

From: [Jim Sari](#)
To: [Dominic DeNiro](#)
Cc: [Teresa Herrera](#); [Christophe Trahan](#)
Subject: qap comments
Date: Monday, September 23, 2024 9:23:37 AM

You don't often get email from jim@sariandcompany.biz. [Learn why this is important](#)

previous comment made again. the palestine city manager & econ director copied here as well.

we do not understand why community revitalization points are not obtainable in rural markets for new construction or especially adaptive reuse projects, specifically significant historic structures.

for instance, in palestine texas, we have a 100 year old beautiful old school that the city wants to save. they also know and want affordable housing for their citizens. if the crp points were available, the project, WHICH HAS FULL LOCAL BUY IN AND APPROVAL, would be competitive.

why should texarkana get the opportunity to substitute crp for opp zone while palestine languishes, excluded because of a poverty rate of 20.3% (20% is the threshold..). Palestine is not going downhill, quite the opposite.

this is a potential huge shot in the arm for palestine and much needed affordable housing and preservation projects (preservation texas actually contacted me about this..!)

its what i do. sariandco.com does historic deals in a dozen states, over 50 lihtc deals to date. i did it with thdca in waco (waco high school lofts), won the historic deal of the year, i did it in tyler (moore grocery lofts - main st deal of year 07 or 08) which u just reawarded in july, ive done it 20+ times in 8 states and counting.

its the smartest of growth...

produce affordable housing even cheaper than new construction
reuse existing infrastructure instead of stressing localities with new
save historically significant community structures
its what the locals want - no nimby its YIMBY!

we respectfully request that thdca correct the crp language to be allowed under the same reqts as urban. not a level field otherwise & an impediment to equal distribution of state resources.

From: [Joshua Goldberger](#)
To: [Dominic DeNiro](#)
Subject: FW: Public Comment TDHCA
Date: Wednesday, October 9, 2024 9:23:42 AM
Attachments: [image001.png](#)
[Public Comment to TDHCA QAP 2025 - HACB.pdf](#)

Best,

Josh Goldberger

Competitive (9%) Housing Tax Credit Manager
Texas Department of Housing and Community Affairs
Office: 512.475.2596
221 E. 11th Street | Austin, TX 78701

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §11.2(a)).

From: Laura Ortegon <lortegon@hacb.us>
Sent: Tuesday, October 8, 2024 5:14 PM
To: Bobby Wilkinson <Bobby.Wilkinson@tdhca.texas.gov>; Cody Campbell <Cody.Campbell@tdhca.texas.gov>; Joshua Goldberger <Joshua.Goldberger@tdhca.texas.gov>
Cc: Carla Mancha <cmancha@hacb.us>; Luis Eduardo Garduno <legarduno@hacb.us>
Subject: Public Comment TDHCA

Some people who received this message don't often get email from lortegon@hacb.us. [Learn why this is important](#)

Good afternoon TDHCA team,

Please see the attached letter.

Thank you.

Respectfully,



Laura R. Ortegon, Executive Assistant

956.214.1531 (w) I 956.541.7860 (f) I lortegon@hacb.us



HOUSING AUTHORITY of the

CHAIRMAN:
VICE CHAIRMAN:
COMMISSIONERS:

Mr. Luis E. Garduño
Mr. Jesse A. Miller
Ms. Wendy de Leon
Ms. Astrid Dominguez
Ms. Laura Villarreal

CHIEF EXECUTIVE OFFICER: Ms. Carla Mancha

P.O. BOX 4420
2606 BOCA CHICA BLVD
BROWNSVILLE, TX 78523-4420
MAIN PHONE (956) 541-8315
MAIN FAX (956) 541-7860
EMAIL: info@hacb.us
WEBSITE: <http://hacb.us>

City of **BROWNSVILLE**

October 7, 2024

Board of Commissioners
Texas Department of Housing and Community Affairs
Attn: Dominic DeNiro
By Email to: dominc.deniro@tdhca.texas.gov
221 East 11th Street
Austin, Texas 78701

RE: 2025 Qualified Allocation Plan Public Comment

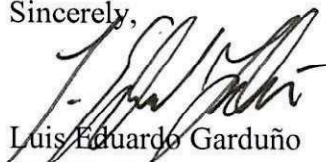
Dear Chair and Board Members:

On behalf of the Housing Authority of the City of Brownsville, I present this letter as an official "Public Comment" of the proposed 2025 Qualified Allocation Plan. We are in support of the proposed decrease of the population threshold requirement as written in §11.6(3)(C)(iv) that provides a priority for tax credit applicants in Urban Subregions with projects in neighborhoods with Choice Neighborhood Planning or Implementation Grants.

With the decrease in population, the community of Brownsville's Choice Neighborhood Planning Project will receive the same benefit as Houston and Fort Worth to receive and qualify for the same priority status.

Thank you for the opportunity to provide public comment for the proposed 2025 QAP.

Sincerely,



Luis Eduardo Garduño
HACB Chairman

cc: Bobby Wilkinson, Executive Director
Cody Campbell, Director of Multifamily Programs
Joshua Goldberger, Administrator, 9% Competitive Housing Tax Credit Program

From: [Amanda Perkins](#)
To: [Dominic DeNiro](#)
Subject: 2025 QAP - Quantity of Low Income Units
Date: Wednesday, October 9, 2024 1:36:08 PM

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Mr. DeNiro,

I'm writing to you today regarding the points allocated to the quantity of low income units. The QAP's quantity of low income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000. To make the deals work, we would need a property tax exemption, soft funding or both. To make the requirement more attainable for the 2025 QAP, we would request the percentage increase be lowered to 4% and 6% for 1 and 2 points respectively.

We were awarded tax credits in this cycle that we had to return because after we increased our units we couldn't make the project work without significant soft funding that would cause delays and put our tax credits at risk. Additionally, we prefer to leave the property taxes in place in order to support the communities that are servicing our projects.

Your consideration to this request is greatly appreciated.

Thanks,

Amanda Perkins
Stewardship Properties
phone: 541.517.9065
email: amanda@stewardship.net

From: [Jake Mooney](#)
To: [Dominic DeNiro](#)
Subject: 2025 Comment Suggestion
Date: Wednesday, October 9, 2024 1:42:47 PM
Attachments: [Outlook-i132w5jt](#)

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Hi Dominic,

The QAP's quantity of low income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000. To make the deals work, we will need a property tax exemption, soft funding or both. To make the requirement more attainable for the 2025 QAP, the percentage increase should be lowered to 4% and 6% for 1 and 2 points respectively.

Thanks,



Jake Mooney

Mobile 913-638-2500

Web www.jcm.ventures **Email** jake@jcm.ventures

11705 Wenonga Circle, Leawood, KS 66211

From: [Emiliano Romero](#)
To: [Dominic DeNiro](#); Cody.Campbell@tdhca.texas.gov
Subject: LATX 2025 QAP Comments
Date: Wednesday, October 9, 2024 2:52:02 PM
Attachments: [LATX TDHCA QAP COMMENT LETTER 10_9_24.pdf](#)

You don't often get email from emiliano@leadingagetexas.org. [Learn why this is important](#)

Please find attached LeadingAge Texas' comments regarding TDHCA's 2025 QAP comments.

October 10, 2024

Cody Campbell and Dominic DeNiro
Texas Department of Housing and Community Affairs
Via email: Cody.Campbell@tdhca.texas.gov; dominic.deniro@tdhca.texas.gov

Re: 2025 QAP Public Comments

To whom it may concern:

- LeadingAge Texas appreciates the opportunity to submit public comment. LeadingAge Texas is a trade association that represents the full continuum of mission-driven, not-for-profit aging services providers throughout Texas. Specifically, our association is comprised of more than 350 members serving approximately 30,000 older Texans, including over 200 of Texas' finest senior affordable housing developments, retirement communities, assisted living facilities, continuing care retirement communities, nursing homes and home and community based services.

