom 1	Toilet	Toilet is not secured at base/loose		27	09/26/24 13:30 CF		Mod	0.37 ³	0.20 ³	30D
Bathroom 2	Toilet	Toilet is not secured at base/loose			09/26/24 13:35 CF		Mod	0.37 ³	0.20 ³	30D
Bedroom 2	Conductors, Outlets, Switches	Electrical conductor is not properly insulated/enclosed	Bedroom 2	28	09/26/24 13:34 CF		LT	4.00	2.22	24H
Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		29	09/26/24 13:25 CF		Mod	0.37	0.20	30D
Kitchen	Kitchen Sink	Water is directed outside of the basin		30	09/26/24 13:26 CF		Low	0.16	0.09	60D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		31	09/26/24 13:28 CF		Severe	0.00 ²	0.00 ²	24H

18: Unit 1802 Unit NSPIRE Totals

Life Threatening: 1/2.22

Severe: 1/0

Moderate: 3/0.61

Low: 3/0.27

20: Unit 2002

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower basin discolored on more than 50% of surface		39	09/26/24 13:49 CF		Low	0.16	0.09	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 13:49 CF		Low	0.16	0.09	60D
Kitchen	Refrigerator	Refrigerator drawers or shelving is damaged		40	09/26/24 13:46 CF		Mod	0.37	0.20	30D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		41	09/26/24 13:47 CF		Severe	0.00 ²	0.00 ²	24H

20: Unit 2002 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 1/0.2

Low: 2/0.18

23: Unit 2305

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 13:58 CF		Low	0.16	0.09	60D

23: Unit 2305 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 0/0

Low: 1/0.09

24: Unit 2404

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 2	Sharp Edges	Any item or component has a sharp edge that can puncture or cut	Broken floor tiles	42	09/26/24 14:11 CF		Severe	0.99	0.55	24H
Kitchen	Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing		43	09/26/24 14:05 CF		Mod	0.37	0.20	30D
Living Room	Tripping Hazard	Tripping hazard - 3/4in. vertical difference		44	09/26/24 14:12 CF		Mod	0.37	0.20	30D
Main Entry	Door Hardware - Entry (non-fire)	Entry door cannot be secured/locked		45	09/26/24 14:03 CF		Severe	0.99	0.55	24H
Stairwell	Handrail	Handrail is missing (Evidence of Prior Installation)		46	09/26/24 14:06 CF		Mod	0.00 ¹	0.00 ¹	30D

*Non-Scoring *Temporary Non-Scoring *Repeat finding within the area (only 1-scored) *Note: Unit points adjusted to reflect the actual unit count

24: Unit 2404 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 2/1.1

Moderate: 3/0.41

Low: 0/0

25: Unit 2502

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		47	09/26/24 14:22 CF		Low	0.16	0.09	60D
Bathroom 3	Door – General	Closet door component is missing, damaged or inoperable		48	09/26/24 14:23 CF		Low	0.16	0.09	60D
Main Entry	Door Hardware - Entry (non-fire)	Entry door component is damaged, inoperable, or missing (does not affect privacy or security)			09/26/24 14:26 CF		Low	0.16	0.09	60D
Stairwell	Handrail	Handrail is missing (Evidence of Prior Installation)		49	09/26/24 14:20 CF		Mod	0.00 ¹	0.00 ¹	30D
Stairwell	Tripping Hazard	Tripping hazard - 3/4in. vertical difference		50	09/26/24 14:22 CF		Mod	0.37	0.20	30D

25: Unit 2502 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 2/0.2

Low: 3/0.27

27: Unit 2705

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 14:32 CF		Low	0.16	0.09	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 14:32 CF		Low	0.16	0.09	60D

27: Unit 2705 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 0/0

Low: 2/0.18

28: Unit 2802

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower basin discolored on more than 50% of surface		51	09/26/24 14:40 CF		Low	0.16	0.09	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 14:39 CF		Low	0.16	0.09	60D
Bathroom 2	Mold-Like Substances	Moisture damage on a surface from 1 to 9 S.F. (Units)		52	09/26/24 14:43 CF		Severe	0.99	0.55	24H
Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		53	09/26/24 14:38 CF		Mod	0.37	0.20	30D
Laundry Room	GFCI/AFCI	GFCI outlet or GFCI breaker reset button does not test (No visible damage)		54	09/26/24 14:42 CF		Severe	0.99	0.55	24H
Main Entry	Door Hardware - Entry (non-fire)	Entry door component is damaged, inoperable, or missing (does not affect privacy or security)	Door seal does not function as intended	55	09/26/24 14:37 CF		Low	0.16	0.09	60D

28: Unit 2802 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 2/1.1

Moderate: 1/0.2

Low: 3/0.27

29: Unit 2912

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower basin discolored on more than 50% of surface		56	09/26/24 14:52 CF		Low	0.16	0.09	60D
Bedroom 3	Door – General	Closet door component is missing, damaged or inoperable		57	09/26/24 14:54 CF		Low	0.16	0.09	60D
Kitchen	Cooking Appliance	A Stove Burner is Inoperable (with at least one operable burner)	Right front burner		09/26/24 14:51 CF		Mod	0.37	0.20	30D

¹Non-Scoring ²Temporary Non-Scoring ³Repeat finding within the area (only 1-scored) ⁴Note: Unit points adjusted to reflect the actual unit count

Inspection Results (Continued)

29: Unit 2912 (Continued)

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		58	09/26/24 14:48 CF		Severe	0.00 ²	0.00 ²	24H

29: Unit 2912 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 1/0.2

Low: 2/0.18

30: Unit 3001

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 15:06 CF		Low	0.16 ³	0.09 ³	60D
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation			09/26/24 15:07 CF		Low	0.16 ³	0.09 ³	60D
Kitchen	Ceiling Covering and Finishes	Ceiling has a hole 2in. or more in diameter		59	09/26/24 15:09 CF		Mod	0.37	0.20	30D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source			09/26/24 15:07 CF		Severe	0.00 ²	0.00 ²	24H

30: Unit 3001 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 1/0.2

Low: 2/0.18

32: Unit 3204

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		60	09/26/24 15:14 CF		Mod	0.37	0.20	30D
Laundry Room	Conductors, Outlets, Switches	Exposed electrical conductor	Water heater cover missing	61	09/26/24 15:13 CF		LT	4.00	2.22	24H

32: Unit 3204 Unit NSPIRE Totals

Life Threatening: 1/2.22

Severe: 0/0

Moderate: 1/0.2

Low: 0/0

33: Unit 3302

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		62	09/26/24 15:22 CF		Severe	0.00 ²	0.00 ²	24H

