



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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October 20, 2025

Writer's direct dial: (512) 475-3296
Email: bobby.wilkinson@tdhca.texas.gov

Wade Willson
City Manager
City of Slaton
130 South 9th Street
Slaton, TX 79364

RE: DENIAL OF DRAW REQUEST SUBMISSION – APPEAL OF STAFF DECISION

Dear Mr. Willson:

The Texas Department of Housing and Community Affairs (TDHCA or the Department) is in receipt of your appeal dated October 15, 2025, requesting an appeal of the draw deadline and a request to extend the construction and contract end date for your expired HOME Household Commitment Contract for Activity 53727 (HCC) under Reservation System Participation Agreement 2020-0051 (RSP Agreement).

According to your appeal submission, and confirmed by TDHCA records, the City of Slaton did not submit requests for reimbursement prior to the deadline, which will result in a deobligation of all funds committed to the Activity, in an amount of \$150,975.00.

Prior to issuance of a formal notice of deobligation, the South Plains Association (SPAG), who is the consultant hired by the City of Slaton to administer the HOME HRA grant, reached out to determine why a draw request was unable to be submitted in TDHCA's Housing Contract System (HCS). The HCS features a validation that does not allow for submission of a draw request more than sixty (60) days after the expiration of the HCC for a given activity. The HCC had a one-year term which expired on July 7, 2025. Staff notified SPAG that the deadline to submit the draw had passed, so the system validation utilized to enforce the program requirements prohibited the submission. Due to the seriousness of the matter related to potential loss of funding, staff conferred with management, and management reviewed the underlying documentation. The documentation confirmed that the deadline had passed, and that no communication related to a request to extend or explanation of existing delays for the



Activity had been received prior to the expiration date. The HCC, including the grace period under which funds may be requested, had expired and funds may not be requested in accordance with 10 TAC §23.31(c)(11) which states:

“(c) Disbursement of funds. The Administrator must comply with all of the requirements described in paragraphs (1) - (12) of this subsection, for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Administrator's compliance with requirements described in paragraphs (1) - (12) of this subsection, may be required with a request for disbursement:

...(11) The final request for disbursement must be submitted to the Department with support documentation no later than 60 days after the termination date of the Contract in order to remain in compliance with Contract and eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract; and...”

Staff notified SPAG on October 14, 2025 of the result of the review, and confirmed that an appeal would be required to be submitted. Although a formal notice of deobligation had not yet been issued on October 15, 2025, the City of Slaton submitted an appeal through SPAG, which is considered to be a timely filed appeal of a staff determination. While not specifically stated, it is understood that the appeal requests the ability to submit requests for reimbursement.

The appeal did specifically request an extension to the construction completion deadline and stated that construction was not complete until mid-September, but did not provide a specific construction completion date. Reasons for the delay stated in appeal include vandalism to the site, pest infestations, and a series of weather events. The appeal also states that the SPAG employee that was initially assigned to the contract was released from employment and subsequently replaced in May, 2025.

In considering this request, I have reviewed the RSP Agreement, the HCC, and the rule to which the Contract is subject. Unfortunately, in this case, the appeal may not be granted for the following reasons:

- The HCC for the Activity expired on July 7, 2025, and a written request to extend the contract term was not received on or before the expiration of the HCC. Prior to the expiration of the HCC, as confirmed by the appeal, TDHCA and the SPAG employee assigned to this Activity were in contact regarding the status of this and other Activities.
- As reflected in TDHCA records, and confirmed by the appeal, TDHCA reached out to both SPAG and the City of Slaton reminding both entities that the Activity would expire in 30 days on June 9, 2025. The reminder was received and reviewed, as Ms. Baldiva at SPAG requested that the new SPAG employee be copied on future communications in a direct reply to the email from TDHCA. The new employee and Ms. Baldiva were included in the responses to this email. An extension was not requested at this time, the notice included the end date of July 7, 2025, and confirmed that requests for reimbursement for costs incurred on or before the end date must be submitted on or before September 9, 2025.

- The 60-day draw deadline is established at 10 TAC §23.31(c)(11), and is also included in Section 5.2 of the RSP Agreement. No request to draw funds was initiated by the City of Slaton, or their contractor SPAG, prior to this date. Although the appeal states that the notice went to Ms. Baldiva at SPAG, and that Ms. Baldiva is not the primary contact at SPAG for the contract, TDHCA's subrecipient is the City of Slaton. TDHCA may copy a contractor for our subrecipient as a professional courtesy, but it is the subrecipient's responsibility to oversee the contract and to ensure that their contractor receives communications from TDHCA to the subrecipient. Regardless, the new SPAG employee was contacted via email through replies to the initial notice. Although she was at training that day as stated in the appeal, email communication should have been available to her at any other time between when the communication was sent.
- A subsequent request to submit a project completion report was sent to the City of Slaton's contract contact on September 8, 2025, and no communication was received in response to this request.

In considering the request for an extension, as both the RSP Agreement and the HCC have expired, and no request to amend was received prior to the expiration, the request for an extension is denied. As funds may not be drawn outside of the 60-day draw deadline outlined in both the RSP Agreement, the HCC, and the administrative rules, the appeal is also denied.

TDHCA thanks the City of Slaton for their service those in need in their community, and looks forward to a continued partnership. If you wish to appeal this denial in accordance with 10 TAC §1.7(f), you may appeal this matter to the Department's Governing Board by informing the Board in writing at abigail.versyp@tdhca.state.tx.us to that effect within seven days of the date of this notice, and the item will be heard by the Governing Board meeting on November 6, 2025.

Sincerely,

A handwritten signature in blue ink that reads "Bobby Wilkinson" with a stylized "II" at the end.

Bobby Wilkinson
Executive Director