Each LeadingAge Texas member's central focus is to ensure that their community members are afforded ample opportunity to age with dignity, regardless of income level or health status. Accordingly, LeadingAge Texas and its senior affordable housing members support the Texas Department of Housing and Community Affairs' (TDHCA's) efforts to better address opportunities for renovating existing affordable housing stock via the at-risk-set-aside proposed language.

Under previous language, the allocation of funding through the at-risk-set-aside fell short of making much needed improvements to existing at-risk communities in the state's largest urban regions. Over the last five years, only 47% of the total urban at-risk award pool was allocated to the state's major metro areas (Regions 2, 3, 6, 7, and 9) despite significant population growth; each of the regions listed ranked in the top ten for total population increase in the country. In 2024, only 1 urban application in this region, San Marcos, got an award.

Though we are sure the previous disbursement of funds was well intentioned, the result runs afoul of Texas Government Code 2306.804, which provides that "the department shall allocate low-income housing tax credits to applications involving the preservation of developments assigned a Class A priority under Section 2306.803 and in both urban and rural communities in approximate proportion to the housing needs of each uniform state service region."¹

LeadingAge Texas and its members understand the complex political and financial challenges that factor into the development of new affordable housing units. Due to the capricious nature of public opinion and enthusiasm for change, it is increasingly important to preserve existing housing infrastructure. We believe that the proposed amendment to the 2-mile Same Year Rule will increase the opportunity for funding by no longer including at-risk communities in the determination of projects that may be considered "losers" in the selection process for funding within a 2-mile radius.

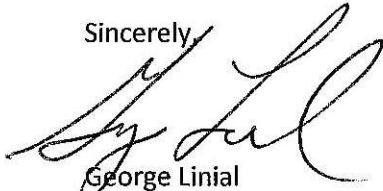
Further, LeadingAge Texas supports the proposed language stating that contracts with automatic renewals may not be considered to be nearing expiration for purposes of At-Risk Eligibility. Traditionally, USDA projects with automatic renewals could, effectively, choose from either the "at-risk" or "USDA"

¹ Tex. Gov't Code § 2306.803

pool of funds, narrowing funding opportunities for other eligible at-risk proposals. By establishing this policy, USDA projects are now less inclined to pull from at-risk funding, as tiebreakers tend to favor rural properties. Without this "guardrail" every USDA transaction is eligible for At-Risk and/or USDA set-aside buckets. By better delineating when a contract is considering nearing expiration for the purpose of the at-risk-set-aside, USDA urban applications face better odds of getting funded, as they no longer must compete with USDA proposals.

We appreciate the opportunity to comment and look forward to working further with TDHCA to help address housing challenges for Texas seniors. Please let us know if we can provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Linial", written over the printed name.

George Linial
President & CEO
LeadingAge Texas

From: [Tracey Fine](#)
To: [Cody Campbell](#); [Dominic DeNiro](#)
Cc: [T. Daniel Kalubi](#)
Subject: 2025 QAP Public Comment
Date: Wednesday, October 9, 2024 3:28:18 PM
Attachments: [2025 QAP Public Comment - NCR 10.9.2024.pdf](#)

Cody and Dominic,
Please see attached public comment for the 2025 QAP from National Church Residences.
Appreciate you considering our input.

Tracey

Tracey Fine

Senior Director, Housing Development
National Church Residences
Austin, TX
Cell: 773.860.5747
tfine@nationalchurchresidences.org



October 9, 2024

Cody Campbell and Dominic Deniro

TDHCA

Via email: Cody.Campbell@tdhca.texas.gov; dominic.deniro@tdhca.texas.gov

Re: 2025 QAP Public Comments

1. Unequal distribution of 9% At-Risk Resources – Violation of 2306.804.

At Risk Awards 9%	2024 (% of total At-Risk Award Pool)	5 Year 2020-2024 (% of total At-Risk Award Pool)	Housing Need Per RAF
Rural	50%	44%	13%
Urban	50%	56%	87%
	2024 (% of At-Risk Urban Awards)	5 year 2020-2024 (% of At-Risk Urban Awards)	
5 Major Metro (D/FW, San Antonio, Austin, Houston) – URBAN	19% (1, award, San Marcus)	47%	62%
Region 11 Brownsville - URBAN	81% (3 awards)	30.1%	9%

A variety of factors have tilted the 9% At-Risk awards heavily to Rural and USDA (44% in past 5 years, 50% in 2024) while the awards to Urban have been heavily weighted in a single Region, 11 – Brownsville area, soaking up 30% of all Urban awards in the past 5 years (81% in 2024) despite representing only 9% of the Housing Need determined by TDHCA's RAF (Regional Allocation Formula). The 9% LIHTC program is a state-wide program and the Preservation Set-Aside is not serving the most populated areas of the state (68% of the TX population and 62% of Housing Need). In the past 5 years, the QAP policies have resulted in inadequately distributing funds compared to housing needs of the service region, a requirement of TX statute highlighted in green.

This inequality of preservation does not meet the below TX statute highlighted in green.

Sec. 2306.804. USE OF HOUSING PRESERVATION RESOURCES.

(a) To the extent possible, the department shall use available resources for the preservation and rehabilitation of the multifamily housing developments identified and listed under Section [2306.803](#).

(b) To the extent possible, the department shall allocate low income housing tax credits to applications involving the preservation of developments assigned a Class A priority under Section [2306.803](#) and



in both urban and rural communities in approximate proportion to the housing needs of each uniform state service region.

While we still believe there needs to be more changes in the QAP to ensure adequate Preservation throughout all service regions, we greatly appreciate TDHCA's efforts to address this inequality. To that effect, we fully support:

A) 2-mile Same year Rule.

We support following the Award Methodology Recommendation which prioritizes At-Risk over Regional Pools in the 2-mile conflict. As we found in 2024, when the opposite priority was established, it redlined nearly every major metropolitan application in At-Risk resulting in no County with a population over 1 million from receiving a 9% preservation award in At-Risk.

B) At-Risk Set-Aside – “2nd Bite for USDA”

We support the additional language of allowing applications that are eligible for both USDA and At-Risk to only get a “2nd bite of the apple” only after *all other eligible Applications in the At-Risk Set-Aside have been funded*. Given completely flat scoring in At-Risk and a tie break that favors rural applications, this guardrail will hopefully allow some additional Urban and non-USDA applications to be funded. As a reminder, in 2024, with the ability to simultaneously compete in 2 set-asides, USDA/Rural took 50% of the entire At-Risk pool, in excess of their 33% statutory requirement and in far excess of their housing need of 13%.

C) At-Risk – Automatic Subsidy Renewals are ineligible

We support the additional language that contracts with automatic renewals are not considered to be nearing expiration for purposes of At-Risk Eligibility. Without this “guardrail” every USDA transaction is eligible for At-Risk and/or USDA set-aside buckets. With tie-breaks favoring Rural, this will discourage USDA applications from picking the At-Risk “horse” over the USDA “horse” giving Urban applications a more favorable chance of getting funded. As a reminder, USDA is guaranteed a minimum of 33% of the pool under their own USDA set-aside and Urban applications, particularly in the 5 most populated areas of the state, have been grossly underfunded in At-Risk.

D) At Risk – Definition of “nearing expiration”

We support the expanded definition of nearing expiration to include *“The contract’s permanent expiration date is within ~~two~~ five years after July 31 of the year the Application is submitted.”* We expect many of the most vulnerable and at-risk affordable housing developments to now be eligible to qualify for the Set-Aside.