33: Unit 3302 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 0/0

Low: 0/0

34: Unit 3401

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Cabinets/Vanity	50%+ of vanity components are missing/damaged/inoperable in a bathroom or laundry		63	09/26/24 15:33 CF		Mod	0.37	0.20	30D
Bedroom 2	Floor Covering and Finishes	10% or more of the floor substrate area is exposed in any room		64	09/26/24 15:32 CF		Mod	0.37 ³	0.20 ³	30D
Kitchen	Cabinetry	50% or more of cabinet components are missing, damaged, or inoperable		65	09/26/24 15:29 CF		Mod	0.37	0.20	30D
Kitchen	Cooking Appliance	Cooking range, cooktop, or oven component is damaged or missing		66	09/26/24 15:31 CF		Mod	0.37	0.20	30D
Kitchen	Kitchen Sink	Sink is missing or not installed within the primary kitchen		67	09/26/24 15:30 CF		Mod	0.37	0.20	30D

*Non-Scoring *Temporary Non-Scoring *Repeat finding within the area (only 1-scored) *Note: Unit points adjusted to reflect the actual unit count



Inspection Results (Continued)

34: Unit 3401 (Continued)

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Kitchen	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		68	09/26/24 15:29 CF		Mod	0.37 ³	0.20 ³	30D
Living Room	Ceiling Covering and Finishes	Ceiling has a hole 2in. or more in diameter		69	09/26/24 15:27 CF		Mod	0.37	0.20	30D
Living Room	Floor Covering and Finishes	10% or more of the floor substrate area is exposed in any room		70	09/26/24 15:27 CF		Mod	0.37 ³	0.20 ³	30D
Living Room	Wall Covering and Finish – Interior	Interior wall has holes affecting an area greater than 6x6in.		71	09/26/24 15:28 CF		Mod	0.37 ³	0.20 ³	30D

34: Unit 3401 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 9/1.83

Low: 0/0

35: Unit 3505

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom (Half)	Sink	Sink is clogged/not draining		72	09/26/24 15:49 CF		Mod	0.37	0.20	30D
Kitchen	Infestation	Evidence of cockroaches (Live, Dead, or Other Evidence)			09/26/24 15:44 CF		Mod	0.37	0.20	30D
Kitchen	Kitchen Sink	Kitchen Sink with disposal missing/damaged/inoperable stopper		73	09/26/24 15:42 CF		Low	0.16	0.09	60D
Main Entry	Door Hardware - Entry (non-fire)	Entry door cannot be secured/locked	Front entry door deadbolt does not lock		09/26/24 15:48 CF		Severe	0.99	0.55	24H

35: Unit 3505 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0.55

Moderate: 2/0.41

Low: 1/0.09

37: Unit 3704

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Bathtub/Shower	Bath/shower stopper damaged, inoperable, or missing with evidence of prior installation		74	09/26/24 15:54 CF		Low	0.16	0.09	60D
Laundry Room	GFCI/AFCI	Missing GFCI protection on outlet within Six Feet of water source		75	09/26/24 15:55 CF		Severe	0.00 ²	0.00 ²	24H

37: Unit 3704 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 1/0

Moderate: 0/0

Low: 1/0.09

40: Unit 4004

Location	Item	Results	Notes	Pic	Date	Fixed	Sev	Pts	Pts (Adj)	Fix By
Bathroom 1	Sink	Sink stopper damaged, inoperable, or missing with evidence of prior installation		82	09/26/24 15:37 CF		Low	0.16	0.09	60D
Bathroom 1	Toilet	Toilet components are damaged and inoperable		83	09/26/24 15:37 CF		Mod	0.37	0.20	30D

40: Unit 4004 Unit NSPIRE Totals

Life Threatening: 0/0

Severe: 0/0

Moderate: 1/0.2

Low: 1/0.09



COATS | ROSE

A PROFESSIONAL CORPORATION

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DIRECTOR

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October 22, 2024

By Email to bobby.wilkinson@tdhca.state.tx.us

TDHCA Governing Board
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711
c/o Bobby Wilkinson, Executive Director

RE: Appeal of Notice of Debarment Determination for David B. Ratliff, Michael Volz, and Evan J. Hunden dated October 15, 2024.

Dear Chair Vasquez and Board Members:

This is an appeal of the October 15, 2024 Notice of Debarment Determination for David B. Ratliff, Michael Volz, and Evan J. Hunden sent by Bobby Wilkinson, Executive Director (the "Debarment Determination"). Each of the named individuals was determined to be debarred for a period of two (2) years, subject to the TDHCA Board's concurrence. We take issue with this Debarment Determination on the grounds that the debarment proceeding was brought under 10 (TAC §2.401(e)(2)(A), but the conditions set out in that rule were not met.

We also suggest that a two-year debarment is not warranted for what were initially primarily late filing responses to noncompliance issues, for which the third party property management company accepted responsibility. Only with the September 26, 2023 REAC inspection of Rosemont at Meadow Lane (Score of 47 out of 100) did the condition of a single property slip to the point that it has been an incredible lift to resolve the physical noncompliances identified. Notwithstanding the severe issues, at the most recent NSPIRE inspection of Rosemont at Meadow Lane on September 26, 2024, the project obtained a passing score of 75.28, with 60 being the minimum passing score, as established by HUD. We note that under 10 TAC §2.401(d)(1), a project is referred to the Enforcement Committee for mandatory debarment if it has, on more than one occasion scored 50 or less on a UPCS or an NSPIRE inspection, or any combination thereof. That criterion has never been met in this portfolio, and we suggest that the two-year debarment terms recommended by the Staff do not match the standards suggested by this rule, especially in view of the extreme measures taken to bring Rosemont at Meadow Lane into compliance for the scheduled NSPIRE inspection.

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HOUSTON | AUSTIN | DALLAS | CINCINNATI

1. Background:

David B. Ratliff, Michael Volz, and Evan J. Hunden (collectively, the “Officers”) are all executive officers of DevCo, LLC, an integrated development and investment company headquartered in the State of Washington which is the largest provider of affordable housing in Washington State. Since 1994, DevCo, LLC has focused on developing, owning and managing 12,000 affordable and market rate apartment units throughout the United States. DevCo Preservation, LLC is a division that concentrates on rehabilitating affordable multifamily developments located outside the State of Washington. (DevCo, LLC and DevCo Preservation, LLC are collectively referred to hereafter as “DevCo”).

2. Basis for Debarment Determination [10 TAC §2.401(e)(2)(A)]:

The TDHCA notified the of a referral for possible debarment pursuant to a specific provision of the Texas Administrative Code, which reads as follows:

(e) Repeated Violations of a LURA that shall be referred to the Committee for Debarment.

