



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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July 8, 2024

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

Dennis Hoover
HVM Housing
209 S West Street
Burnet, Texas 78611

RE: APPEAL REGARDING 9% HOUSING TAX CREDIT APPLICATION
24261 GREEN MANOR APARTMENTS (DEVELOPMENT)

Mr. Hoover:

The Texas Department of Housing and Community Affairs (Department) received the Application named above on March 1, 2024. The Application was submitted to compete within the Rural 7 subregion and requests \$868,951 in Housing Tax Credits to construct 36 units, all of which as affordable units, serving the general population in Burnet.

On June 26, 2024, the Department issued a notice of termination following a full review of the Application. The termination notice states the Application as submitted was ineligible due to the Application proposing a Unit Mix that is more than 30% one-bedrooms, which renders the Application ineligible in accordance with 10 TAC §11.101(b)(1)(A)(vii). While an Administrative Deficiency was issued regarding this item, altering the number of one-bedrooms creates material change in the Application to retain eligibility and thus was determined to constitute a Material Deficiency. 10 TAC §11.202(2)(B) establishes that an Application shall be ineligible if it has a Material Deficiency. The Applicant timely appealed the termination notice on June 28, 2024.

The appeal contends that the deficiency is not material, pointing out only two units were altered and many revisions were not substantial. The Appeal also highlights that the number of total units and rent restrictions remain the same. Lastly, the appeal points out the required changes also did not alter the Development costs or Sources.



Staff remains consistent in its position that the ineligible unit mix is material and not subject to remedy through the Administrative Deficiency process. A Material Deficiency is defined as follows in §11.1(d)(79):

(79) Material Deficiency--Any deficiency in a pre-application or an Application or other documentation that exceeds the scope of an Administrative Deficiency.

Remedying the ineligible unit mix exceeds the scope of the Administrative Deficiency process. The change is required in order for the application to retain eligibility, and the required alterations do not fall within the issues listed as curable through the Deficiency process under 10 TAC §11.7(d)(2)(A). The change exceeds the scope of a clerical matter, and is not required to address an inconsistency as the required updates demonstrate the original Application was consistent in regards to the unit mix. Accordingly, your appeal is denied. This matter has been placed on the agenda for the meeting of the Governing Board to be held on July 11, 2024.

If you have any questions or concerns, please contact Cody Campbell, Director of Multifamily Programs, at 512-475-1676 or by email at cody.campbell@tdhca.state.tx.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "R D Wil II", with a stylized flourish at the end.

Bobby Wilkinson
Executive Director