2. Force Majeure

There are so many surprises and issues out of a developers control that could delay closing. Many have been heard at the Board such as Seller dying days before closing. The list is endless. The that effect, we ask that the Board allow discretion on extenuating circumstances under Force Majeure. We request the additional language of:



(C) Unless otherwise approved by the TDHCA Board, To be eligible for consideration, construction of the Development must have already commenced;

3. Feasibility Studies – requirement of a Survey for Acq/Rehab.

We have never had a requirement of providing a survey for Acq/Rehab transactions and instead submitted a detailed site plan from the Architect. Why the change as this is just an added expense to an already extremely expensive application? **We request the addition of requiring a Survey for rehabs be removed and reliance of the architects detailed site plan be used as alternate as in all prior years.**

If absolutely required, I request that **the survey be within 10 years** as land boundary and footprints of buildings are very unlikely to change in an existing rehab. A 2 year old survey is not stale for purposes of an initial application of boundary lines for an existing development. This is very much viewed as unnecessarily requirement adding to the already extremely expensive cost of an application without a clear reason as to this new requirement.

I appreciate you considering my comments.

Regards,



Tracey Fine
tfine@nationalchurchresidences.org
Senior Director of Housing
773-860-5747



From: [Megan Lasch](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 3:50:10 PM

Dear Multifamily Programs Dir. Campbell,

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

While I respect the desire to increase the number of units for extremely low-income households in Texas, the proposal put forth is not realistic in today's economic environment. Burdened by high construction and insurance costs, high interest rates, and a drop in equity pricing, increased unit counts are increasingly difficult to achieve.

Many applicants have faced challenges meeting the proposed unit counts due to funding constraints which have led to dropped proposals and the need for property tax exemptions—factors that should not be necessary for increased unit production and financial feasibility.

I believe in the mission of creating more affordable housing units with the resources we have. This policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of increased levels of soft funding or tax-exemptions.

To promote attainable unit production, I respectfully ask that you make modifications to this threshold item as follows:

For Urban & Rural Developments:

- Decrease the 10% increase in more units to 4% for 1 point.
- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Sincerely,

Megan Lasch
5501 Balcones Dr Ste A
Austin, TX 78731
megan@o-sda.com

From: [Carly Gast](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 3:50:10 PM

[You don't often get email from cgast@kittleproperties.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

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Sincerely,

Carly Gast
115 Beneteau Dr
Austin, TX 78738
cgast@kittleproperties.com

From: [Nick Walsh](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 3:50:11 PM

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Sincerely,

Nick Walsh
3200 McKinney Ave Apt 701
Dallas, TX 75204
nwalsh@nrpgroup.com

From: [Robbye Meyer](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 4:00:13 PM

Dear Multifamily Programs Dir. Campbell,

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Sincerely,

Robbye Meyer
1305 Dusky Thrush Trl
Austin, TX 78746
robbye@arxadventure.net

From: [Nathan Kelley](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 3:50:12 PM

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Sincerely,

Nathan Kelley
14115 Carolcrest Cir
Houston, TX 77079
nkelley@blazerbuilding.com

From: [Antonio Williams](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 4:00:15 PM

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Sincerely,

Antonio Williams
1014 Brown Dr
Wake Village, TX 75501
awilliams@vcofft.org

From: [Marie Allen](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 4:10:10 PM

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Sincerely,

Marie Allen
5345 W 151st Ter
Overland Park, KS 66224
mallen@overlandpg.com

From: [Caroline Hurst](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 4:10:10 PM

[You don't often get email from churst@overlandpg.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Dear Multifamily Programs Dir. Campbell,

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

While I respect the desire to increase the number of units for extremely low-income households in Texas, the proposal put forth is not realistic in today's economic environment. Burdened by high construction and insurance costs, high interest rates, and a drop in equity pricing, increased unit counts are increasingly difficult to achieve.

Many applicants have faced challenges meeting the proposed unit counts due to funding constraints which have led to dropped proposals and the need for property tax exemptions—factors that should not be necessary for increased unit production and financial feasibility.

I believe in the mission of creating more affordable housing units with the resources we have. This policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of increased levels of soft funding or tax-exemptions.

To promote attainable unit production, I respectfully ask that you make modifications to this threshold item as follows:

For Urban & Rural Developments:

- Decrease the 10% increase in more units to 4% for 1 point.
- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Sincerely,

Caroline Hurst
254 N Santa Fe Ave Ofc A
Salina, KS 67401
churst@overlandpg.com

From: [Raegan Brown](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 4:10:13 PM

[You don't often get email from rbrown@overlandpg.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Dear Multifamily Programs Dir. Campbell,

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

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These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Sincerely,

Raegan Brown
254 N Santa Fe Ave Ofc A
Salina, KS 67401
rbrown@overlandpg.com

From: [Jennifer Hicks](#)
To: [Dominic DeNiro](#)
Subject: Recommendations on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules
Date: Wednesday, October 9, 2024 5:20:09 PM

Dear Multifamily Programs Dir. Campbell,

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

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- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Sincerely,

Jennifer Hicks
3000 Skylark Dr
Austin, TX 78757
jennifer@truecasa.net

From: [RRHA of Texas](#)
To: [Dominic DeNiro](#)
Cc: [Robbye Meyer](#)
Subject: Comments to Draft of 2025 QAP
Date: Thursday, October 10, 2024 10:15:00 AM
Attachments: [Comments to Draft of 2025 QAP - 101024.pdf](#)
Importance: High

Mr. DeNiro:

Please find attached a copy of the Rural Rental Housing Association's comments to the Draft of the 2025 QAP. If you have any questions, please don't hesitate to contact me.

Thanks,
Royce Ann

Royce Ann Wiggins
Rural Rental Housing Association of Texas, Inc.
2 North 9th Street, Suite B
Temple, Texas 76501
Phone: 254.778.6111 | Fax: 254.778.6110
Email: office@rrhatx.com | Website: www.rrhatx.com



RURAL RENTAL HOUSING ASSOCIATION OF TEXAS, INC.

October 10, 2024

Via Electronic Mail

Dominic DeNiro
Texas Department of Housing and Community Affairs
Multifamily Programs
221 E. 11th Street
Austin, Texas 78701-2410
Email: dominic.deniro@tdhca.texas.gov

Re: Comments to Draft of 2025 QAP

Dear Mr. DeNiro:

Please find the Rural Rental Housing Association's input to the Staff Draft 2025 Qualified Application Plan, attached to this letter. We always appreciate having the ability to provide input and we look forward to many years of working with staff to create a set of rules that work to preserve the existing USDA housing stock and recognize the needs of the residents that we serve.

The Rural Rental Housing Association of Texas, Inc. ("RRHA") currently represents almost 652 rural properties consisting of approximately 23,207 units that house more than 33,000 residents. Our Development Committee members have attended the QAP Planning meetings. A significant focus of Chapter 2306, Texas Government Code, is the preservation of existing affordable multifamily housing and our portfolio represents existing properties, many of which need rehabilitation. The growing age of our portfolio is an important focal point for our members and these concerns are shared annually with Multi-Family Staff. The RRHA provided comments at the Rules Committee meeting and at the September Board meeting that focused on our ability to preserve the USDA portfolio in our state.

If you need any additional information or clarification, please feel free to contact me at 512-963-2555, or via email at robbye@arxadventure.net. Thank you for your consideration of our concerns.

Very respectfully,

Robbye G. Meyer

Robbye G. Meyer
President

Requested input into the 2025 Draft QAP

§11.5(3)(A) and (B)(ii) At-Risk Set-Aside. The Rural Rental Housing Association (the “RRHA”) believes the added language to be in direct conflict to the statutory requirements and eligibility for At-Risk applications.

The RRHA respectfully requests the added language be deleted and allow clarifications to be made through legislative session in 2025.

§11.9(b)(3) Quantity of Low-Income Units. Although this scoring item does apply to At-Risk and USDA Applications, the RRHA supports the TAAHP recommendations.

§11.9(c)(4)(B) Residents with Special Housing Needs. This item requires an additional 2% of the total Units be set-aside for housing homeless individuals and families. RRHA membership is not opposed to assisting the homeless population. Our issue is with the ability to coordinate with non-existent COC providers and homeless service providers in remote rural areas. USDA was exempt from this point category when it was first introduced in the QAP. Having to hold units available for six (6) months before being able to lease them to other residents, can be financially problematic for developments not receiving rent on vacant units. RRHA again, requests that USDA developments be exempt from this point category until such time there is an appropriate coordinating agency that rural development may work with to provide these services.