...

(2) Repeated violations in a portfolio. Persons who control five or more Actively Monitored Developments will be considered for Debarment based on repeated violations in a portfolio. A Person shall be referred to the committee if an inspection or referral, after April 1, 2021, indicates the following:

(A) 50% or more of the Actively Monitored Developments in the portfolio have been referred to the Enforcement Committee within the last three years. The Enforcement Committee may increase this threshold at its discretion. For example, if three properties in a five-property portfolio are monitored in the same month, and then referred to the Enforcement Committee at the same time, it may be appropriate to increase the 50% threshold; or, ...

3. Definition of “Actively Monitored Development”:

In 10 TAC §2.102(1) the Texas Administrative Code specifically defines an “Actively Monitored Development” as used in Chapter 2 provisions relating to Enforcement:

The words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Capitalized words used herein have the meaning assigned in the specific chapters of this title that govern the program associated with the request, in Chapter 1 of this title (relating to Administration), or assigned by federal or state law.

(1) Actively Monitored Development--A Development that within the last three years has been monitored by the Department, either through a Uniform Physical Condition Standards (UPCS) inspection, a National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection, an onsite or desk file monitoring review, an Affirmative Marketing Plan review, or a Written Policies and Procedures Review. UPCS and NSPIRE inspections include inspections completed by Department staff, Department contractors and inspectors from the Real Estate Assessment Center through federal alignment efforts.

4. The DevCo portfolio:

DevCo currently has a 10-property Texas portfolio that consists of developments that have been re-syndicated after the expiration of the initial 15-year Compliance Period. The projects owned by DevCo are as shown on Exhibit 2 of the Debarment Determination (copy attached).

The TDHCA has listed all of the projects except Costa Almedena and Brookside Gardens as being Actively Monitored Developments. Under the applicable definition [10 TAC §2.102(1)], we assert that both of these projects should have been considered Actively Monitored Developments:

1. Costa Almedena received a physical inspection on July 7, 2021, as evidenced by a Close-out letter dated March 14, 2022. A physical inspection was also initially scheduled for April 9, 2024, by letter dated March 20, 2024, but was subsequently cancelled at the request of the Property Manager, as shown by email correspondence between Eric Rios and Jamila Ghadamosi dated March 25 – 26, 2024.
2. Brookside Gardens received a physical inspection on April 19, 2022, as referenced in the Close-out letter dated October 3, 2022.

These circumstances were previously brought to the attention of Staff by letter dated July 29, 2024. Staff rejected this information on the grounds that the inspections for Costa Almedena and Brookside Gardens were conducted during a predecessor in title's ownership and therefore the projects were not considered "Actively Monitored Developments" as they related to the Officers.

5. Number of Actively Monitored Developments should be 10:

We have been unable to identify any rule or precedent that suggests whether or not a project being "actively monitored" is dependent upon the identity of the owner of the project. The definition is tied to the dates that UPCS or NSPIRE inspections, or an onsite or desk file monitoring review, Affirmative Marketing Plan review or Written Policies and Procedures review took place. Nothing in the definition speaks to the ownership of a project at the time of such inspection or review. Accordingly, Costa Almedena and Brookside Gardens should have been counted as part of the portfolio of Actively Monitored Developments. This would mean that of the 10 projects owned by DevCo, all 10 should have been considered Actively Monitored Developments.

6. Ownership by Hunden is not shown in three instances:

The listing of projects and their ownership and referral status does not show that at the time of re-syndication, the following projects were acquired by entities in which Evan (Jack) Hunden held Controlling interests: (i) The Mondello (07/17/2024); (ii) The Positano (08/24/2023); and (iii) Costa Almadena (07/28/2023). Mr. Hunden's Control over The Mondello would be irrelevant to this procedure, since it was not acquired until after issuance of the Debarment Notice on April 24, 2024. His interests in The Positano and Costa Almadena should have been

considered at the time of the Debarment Notice, however. This would have given Mr. Hunden a portfolio of 8 Controlled Actively Monitored Developments. Copies of the organizational charts for these three projects post re-syndication are attached as Exhibit A, and copies of their organizational documents are available upon request.

7. Percentages of referred developments fail to meet 10 TAC §2.401(e)(2)(A) criteria:

Had the Staff used a portfolio count of 10 Actively Monitored Developments, then the portfolio number considered to be under the Control of the Officers would be 9 for David Ratliff and Michael Volz, and 6 for Evan (Jack) Hunden. The percentages of those Actively Monitored Developments under the Control of each of the Officers that were referred to the Enforcement Committee within the three years preceding the Debarment Notice dated April 24, 20024, would be as follows:

1. David Ratliff – 40%
2. Michael Volz – 40%
3. Evan (Jack) Hunden – 37.5% (At the time of the April 24, 2024 Debarment Notice, Jack Hunden did not have an ownership interest in The Mondello, so at the most, he could only “Control” 8 developments, of which 3 had been referred to the Enforcement Committee.)

Based upon these percentages, the referral of the Officers to the Enforcement Committee was not in accordance with the criteria set out in 10 TAD §2.401(e)(2)(A).

8. Extreme effort has been devoted to resolving physical noncompliance issues:

In December 2023 it became clear to DevCo and the Officers that their third party property management company was not taking adequate steps to resolve the outstanding noncompliances from the September 26, 2023 REAC inspection of Rosemont at Meadow Lane. They stepped in to directly supervise resolution of the noncompliance issues. They have undertaken an intense effort to resolve the physical noncompliances identified in the 2023 REAC inspection. Since December 2023 a total of **\$2,346,884.00** has been spent to bring the project up to TDHCA standards and to successfully pass the anticipated September 26, 2024 NSPIRE inspection. Please see the attached Exhibit B. Additionally, Devco has terminated the previous non-performing property management company and as of October 2024, Alpha Barnes Real Estate Services, LLC was engaged to serve as the third party Property Manager overseeing all efforts to fix physical problems with Rosemont at Meadow Lane and to bring it into compliance with the TDHCA standards and procedures. As of this time, DevCo has replaced the previous property manager with Alpha Barnes Real Estate Services, LLC on five of the portfolio projects, and the lenders of four additional projects have requests pending that HUD approve property management changes.

We believe that all of the above circumstances indicate that the Officers and DevCo are acting in good faith to bring the problematic Rosemont at Meadow Lane into compliance in all respects, and to the best of our knowledge, any noncompliances noted for other properties in DevCo’s Control per TDHCA rules have been resolved and close-out letters are in place.