§11.9(e)(4) Leveraging of Private, State and Federal Resources. The RRHA appreciates the increase in 1% leveraging for USDA applications. The preservation of these developments will be greatly benefitted.

The RRHA respectfully requests the 50-unit limit not apply to USDA applications. USDA applications have been caught up in a “cash out” dispute with one applicant that competes in the At-Risk set-aside. USDA applications have not been abusive with the “cash out” issue as other applicants may have been in the past. The RRHA asks that USDA applications not be penalized because of other regarded “bad actors”

[End]

From: [Oscar Paul](#)
To: [Dominic DeNiro](#)
Cc: [Ariana Brendle](#); [Shaun Mosheim](#)
Subject: 2025 QAP Public Comment
Date: Thursday, October 10, 2024 10:45:49 AM
Attachments: [image770081.png](#)
[Texas QAP Comments - National CORE.pdf](#)

Hello Mr. DeNiro,

Please see attached letter from National Community Renaissance regarding the 2025 QAP. We appreciate the opportunity to provide our feedback.

Thank you,



Oscar Paul | Development Manager, Affordable Housing - Florida | (850) 703-8810

National Community Renaissance | 9692 Haven Avenue Suite 100 | Rancho Cucamonga, CA 91730 | Fax (909) 291-0302 | www.nationalcore.org

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Together, we transform lives and communities

October 10, 2024

Mr. Dominic DeNiro
Housing Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701
dominic.deniro@tdhca.state.tx.us

Re: 2025 QAP Public Comment

Dear Mr. DeNiro,

I appreciate the opportunity to provide feedback on the 2024 Draft QAP.

The QAP's quantity of low income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000. To make the deals work, we will need a property tax exemption, soft funding or both. To make the requirement more attainable for the 2025 QAP, the percentage increase should be lowered to 4% and 6% for 1 and 2 points respectively.

Oscar Paul

Thank you,
Oscar Paul
Development Manager – Affordable Housing
National Community Renaissance



9421 Haven Avenue
Rancho Cucamonga, CA 91730

www.nationalcore.org

From: [TALHFA](#)
To: [Dominic DeNiro](#)
Subject: TALHFA concerns regarding the "At-Risk" definition
Date: Thursday, October 10, 2024 10:47:41 AM
Attachments: [At-Risk Letter to TDHCA.pdf](#)

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Mr. Deniro,

Please find the attached letter with TALHFA concerns regarding the "At-Risk" definition in the QAP.

Thank you,

Todd

Todd R. Kercheval, Executive Director
Texas Association of Local Housing Finance Agencies
3305 Northland Drive, Suite 312
Austin, Texas 78731
512-241-1657



Texas Association of Local Housing Finance Agencies

October 10, 2024

Bobby Wilkinson
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701

Dear Mr. Wilkinson,

RE: Public Comment for the 2025 Qualified Allocation Plan – At-Risk Definition

As the Executive Director of the Texas Association of Local Housing Finance Agencies (TALHFA), I am writing regarding the proposed changes for the “At-Risk” definition in Texas Government Code 2306.6702, 2025, in the Qualified Allocation Plan (QAP). TALHFA’s concerns center around the process more than the language change. As I stated in my testimony in front of the TDHCA Board, the “At-Risk” definition resides in state law and any changes to the definition of “At-Risk” should be done through the legislative process, not the rulemaking process.

I am respectfully asking that the Texas Department of Housing and Community Affairs (TDHCA) please remove the proposed language and allow the industry to work with the legislature to clarify the definition to be more workable for applicants and TDHCA.

I thank you for your consideration. Should you have any questions, please contact me at 512-241-1657.

Sincerely,

Todd R. Kercheval

Todd R. Kercheval
Executive Director
Texas Association of Local Housing Finance Agencies

From: [Chris Dart](#)
To: [Dominic DeNiro](#)
Subject: 2025 QAP Public Comment | Quantity of Low Income Units
Date: Thursday, October 10, 2024 12:01:50 PM
Attachments: [2025 QAP Public Comment.pdf](#)

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Mr. DeNiro,

I have attached 2025 QAP Public Comment for your review.

Thank you,

Chris Dart
President of Danco Communities
Desk 707.825.1531



THE DANCO GROUP OF COMPANIES

5251 Ericson Way Ste A.
Arcata, CA 95521
707.822.9000

3743 N 24th St
Phoenix, AZ 85016
602.643.0081

CA #500851 | CA #899392 | AZ #332332 | OR #237482
www.danco-group.com

October 10, 2024

Dominic DeNiro

Texas Department of Housing and Community Affairs

221 E 11th Street #400
Austin, TX 78701

RE: 2025 QAP Public Comment | Quantity of Low-Income Units

The requirement set by the QAP for the number of low-income units is currently unrealistic, particularly when considering the fixed maximum of \$2,000,000 for Housing Tax Credits. This limitation poses significant challenges for developers aiming to create affordable housing. To effectively address these challenges and make the projects financially viable, we will require additional support in the form of a property tax exemption, soft funding, or potentially a combination of both.

Furthermore, to enhance the feasibility of the low-income unit requirement for the upcoming 2025 QAP, it would be beneficial to revise the percentage increase thresholds. Specifically, reducing the increase to 4% for 1 point and 6% for 2 points would create a more achievable standard, allowing more developers to meet the criteria while still promoting the development of affordable housing options. Such adjustments would not only support the developers but also help ensure that more low-income units are available in the market.

Best regards,

A handwritten signature in black ink, appearing to be 'CD', with a long horizontal flourish extending to the right.

Chris Dart

President of Danco Communities

From: [Roque" Christensen](#)
To: [Cody Campbell](#); [Dominic DeNiro](#)
Subject: 2025 QAP Public Comments
Date: Thursday, October 10, 2024 1:31:13 PM
Attachments: [image002.png](#)
[Public Comments 2025 QAP.pdf](#)

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Good afternoon,
Please see the attached comments due by 10/11/24.
Thank you for your consideration.

**Thank you to all the donors
who supported us during NTGD!!
PCH raised \$6,820 Fair Oaks received \$2,380**



Roque' Christensen

Executive Vice President
Plano Community Homes Sponsored Properties
1612 Avenue L - Plano, TX 75074
Phone (972) 423-6058, Fax (972) 423-9681
planocommunityhome.org



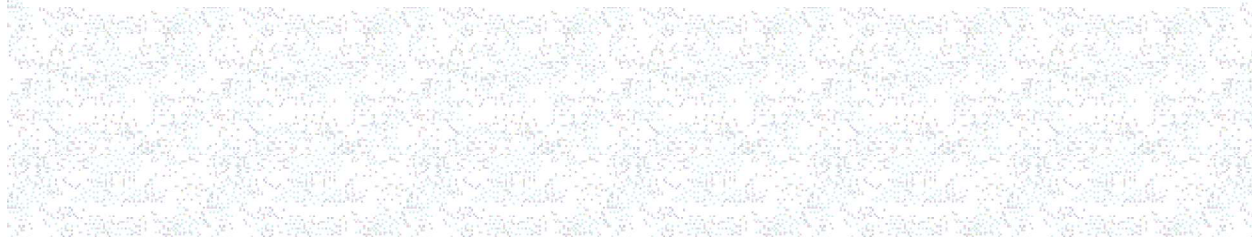
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*Lee Ann Hubanks, President
1612 Ave L
Plano, Texas
(972) 424-9800
TTY/Voice 800 735 2988
TTY only 800 735 2989*

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Plano Community Homes & Fair Oaks of Denton

October 10, 2024

To: Cody Campbell and Dominic Deniro, TDHCA

Re: 2025 QAP Public Comments

Thank you for the opportunity for public comment. Please accept our comments in this letter concerning the 2025 QAP out for public comment due no later than October 11, 2024.

We are very concerned about the 9% At-Risk awards going disproportionately to Rural and USDA (44% in the past 5 year, 50% in 2024) while the awards to Urban have been heavily weighted in a single Region, 11 – Brownsville area, soaking up 30% of all Urban awards in the past 5 years (81% in 2024) despite representing only 9% of the Housing Need determined by TDHCA's RAF (Regional Allocation Formula).

The 9% LIHTC program is a state-wide program and the Preservation Set-Aside is not serving the most populated areas of the state. In the past 5 years, the QAP policies have resulted in inadequately distributing funds compared to housing needs of the service region, a requirement of Texas statute:

Sec. 2306.804. USE OF HOUSING PRESERVATION RESOURCES

(a) To the extent possible, the department shall use available resources for the preservation and rehabilitation of the multifamily housing developments identified and listed under Section [2306.803](#).

East Campus
1612 Avenue L
Plano, Texas
75074
(972) 423-6058
FAX: (972) 423-
9681

West Campus
3905-3915-3925 American
Plano, Texas 75075
(972) 867-1905
FAX: (972) 867-9421

Pioneer Place Senior Housing,
Inc.
1928-1932 Avenue K
Plano, Texas 75074
(972) 424-9800
FAX: (972) 424-9808

Fairoaks of Denton,
Inc.
1950 Lattimore St.
Denton, Texas 76209
(940) 891-1719
FAX: (940) 891-6129



(b) To the extent possible, the department shall allocate low income housing tax credits to applications involving the preservation of developments assigned a Class A priority under Section [2306.803](#) and in both urban and rural communities in approximate proportion to the housing needs of each uniform state service region.

While we still believe there needs to be more changes in the QAP to ensure adequate Preservation throughout all service regions, we greatly appreciate TDHCA's efforts to address this inequality. We do support the following:

1) 2-mile Same year Rule

- We support following the Award Methodology Recommendation which prioritizes At-Risk over Regional Pools in the 2-mile conflict.
- In 2024, when the opposite priority was established, it redlined nearly every major metropolitan application in At-Risk resulting in no County with a population over 1 million from receiving a 9% preservation award in At-Risk.

2) At-Risk Set-Aside – “2nd Bite for USDA”

- We support the additional language allowing applications that are eligible for both USDA and At-Risk to only get a “2nd bite of the apple” after all other eligible Applications in the At-Risk Set-Aside have been funded.
- Given completely flat scoring in At-Risk and a tie break that favors rural applications, this guardrail will hopefully allow some additional Urban applications to be funded.
- As a reminder, in 2024, with the ability to simultaneously compete in 2 set-asides, USDA/Rural took 50% of the entire At-Risk pool, in excess of their 33% statutory requirement and in far excess of their housing need of 13%.

3) At- Risk – Automatic Subsidy Renewals are ineligible

- We support the additional language that contracts with automatic renewals are not considered to be nearing expiration for purposes of At-Risk Eligibility. Without this “guardrail” every USDA transaction is eligible for At-Risk and/or USDA set-aside buckets.
- With tie-breaks favoring Rural, this will stop USDA applications from picking the At-Risk “horse” over the USDA “horse” giving Urban applications a more favorable chance of getting funded.

4) At Risk – Definition of “nearing expiration”

- We support the expanded definition of nearing expiration to include “*The contract’s permanent expiration date is within ~~two~~ five years after July 31 of the year the Application is submitted.*”
- We expect many of the most vulnerable and at-risk affordable housing developments to now be eligible for the set-aside. But we do request a change in extending the date to 5 years.

Thank you for considering our comments.

Respectfully,

A handwritten signature in dark ink, appearing to read "Roque Christensen". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Roque' Christensen
Executive Vice President
Plano Community Homes & Fair Oaks

Via email: Cody.Campbell@tdhca.texas.gov; dominic.deniro@tdhca.texas.gov

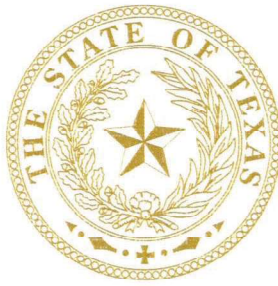
From: [Nicolas Kalla](#)
To: [Dominic DeNiro](#)
Cc: [Bobby Wilkinson](#); [Cody Campbell](#); [Joshua Goldberger](#); [Georgette Betancourt-Medellin](#)
Subject: Rep. Gamez 2025 QAP Public Comment
Date: Thursday, October 10, 2024 1:40:29 PM
Attachments: [Rep Gamez letter to TDHCA Oct 10.pdf](#)

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Dear Mr. DeNiro,

Please see attached for Rep. Erin Elizabeth Gámez' public comment for the 2025 QAP. Thank you for working with our office on this important issue. Please feel free to reach out if you have any additional questions.

Sincerely,
Nicolas Kalla
Chief of Staff for Rep. Erin Elizabeth Gámez
Nicolas.kalla@house.texas.gov
512-463-0606



ERIN ELIZABETH GÁMEZ



**TEXAS STATE REPRESENTATIVE
DISTRICT 38**

October 10, 2024

Board of Commissioners
Texas Department of Housing and Community Affairs
Attn: Dominic DeNiro
221 East 11th Street
Austin, Texas 78701

RE: 2025 Qualified Allocation Plan Public Comment

Dear Mr. DeNiro:

I wish to express my support for the changes made in §11.6(3)(C)(iv) of the Draft 2025 Qualified Allocation Plan. I am in favor of lowering the population threshold to 750,000 for the projects with Choice Neighborhood Planning or Implementation Grants.

Only three cities in Texas currently have Choice Neighborhood Planning or Implementation Grants made within the last five years that can qualify for this priority – Fort Worth, Brownsville and Houston. As the Texas State Representative for District 38, which encompasses the majority of the City of Brownsville, I urge you to adopt the lowering of the population limitation from 950,000 to 750,000. Failing to lower the threshold would only serve to exclude the City of Brownsville from qualifying for the priority status."

Sincerely,

A handwritten signature in black ink, appearing to read "Erin Gámez".

Erin Elizabeth Gámez
Texas State Representative District 38

cc: Bobby Wilkinson, Executive Director
Cody Campbell, Director of Multifamily Programs
Joshua Goldberger, Administrator, 9% Competitive Housing Tax Credit Program

From: [Tamara Longoria](#)
To: [Dominic DeNiro](#)
Subject: 2025 Draft QAP Comment - cdc b | come dream. come build.
Date: Thursday, October 10, 2024 2:37:20 PM
Attachments: [Outlook-acfozqzz.png](#)
[2025 Draft QAP Comment 10.9.pdf](#)

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Hello!

Please see cdcb's attached comment. Thank you!



Tamara Longoria
Policy Analyst
cdcb: come dream. come build.
(956) 524-4448
www.cdcb.org
901 E. Levee Street Brownsville, Tx 78520
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The updated TDHCA Draft 2025 Qualified Action Plan (QAP) continues to have unintended consequences that undermine housing affordability in rural communities, particularly regarding the “Neighborhood Risk Factors” tied to educational ratings. In the updated 2025 Draft QAP, TDHCA states that schools with a D or F rating for 2024 are considered Neighborhood Risk Factors. As of October of 2024, those ratings have not been released to the public due to the lawsuits filed against TEA. Ideally, the development of LIHTCs in areas with A or B scoring schools would address the housing needs of rural communities, but this is not the case as there are a limited number of schools and not always an alternative within a region to divert a development towards. TDHCA has the potential to impact student development through increased development of affordable housing but chooses to ignore the positive impacts of housing stability on students. TDHCA also fails to acknowledge the demonstrated flaws inherent to the Texas Education (TEA) rating system.