9. Summary:

In summary, we think that this Debarment Determination against the Officers is faulty in that it should not have been brought against them, given the size of their various Controlled Actively Monitored Development portfolios. We accordingly request that the debarment proceeding be terminated without any penalties to the Officers.

If, however, the Board does not agree with our analysis of the underpinnings of this debarment proceeding, then we request that the Board reduce the debarment terms, taking into consideration the major efforts that have been undertaken to resolve the outstanding noncompliances, and the really major turn-around that was made to enable Rosemont at Meadow Lane to pass the recent NSPIRE inspection. We point out that the NSPIRE inspection noted that all of the noncompliances still outstanding from the 2023 REAC inspection (window screens and faulty swimming pool equipment) were observed to have been cured.

Thank you for the opportunity to submit this appeal of the Debarment Determination. If there are any questions, we are glad to provide clarification.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Barry J. Palmer', is written over a horizontal line.

Barry J. Palmer, Director

Enclosures:

Copy of Exhibit 2 from Debarment Determination

Exhibit A - Copies of organizational charts (Mondello, Positano & Costa Almadena)

Exhibit B - Capital Expenditures for Rosemont at Meadow Lane

cc: Bobby Wilkinson
David B. Ratliff
Michael Volz
Evan (Jack) Hunden
Mattye Gouldsby Jones
Tamea A. Dula

Exhibit 2: Actively Monitored Development Analysis

Property	David Ratliff	Michael Volz	Evan Hunden	Referred for penalty during last 3 years?	Control Began (date)	Actively Monitored
The Mondello HTC 07053 / CMTS 4080	Managing Member	Managing Member	Guarantor. No Control authority	4/2022 File Monitoring Referral	11/3/2021	Yes
Rosemont Ash Creek HTC 23420 / HTC 03410 / Bond 03410B / CMTS 3399	Managing Member	Managing Member	Managing Member	2/2022 UPCS Referral	12/29/2020	Yes
Rosemont Meadow Lane HTC 03433 / CMTS 3421	Managing Member	Managing Member	Managing Member	11/2021 UPCS Referral 4/2024 UPCS Referral	1/29/2021	Yes
Rosemont Lancaster HTC 02479 / Bond 20034 / CMTS 3279	Managing Member	Managing Member	Managing Member	2/2022 UPCS Referral 6/2022 File Monitoring Referral	12/29/2020	Yes
Park at Humble HTC 23434 / HTC 03465 / 03465B / CMTS 4036	Managing Member	Managing Member	Managing Member	No	8/2/2021	Yes
Positano HTC 23421 / HTC 04490 / CMTS 4184	Managing Member	Managing Member	No Control authority	No	12/17/2021	Yes
Tigoni Villas HTC 23424 / HTC 03136 / CMTS 3353	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1. of LPA)	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1. of LPA)	Managing Member of the Limited Partner, but has primary Control authority per Section 5.1. of LPA)	No	1/7/2022	Yes
Plainview Vistas HTC 04154 / CMTS 4073	No Control authority	No Control authority	No Control authority	No	1/7/2022	Yes, but not in Control. Verified by Coats Rose 5/15/2024

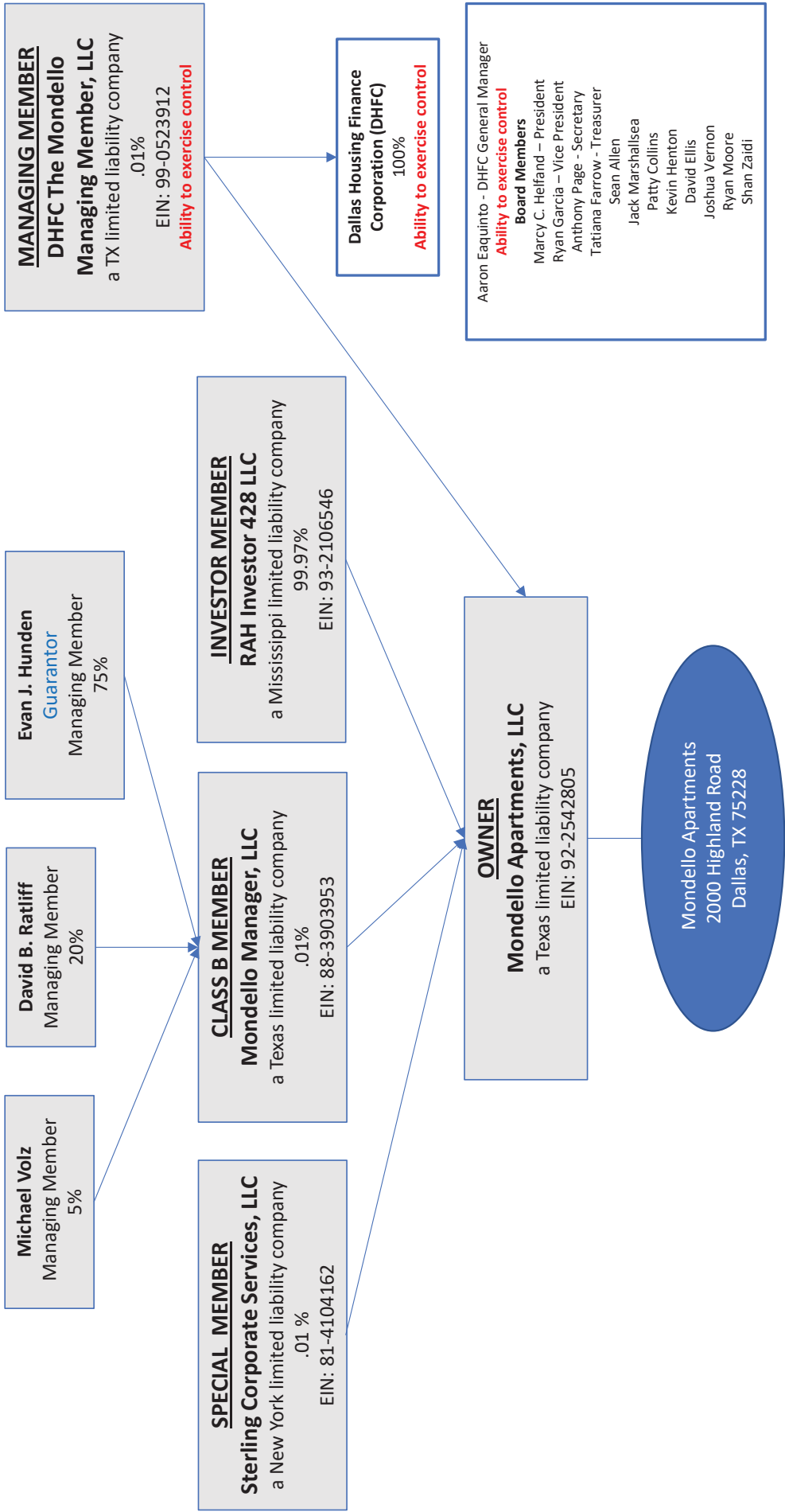
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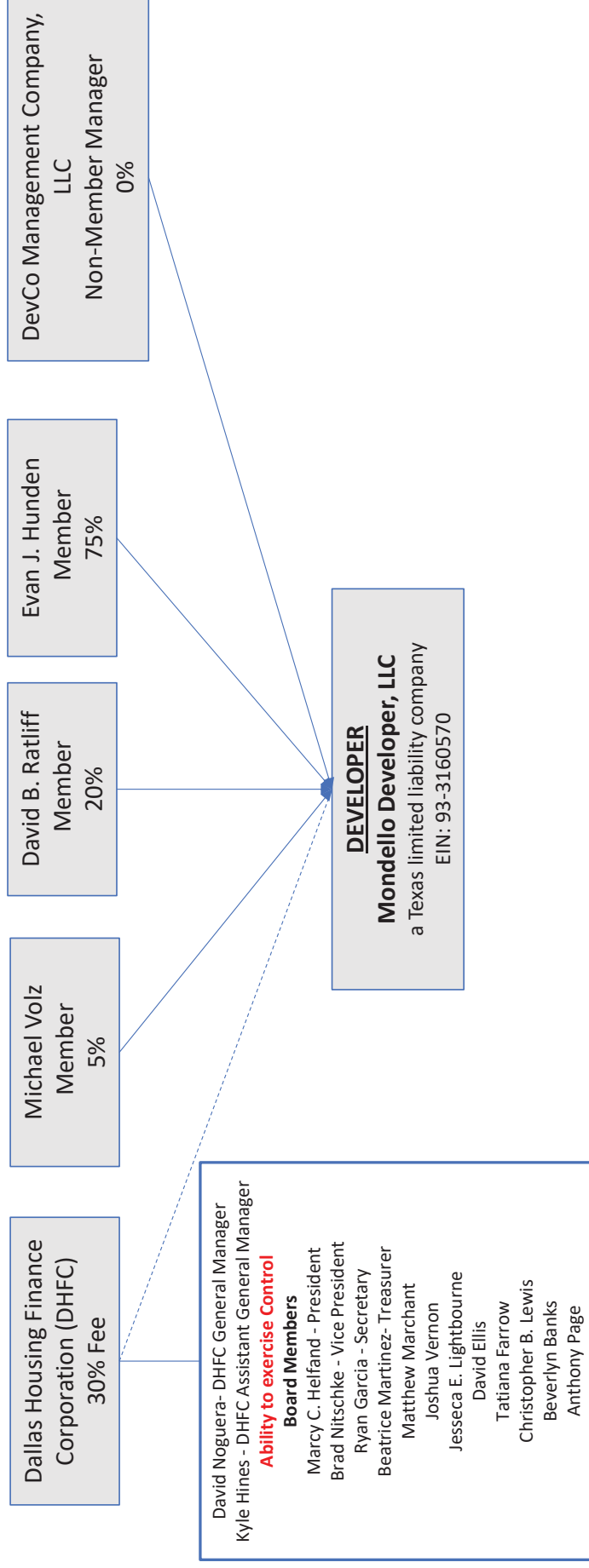
Property	David Ratliff	Michael Volz	Evan Hunden	Referred for penalty during last 3 years?	Control Began (date)	Actively Monitored
Costa Almedena HTC 23437 / HTC 060426 / CMTS 4429	Managing Member of Co-GP (primary control authority)	Managing Member of Co-GP (primary control authority)	No Control authority	No	12/1/2021	No. Inspected 7/7/2021. Report issued 8/6/2021. Corrections submitted by prior owner 10/18/2021. Property sold 12/1/2021. TDHCA close-out letter was issued 3/14/2022, after the sale, but none of the above monitoring events were during their Control, so it is not considered an Actively Monitored Development for purposes of this analysis
Brookside Gardens HTC 23454 / HTC 04611 / Bond 04611B / CMTS 4160	Managing Member	Managing Member	Managing Member & Guarantor	No	6/22/2022	No. Inspected 4/19/2022. Report issued 5/20/2022. Corrections submitted by prior owner 6/6/2022. Property sold 6/22/2022. TDHCA close-out letter was issued 10/3/2022, after the sale, but none of the above monitoring events were during their Control, so it is not considered an Actively Monitored Development for purposes of this analysis
Total Actively Monitored Developments in Control	7	7	5	4 Developments referred		

Exhibit A

Copies of organizational charts (Mondello, Positano & Costa Almadena)