The Texas Education Agency (TEA) rating scale has been criticized for its lack of accuracy in reflecting true school performance, as underscored by two recent lawsuits filed against the agency. In a [Texas Tribune](#) article published on August 12, 2024, the lawsuits argue that the TEA's rating system, which assigns letter grades based on standardized test scores and other metrics, fails to account for the unique challenges faced by schools in economically disadvantaged areas. [One lawsuit](#), filed by a coalition of school districts, contends that the rating system disproportionately impacts schools with high-poverty student populations by not considering factors like socioeconomic barriers and resource limitations. The second lawsuit, initiated by another group of districts, supports these claims and further argues that the rigid grading system exacerbates existing inequalities rather than providing a fair assessment of school performance. Both lawsuits seek to reform or halt the current rating system, advocating for a more nuanced approach that better reflects the complexities of each school's context and the efforts made to support their students. Using a flawed system that discriminates against resource starved schools to further punish a community by stripping it of eligibility for affordable units is the kind of doubling down on misguided policy that wreaks havoc in rural communities.

Students experiencing housing instability have significantly higher rates of [chronic absenteeism](#) and school mobility in addition to poorer performance in school. Chronic absenteeism in school poses significant dangers to a child's educational and developmental progress, often leading to diminished academic achievement, increased dropout rates, and long-term socioeconomic disadvantages. One crucial factor contributing to chronic absenteeism is unstable housing. Children who face frequent moves, homelessness, or inadequate housing conditions are more likely to miss school regularly due to the stress and disruption associated with their living situations. This instability not only affects their attendance but also their ability to concentrate and succeed academically, leading to lower test scores, a significant determinant in TEA scores.



It is also important to address the quality of housing; [overcrowding](#) also poses significant risks to academic performance by creating an environment that hinders learning and well-being. According to [Greater Matthews Habitat for Humanity](#), adolescents living in overcrowded housing are less likely to graduate from high school by age 19 and are more likely to have fewer years of educational attainment by age 25 than their peers living in noncrowded housing. When multiple individuals share a small living space, it often results in increased stress, lack of privacy, and insufficient room for study and rest. These conditions can contribute to higher rates of absenteeism, decreased concentration and motivation, and lower academic achievement among students. Moreover, overcrowded housing is frequently linked to other issues such as inadequate access to educational resources and heightened familial tension, all of which can adversely affect a student's ability to succeed academically.

[School mobility](#), that is, moving from school to school also has significant negative effects on educational performance. Each transition can disrupt a child's learning process, as they must adapt to new teaching styles, classroom environments, and curriculum. This disruption can lead to gaps in knowledge and skills, as students might miss critical instruction or struggle to catch up with new material. Additionally, frequent moves can impact a student's ability to build stable relationships with peers and teachers, which is crucial for emotional and social development. The lack of continuity can also lead to increased behavioral issues and decreased motivation, further hindering academic performance.

The TEA fails to acknowledge the effects housing instability and economic disadvantages have on students, leading to inaccurate ratings and potential disinvestment in areas that need it most. The TEA rating system completely brushes over the root cause of poor educational outcomes: lack of affordable housing. A lack of quality, affordable housing creates a domino effect: housing instability leads to poor educational outcomes for students which subsequently leads to lower TEA school ratings. The key to improving low school ratings and poor educational performance is more investment in affordable housing. This includes more deeply affordable, stable, and healthy housing in cities across Texas. Stable and affordable housing creates a consistent living environment, which helps ensure regular school attendance and minimizes the stress of frequent relocations. With access to secure and adequate housing, students are less likely to face disruptions in their education, enabling them to concentrate more on their studies and build meaningful connections with their peers and teachers.

Despite the proven benefits of safe and stable housing, TDHCA's QAP prioritizes TEA's school ratings, which are inaccurate, controversial, and impacted by several different factors outside of the school's control, as mentioned above. This has led to inaccurate depictions of a school's performance and efficacy and leads to disinvestment. By rigidly tying housing development to the performance of nearby schools, TDHCA misses a crucial opportunity to invest in neighborhoods



that are in dire need of affordable housing. This oversight can perpetuate cycles of disadvantage, particularly in rural areas where higher rated educational institutions may be scarce. By doing so, TDHCA disproportionately affects rural communities across Texas.

TDHCA's proposed solution is to require the Applicant to provide 15 hours/week of weekly tutoring/homework assistance. This is a way to save face, nothing more, all while putting added costs to razor thin margins keeping projects viable. Oftentimes, service coordinators and even third-party tutoring services lack specialized training and expertise needed to address gaps in learning and will not provide the targeted support required for students with disabilities to improve their academic performance and build the skills needed to succeed. Without targeted support, students with disabilities will not be able to succeed and, without formal training and evidence-based strategies and intervention, tutors may wind up perpetuating gaps in learning as opposed to addressing them. Tutoring and homework help will not solve the issue of low TEA school ratings; the main issue for many students with less than desirable educational outcomes isn't the curriculum, it's housing instability. 15 hours a week of tutoring and homework help are simply not a viable option.

Basing TDHCA's Neighborhood Risk Factors on 2024 TEA school accountability ratings that have not been released as of October 2024 raises serious concerns regarding the efficacy and fairness of the agency's housing policies. This reliance on unpublished ratings undermines the decision-making process for affordable housing development and can lead to misguided investments that fail to address the actual needs of communities. TDHCA must do its part to promote the development of affordable housing in both rural and urban areas across Texas. If the intention of TDHCA is to encourage quality education and the development of affordable housing in areas with the most need, the implementation results in the exact opposite. The reliance on TEA school ratings leads to disinvestment in areas of high need, meaning TDHCA should be funding developments regardless of a zoned school's TEA ratings. This oversight not only perpetuates cycles of disadvantage but also stifles the potential for meaningful community development and educational improvement. A more nuanced approach that considers the broader socio-economic factors affecting education would empower TDHCA to make a lasting, positive impact on Texas communities, ultimately fostering environments where students can succeed. By doing so, TDHCA can ensure that communities with the greatest need receive the investment and support required to improve their overall conditions, rather than allowing school ratings to dictate the flow of resources and perpetuate inequalities.



Works Cited

1. **The Texas Tribune.** "Texas School Accountability Ratings Blocked from Release." Accessed August 19, 2024. <https://www.texastribune.org/2024/08/12/texas-school-accountability-ratings-lawsuit/>.
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3. **Poverty Solutions.** "Missing School, Missing Home: Policy Brief." University of Michigan. Last modified August 2024. <https://poverty.umich.edu/10/files/2018/11/PovertySolutions-MissingSchoolMissingHome-PolicyBrief-r4.pdf>
4. **ScienceDirect.** "Housing Crowding Effects on Children's Wellbeing." Accessed August 19, 2024. <https://www.sciencedirect.com/science/article/abs/pii/S0049089X11001694?via=ihub>
5. **Greater Matthews Habitat for Humanity.** "How Does Housing Affect Children's Education?" Accessed August 19, 2024. <https://www.greatermatthewshabitat.org/education>
6. **National Education Policy Center.** "Student Mobility: Causes, Consequences, and Solutions." University of Colorado Boulder. Accessed August 19, 2024. <https://nepc.colorado.edu/publication/student-mobility>

From: acct@mrecapital.com
To: [Dominic DeNiro](#)
Subject: Please reconsider --Requirements and Tax Credit minimums
Date: Thursday, October 10, 2024 2:59:09 PM

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The QAP's quantity of low income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000.

To make the deals work, we will need a property tax exemption, soft funding or both.

To make the requirement more attainable for the 2025 QAP, the percentage increase should be lowered to 4% and 6% for 1 and 2 points respectively.

Thank you for your consideration in this matter

Mary Beth Mooney

From: [Courtney Campbell](#)
To: [Dominic DeNiro](#)
Cc: [Seth Sullivan](#)
Subject: Sullivan Firm Comments to 2025 QAP Staff Draft At-Risk Modifications
Date: Thursday, October 10, 2024 3:03:39 PM
Attachments: [Outlook-vv1gw1r3.png](#)
[At-Risk Modifications Letter Sullivan PLLC 25 QAP.pdf](#)

You don't often get email from courtney.c@texashousinglaw.net. [Learn why this is important](#)

Dear Mr. DeNiro,

Please find the attachment from Sullivan Firm.

Warm Regards,

Courtney Cambell



Law Offices of
Seth B. Sullivan
PLLC

Courtney Campbell

Executive Assistant

16303 FM 344 W
Bullard, Texas 75757

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Via Electronic-Mail:
<dominic.deniro@TDHCA.Texas.gov>



**Law Offices of
Seth B. Sullivan**
PLLC

Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs
Multifamily Programs
221 E. 11th Street
Austin, Texas 78701-2410

October 11, 2024

Re: At-risk Modifications
2025 QAP Staff Draft

Dear Director,

I am reaching out to your Agency on behalf of the many clients I serve in the USDA portfolio. The modifications in the proposed 2025 QAP concerning the At-Risk definition in Texas Government Code 2306.6702, is highly concerning. It will have a negative impact on rural Texans.

From my perspective, I believe this should be appropriately handled through the legislative process. I fear that litigation may be unavoidable with this change. My firm and clientele are always available to your staff if you deem any clarifications as necessary.

The Rural Rental Housing Association of Texas and the President, Robbye Meyer, have my full support. If I must attend a future meeting, I can plan accordingly as I have been cleared to travel.

Very respectfully,

Seth B. Sullivan

Attorney-at-Law PLLC

200 Sunny Lane

PO Box 847

Linden, Texas 75563

P: 903.576.4034

E: seth@texashousinglaw.net

Austin Office (by appointment only):

The Westgate Tower

1122 Colorado, Suite 200

Austin, Texas 78701

Tyler Area Office (Mailing):

16303 FM 344W

Bullard, Texas 75757

Sullivan PLLC

10-24

From: [Sullivan, John](#)
To: [Dominic DeNiro](#)
Subject: Enterprise comments on 2025 QAP
Date: Thursday, October 10, 2024 4:39:52 PM
Attachments: [image001.png](#)
[image002.png](#)
[2025 Enterprise QAP comments.pdf](#)

You don't often get email from jsullivan@enterprisecommunity.org. [Learn why this is important](#)

Dominic – Please see attached Enterprise’s comments on the 2025 QAP.

John

John Sullivan
State and Local Policy Director
Gulf Coast

504.335.2305
enterprisecommunity.org



**Together we achieved
something momentous:**
1 million homes created.



October 10, 2024

Mr. Bobby Wilkinson
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Dear Mr. Wilkinson,

On behalf of Enterprise Community Partners (Enterprise), I am pleased to submit these comments regarding the Texas Department of Housing and Community Affairs (TDHCA)'s Low-Income Housing Tax Credit (LIHTC) draft 2025 Qualified Allocation Plan (QAP).

Enterprise works to make home and community places of pride, power and belonging by increasing the supply of affordable housing, advancing racial equity, and building resilience and upward mobility. With an end-to-end approach, 42 years of experience, and thousands of local partners, Enterprise has collaboratively built and preserved over one million homes and invested \$75 billion in communities across the United States, including nearly \$525 million in Housing Credit investments in Texas.

Enterprise appreciates the opportunity to provide feedback on the 2025 QAP and respectfully offers the following comment and recommendations.

We thank TDHCA for its continued commitment to sustainable and resilient design through incentivizing several green building certification programs, including Enterprise Green Communities.

However, we are again requesting that TDHCA adjust the language governing Enterprise Green certification to reflect how our certification program is structured and to have parity with the other green certification offerings (LEED and NGBS Green). The current language presents an enormous hurdle to any developer considering Enterprise Green Communities – the only national green building program created with and for the affordable housing sector – all but precluding its use in Texas within the LIHTC program.

The language in the current and draft QAP (Section IV 'Green Building Features') states (emphasis added): 'Enterprise Green Communities: The Development ***must incorporate all mandatory and optional items applicable to the construction type*** (i.e. New Construction, Rehabilitation, etc.) as provided in the most recent version of the Enterprise Green Communities Criteria found at <http://www.greencommunitiesonline.org>.



Requiring incorporation of **all** optional items applicable to the construction type is a much higher bar than is required for either LEED or NGBS Green, for which Enterprise Green is a comparable nationally recognized certification. The language governing the other programs states (emphasis added) that users 'must incorporate, at a minimum, ***all of the applicable criteria necessary to obtain*** a [LEED/NGBS Green] Certification.'

To put this in perspective, to achieve Enterprise Green Communities certification, all projects must achieve compliance with the Criteria mandatory measures applicable to that construction type. Additionally, New Construction projects must also achieve at least 40 optional points, and Substantial and Moderate Rehab projects must also achieve at least 35 optional points. However, there are between 285 and 300 available optional points (depending on construction type) for developers to select from to meet that 35/40 optional minimum. The Texas QAP as currently worded is **requiring developers to exceed the program optional point requirements by 650% - 714%**.

Enterprise Green Communities is the only national green building program created with and for the affordable housing sector. The current 2020 Green Communities Criteria incorporates five themes critical to healthy, sustainable affordable housing development: integrated design, a path to zero energy, healthy housing, water and resilience. New construction projects earn ENERGY STAR certification as part of Enterprise Green Communities certification. The ENERGY STAR certification also qualifies developers for the 45L tax credit, which was extended through the Inflation Reduction Act and changed to no longer count against the LIHTC basis. Developers who achieve 2020 certification also automatically receive WELL certification through Enterprise's partnership with the International WELL Building Institute (IWBI).

Thank you again for providing this opportunity to comment on TDHCA's draft 2025 QAP, and for your continued work to address housing affordability in Texas. We look forward to continuing to work with TDHCA to provide opportunities to create and rehabilitate affordable housing stock to provide stable, safe and comfortable housing for the most vulnerable Texans.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Whetten".

Michelle Whetten

Vice President and Gulf Coast Market Leader, Enterprise Community Partners

From: [Pearl Cruz](#)
To: [Dominic DeNiro](#)
Cc: [Alexandra Calve](#)
Subject: Letter for Public Comment
Date: Thursday, October 10, 2024 10:05:50 PM
Attachments: [10.08.24 Letter to TDHCA Wilkinson re At Risk Definition in 2025 QAP.pdf](#)

You don't often get email from pearl.cruz@senate.texas.gov. [Learn why this is important](#)

Good evening,

I hope this email finds you well. I am writing to share the attached letter to be considered for public comment. Will you please let me know if you have any questions or concerns? We acknowledge that the deadline may have been missed. If that is the case, will you please let me know? Thank you for your consideration.

Thank you,

Pearl D. Cruz (*she/her/hers*)
Chief of Staff and General Counsel
Executive Director, Texas Senate Hispanic Caucus
Office of State Senator José Menéndez
CO: (512) 463-0126
DO: (210) 733-6604

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The Senate of The State of Texas

Senator José Menéndez

District 26

October 10, 2024

Bobby Wilkinson
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701

Dear Mr. Wilkinson,

RE: Public Comment for the 2025 Qualified Allocation Plan – At-Risk Definition

Thank you for your service to our great State. As one of the legislators attributed to the creation and modifications of the At-Risk definition in Texas Government Code 2306.6702, I am concerned with the proposed changes for the 2025 Qualified Allocation Plan (QAP), as they seem to be in conflict with this section of statute.

As drafted, the QAP's provision seem to eliminate eligible USDA-financed applications from competing at an At-Risk Development. Further, the provisions seem to restrict the certain subsidies from qualification as At-Risk when they are specifically listed as a qualifying subsidy in statute.

Given these conflicts, I respectfully ask that the Texas Department of Housing and Community Affairs (TDHCA) consider reviewing the proposed language to allow advocates to work with the Legislature to clarify the At-Risk definition to be more accommodating for applicants and TDHCA. If you have any questions, please do not hesitate to contact me at jose.menendez@senate.texas.gov or (512) 463-0126.