Mondello Apartments, LLC Resyndication Org Chart of Owner & Developer DRAFT





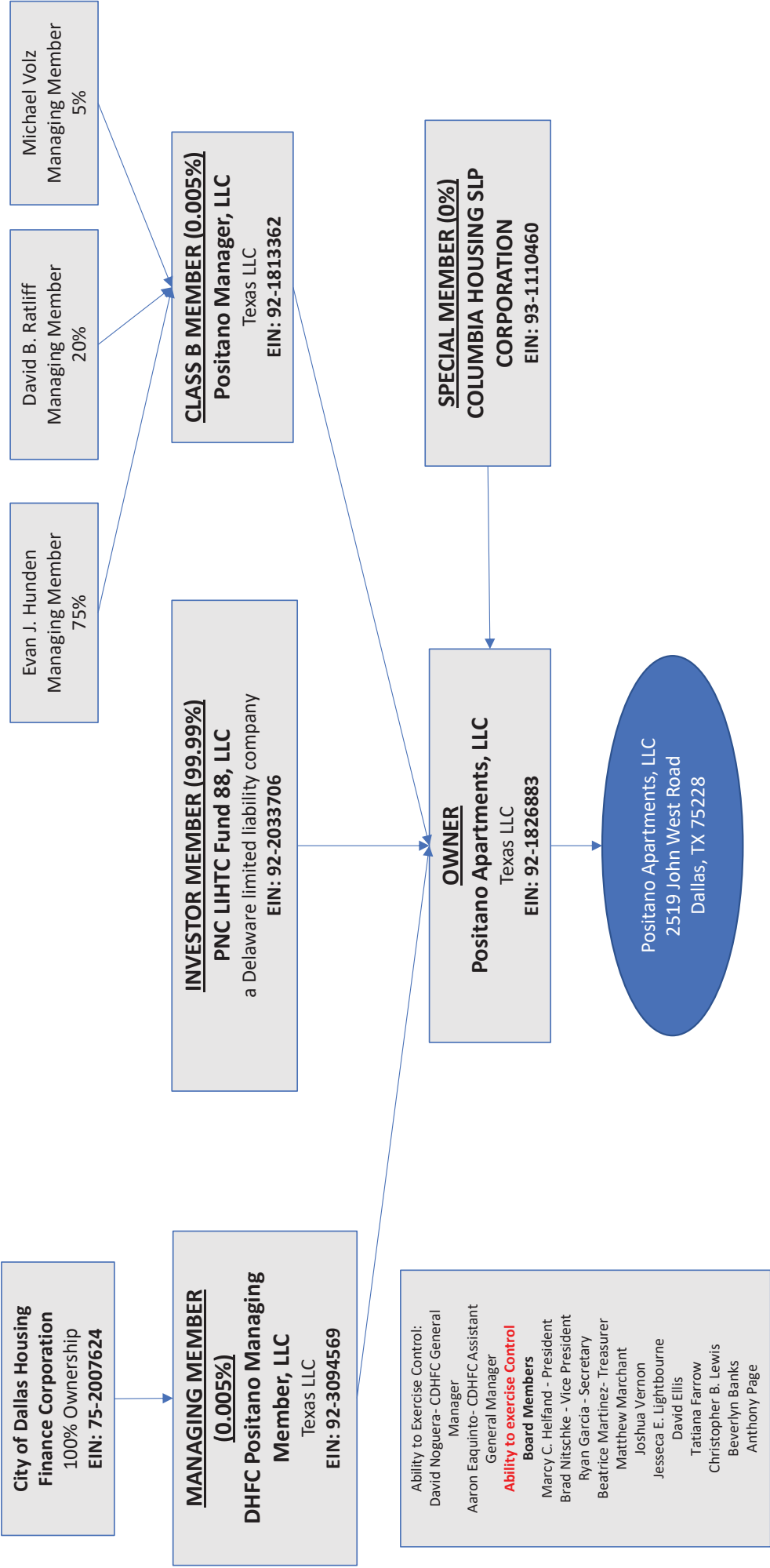
*This is proposed partnership with DHFC and has not yet been finalized or approved by DHFC.

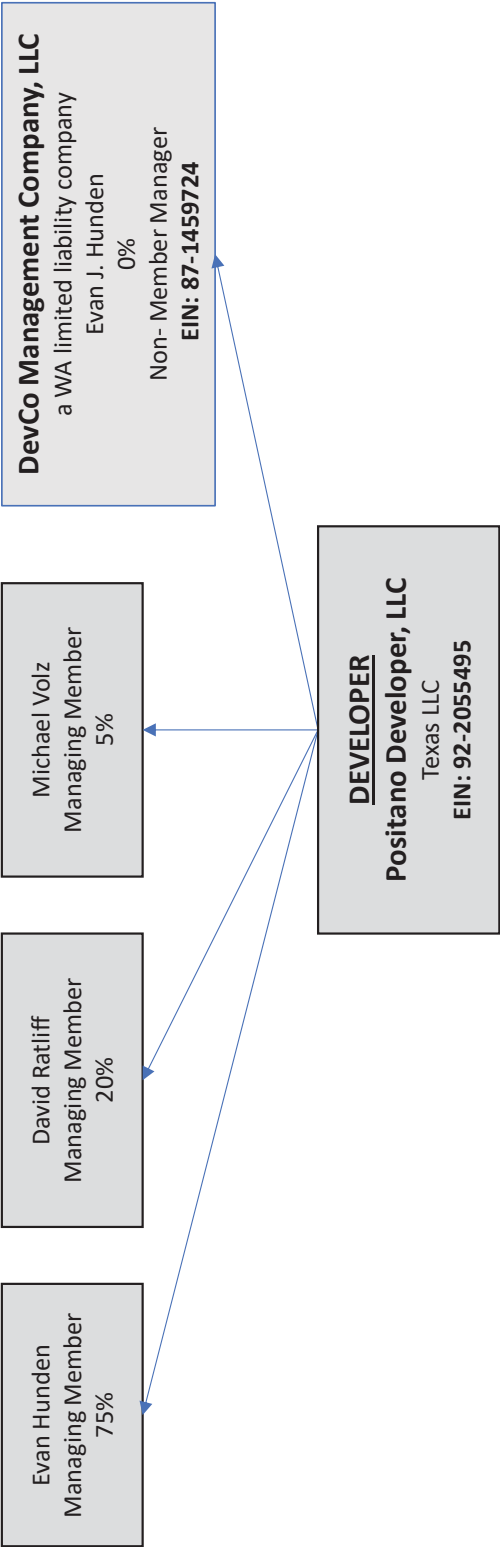
Guarantor Chart

Evan J. Hunden
Sole Guarantor

Positano Apartments, LLC Resyndication Org Charts of Owner and Developer

Dated as of Amended & Restated OA 2023-08-23

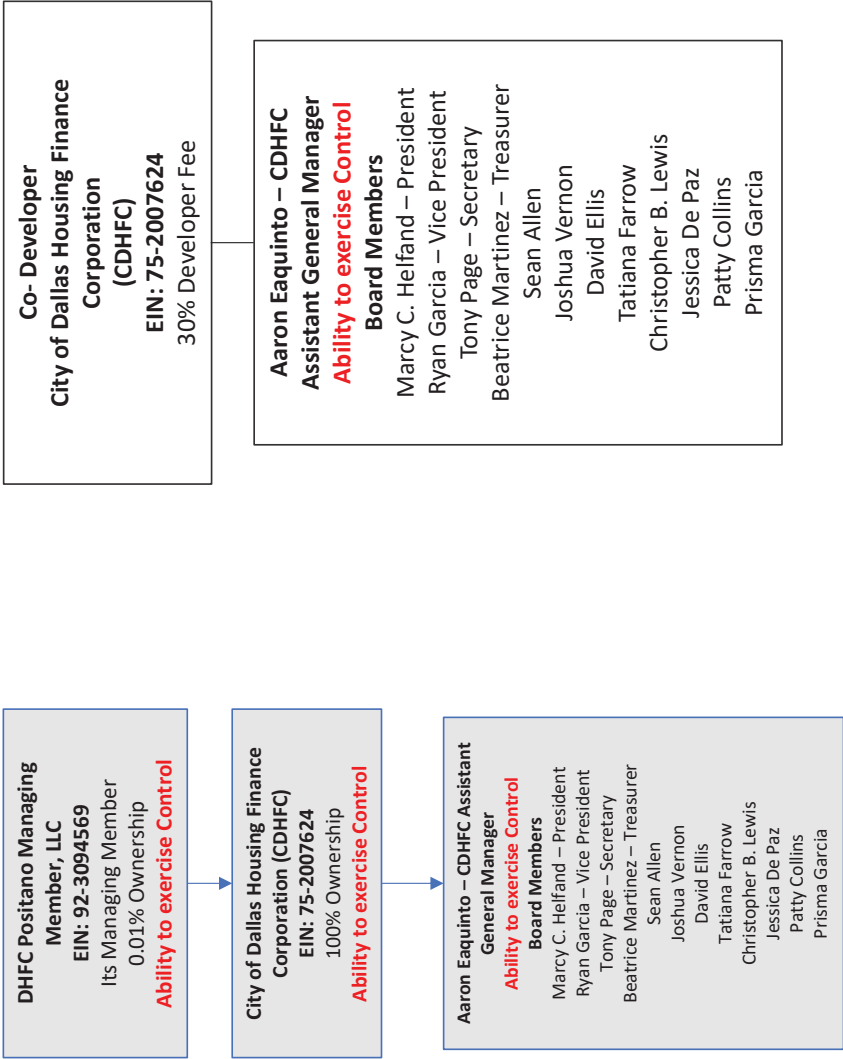




Guarantor Chart

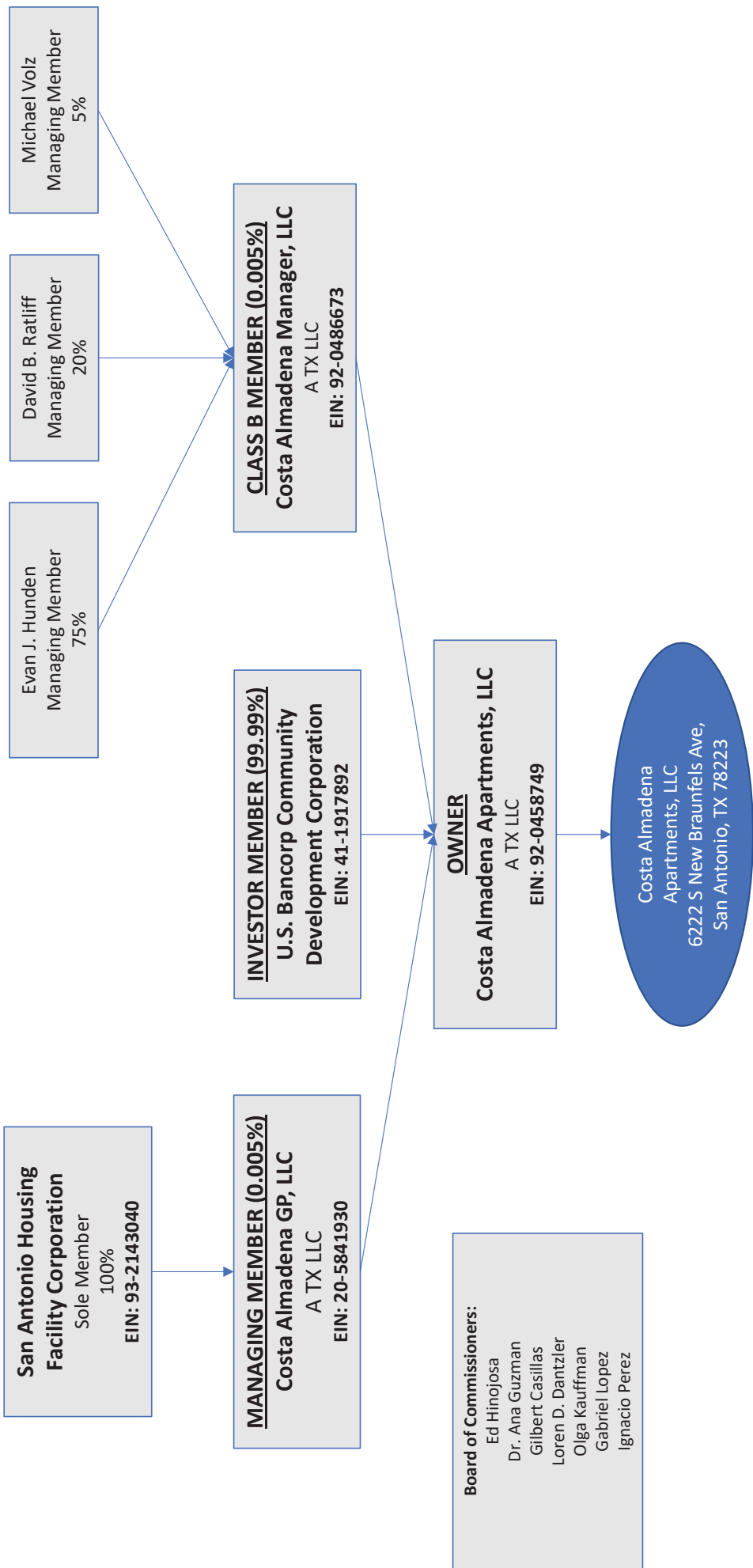
Evan J. Hunden
Sole Guarantor

DHFC Org Chart

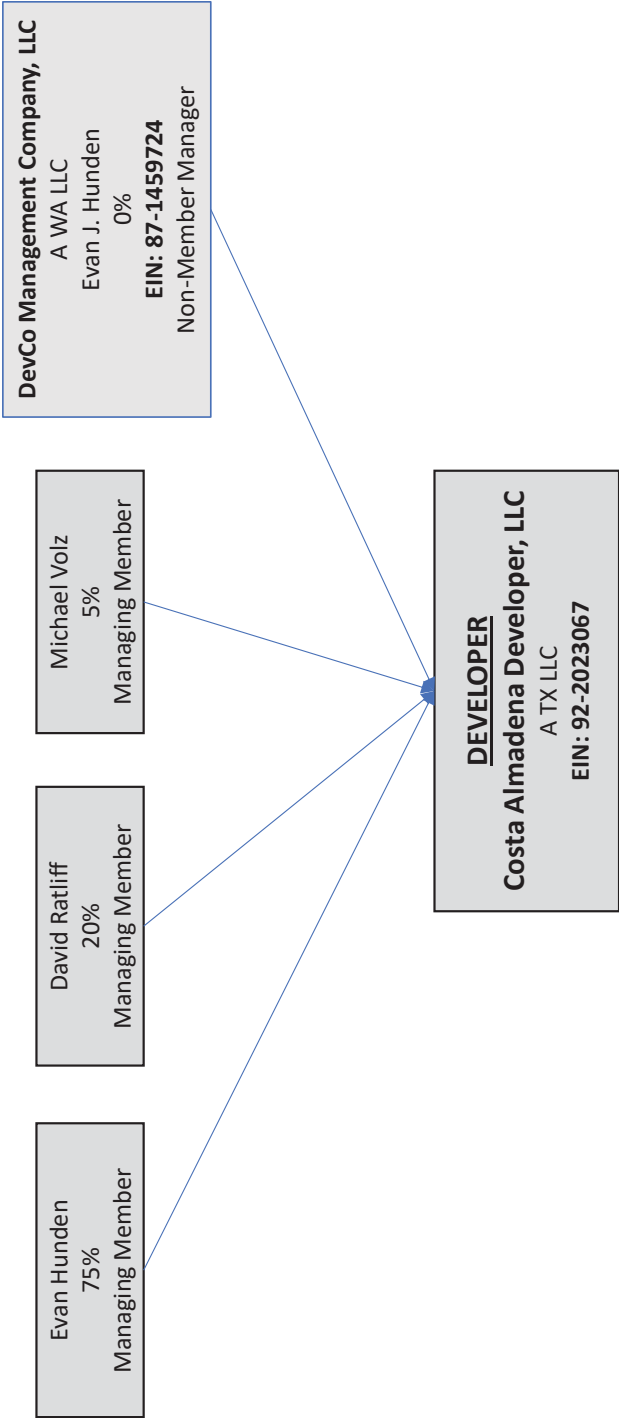


Costa Almadena Apartments, LLC Org Chart of Owner

Dated as of A&R OA 2023-07



Costa Almadena Developer Org Chart



Guarantor Chart

Evan J. Hunden
Sole Guarantor

Exhibit B

CAPITAL EXPENDITURES FOR ROSEMONT AT MEADOW LANE

(Repairs, replacements, deferred maintenance and making ready of over 100
vacant units)

December 2023 - Present

Item	Cost	Vendor	Date	Notes
Blind Replacement	\$16,096	Various	12/31/2023	Blind replacement '23 YTD.
Cabinet Replacement	\$17,900	Various	12/31/2023	Cabinet replacement '23 YTD.
Door and Hardware	\$38,251	Various	12/31/2023	Door & hardware replacement '23 YTD.
HVAC Replacement (2023)	\$147,316	Various	12/31/2023	HVAC system replacement '23 YTD.
Window Repair/Replacement (2023)	\$26,324	Various	12/31/2023	Window repair/replacement '23 YTD.
Appliances (2023)	\$31,323	Various	12/31/2023	Appliance replacement '23 YTD.
Flooring Replacement (2023)	\$223,109	Various	12/31/2023	Flooring replacement '23 YTD.
Fence Repair	\$12,331	Various	12/31/2023	Fence repair '23 YTD.
Landscaping - Tree Trimming (2023)	\$36,156	Black Diamond	12/31/2023	
Roof Replacement	\$596,844	Wells and Son	2/29/2024	
Surveillance Cameras	\$105,860	Stealth Monitoring	3/31/2024	
Electrical Repair	\$8,162	Cano Electric	4/30/2024	
Parking Lot Restripping	\$15,720	Fireman's Paving	4/30/2024	
Window Screens	\$56,195	Lone Star Solar Screens	5/8/2024	
Painting - Carports	\$19,682	Centex	5/31/2024	
Painting - Fence	\$26,884	Centex	5/31/2024	Includes all perimeter metal, pool, playground, and unit railings.
Concrete Repairs	\$4,113	Centex	5/31/2024	
Speed Bump Installation	\$12,021	Centex	5/31/2024	
Dumpster Enclosure Repairs/Repaint	\$18,510	Centex	5/31/2024	
Gutter Repair/Replacement	\$37,357	Centex	5/31/2024	
Splash Blocks	\$7,500	Indigo Construction	5/31/2024	
Landscaping - Erosion Control	\$17,861	Black Diamond	5/31/2024	
Landscaping - Tree Trimming	\$25,385	Black Diamond	5/31/2024	
Landscaping - Irrigation Repair	\$58,671	Rivera Brothers	5/31/2024	
Lighting Repair/Replacement	\$60,056	Centex	5/31/2024	Includes carport, building, and site.
Storm Drain Repair	\$12,000	Indigo Construction	5/31/2024	
Painting - Exterior Façade	\$175,032	Centex	6/30/2024	
Carpentry - Exterior Repair/Replacement	\$36,820	Centex	6/30/2024	Repair/replacement of all rotten wood on exterior façade.
Window Repair/Replacement	\$14,300	AmeriStar	6/30/2024	
Appliances	\$17,011	HD Supply	6/30/2024	Various appliance, YTD.
Flooring Replacement	\$51,420	Various	6/30/2024	Carpet and vinyl flooring replacement, YTD.
Water Meter installation	\$23,826	YES Energy Management	6/30/2024	Water & sewer meter installation.
HVAC Replacement	\$15,114	Various	6/30/2024	HVAC system replacement, YTD.

Pool Repair	\$17,781	Swim Solution	7/1/2024	Work is still pending on this item and should be completed by 8/9 weather dependent.
Entrance/Exit Gate Repair	\$38,208	Indigo Construction, Guardian Construction, and GateWise	7/15/2024	
100% Unit Preventative Maintenance	\$22,500	ALFA2B Solutions	8/22/2024	Includes replacing A/C filters, smoke detectors, HVAC, GFCI and window inspections
100% Unit Pest Control	\$23,599	Massey Services	8/16/2024	Unit and Attic Pest Control
HVAC Replacements, Window Replacements, Various Repair Costs	\$50,246	ALFA2B Solutions	August and September 2024	Replaced multiple broken AC units, window replacements, electrical repairs and various other unit work that the prior Management Agent did not address
HVAC Drain Line Flushing	\$30,360	ALFA2B Solutions	8/28/2024	A/C flushing and drain pan tablet installation
Unit Turns/Repairs/Painting	\$48,390	Rivera's Painting	August and September 2024	Turned for occupancy multiple units that needed to be turned that the prior Management Unit did not address (including units needed rebuild work due to mitigation)
Unit Turns/Repairs/Painting	\$40,493	I&G's Painting	9/1/2024	Engagement of a second vendor to work on turning 100 vacant units that Management had neglected
Unit Turns/Repairs/Painting	\$26,350	S.A. Texas Construction	9/24/2024	Engagement of a third vendor to work on turning 100 vacant units that Management had neglected
Unit Appliances and Materials	\$83,808	H.D. Supply	August and September 2024	Supplies and appliances to make the vacant units rent ready
Total	\$2,346,884			