Sincerely,

A handwritten signature in black ink, appearing to read "Jose Menendez", with a stylized flourish at the end.

State Senator José Menéndez

CAPITOL OFFICE

P.O. Box 12068
Austin, Texas 78711
(512) 463-0126
1-888-279-0648

E-MAIL: Jose.Menendez@senate.texas.gov

Chairman Senate Hispanic Caucus
Committees: Vice-Chairman Local Government
Administration • Business & Commerce
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DISTRICT OFFICE

4522 Fredericksburg Rd., Ste. A-22
San Antonio, Texas 787201
(210) 733-6604

From: [Kathryn Saar](#)
To: [Cody Campbell](#); [Dominic DeNiro](#)
Cc: [Karsten Lowe](#); [Roger Arriaga](#)
Subject: TAAHP 2025 QAP Comment
Date: Friday, October 11, 2024 9:51:14 AM
Attachments: [image001.png](#)
[TAAHP 2025 QAP Public Comment FINAL.pdf](#)

You don't often get email from kathryn@tbsg.com. [Learn why this is important](#)

Hi Cody,

Please find TAAHP's comment on the 2025 QAP – let us know if you have any questions.

Thank you,

Kathryn Saar

The Brownstone Group | 1391 Sumac Circle | Park City, UT 84098
O: 512.828.6413 | C: 214.532.4624 | kathryn@tbsg.com





TEXAS AFFILIATION OF AFFORDABLE HOUSING PROVIDERS

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Executive Director

October 11, 2024

Mr. Cody Campbell, Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701
cody.campbell@tdhca.state.tx.us

Re: Texas Affiliation of Affordable Housing Providers – Consensus Recommendations
on Staff Draft of 2025 Qualified Allocation Plan and Multifamily Rules

Dear Mr. Campbell:

The Texas Affiliation of Affordable Housing Providers (“TAAHP”) greatly appreciates the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan (“QAP”) and Multifamily Rules. Our membership represents a variety of disciplines and works diligently to provide affordable housing to low- and moderate-income families in the State of Texas. It is TAAHP’s policy to submit only those recommendations that represent a consensus among our membership.

On behalf of TAAHP, we respectfully offer the following public comment on the 2025 QAP.

\$11.9(b)(3) Quantity of Low-Income Units

Despite the appearance of creating additional units in the 2024 Round, the efficacy of this scoring incentive remains unproven. None of the Developments that claimed these points have yet closed.

Leading into the 2024 Application Cycle, many Applicants chose to drop high-scoring Development proposals because the prescribed unit count under this paragraph could not be achieved given the financial sources available.

The list of Applications awarded in July include more than \$100MM in uncommitted soft funding, not all of which will come to fruition. It is likely that without this soft funding, the subject Applications would have failed TDHCA’s financial feasibility test.

Applicants who fail to secure necessary soft funding will either need to retool the subject Development or be forced to return the credits. Retooling a Development takes time and will perpetuate requests for force majeure, which have increased precipitously in recent years. Furthermore, there are limited options available to resize these Developments. Value-engineering the Development down to the bare minimum will create some savings but will not make up \$1-2MM in missing soft funding.

To make these deals work, many applicants will need to secure a property tax exemption to generate the unit quantities required under this scoring item in the 2024 QAP. The tax-exemption serves to increase the Development’s capacity for debt, which would be needed to produce these required additional units. It is TAAHP’s opinion that a tax-exemption should not be necessary for the financial feasibility of 9% Tax-Credit deals.

TAAHP's believes in the mission of creating more affordable housing units with the resources we have. The policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of soft funding or tax-exemptions.

One tool that should **not** be available to Applicants who took points under this scoring item is a reduction in unit count.

As currently written, this scoring incentive mandates unit counts that are not achievable in the current economic environment, with sources available. Therefore, TAAHP recommends the following changes to the scoring item; members believe that these percentages are achievable and still provide a meaningful increase to overall unit production.

(A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds.

(i) The proposed number of Low-Income Units is ~~4~~ **10**% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (1 point);

(ii) The proposed number of Low-Income Units is ~~6~~ **20**% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (2 points);

(iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is 50% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (3 points).

(B) The Development is Rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural wards in the ~~two prior 2022 and 2023~~ competitive rounds.

(i) The proposed number of Low-Income Units is ~~4~~ **10**% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (1 point);

(ii) The proposed number of Low-Income Units is ~~6~~ **20**% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (2 points);

On behalf of our membership, TAAHP thanks you and staff for all your efforts on the QAP. If you have any questions or would like to discuss any of these items further, please do not hesitate to contact Kathryn Saar at (512) 828-6413 or via email at kathryn@tbsg.com any time.

Sincerely,



Kathryn Saar
TAAHP QAP Chair



Karsten Lowe
TAAHP QAP Co-Chair

CC: Nathan Kelley, President
Bobby Wilkinson, Executive Director, TDHCA
Gabriel De Ochoa, Budget & Policy Advisor, Governor's Office
Joshua Goldberger, Administrator 9% Competitive HTC, TDHCA

From: [greg whiteley](#)
To: [Dominic DeNiro](#)
Subject: RE: Stewardship Development - Letter In Opposition to Quantity of Low Income Points
Date: Friday, October 11, 2024 10:02:16 AM
Attachments: [Stewardship Development - Letter In Opposition to Quantity of Low Income Points - 10.11.24.pdf](#)

You don't often get email from gregwhiteley@hotmail.com. [Learn why this is important](#)

Good Morning Mr. DeNiro,

Please see the attached letter of opposition to the quantity of low income points rule.

Regards,

Greg

--

Greg Whiteley
Stewardship Development
512/203-3854



October 11, 2024

Texas Department of Housing & Community Affairs
Attn: Dominic DeNiro

Mr. DeNiro,

My name is Greg Whiteley and I am one of the partners in Stewardship Development, an affordable housing developer based in Oregon. We are presently in five states – Texas, Oregon, Washington, New Mexico and Colorado. In Texas we have a 72 unit project under construction in Harris County that received a 9% award in the 2023 round (Saddle Creek Village).

I am writing today in opposition of the Quantity of Low Income Points Rule in Texas and I urge TDHCA to abolish it. This year, Stewardship received a 2024 9% award for a project in Harris County known as Veterans Memorial. Unfortunately last month we returned the tax credits because we were faced with a 4MM shortfall. We used real numbers based on our Saddle Creek Village project which closed in August 2024.

While I applaud TDHCA's efforts to maximize dollars, it is simply not viable for a developer to build 98 units on a 2MM tax credit award. It will be interesting to see if my assessment is borne out or I am proved wrong and other developers are magicians. One idea to further TDHCA's goal of maximizing the State's dollars is to work with cities and counties to provide gap funding. For example, if the City of Houston and Harris County allocated 32MM a year to support the TDHCA 6U allocation (i.e., 4MM per project), developers would be able to build 98 units.

From Stewardship's perspective, until the Quantity of Low Income Points Rule is modified in a substantial way and ideally eliminated, we will focus our efforts in other states.

Regards,

Greg Whiteley

Stewardship Development

From: [Justin Gregory](#)
To: [Dominic DeNiro](#)
Subject: Public Comment TDHCA QAP
Date: Friday, October 11, 2024 10:04:09 AM
Attachments: [image001.png](#)

Hello,

Please see below for our comment on the QAP:

The QAP's quantity of low income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000. To make the deals work, we will need a property tax exemption, soft funding or both. This are limited resources that will not be available in all geographic locations and tax exemptions specifically will create tensions with local governments. To make the requirement more attainable for the 2025 QAP, the percentage increase should be lowered to 4% and 6% for 1 and 2 points respectively.

Thanks,

Justin Gregory
Financial Analyst



P / 724.561.3196
E / justin.gregory@pivotal-hp.com

9100 Centre Pointe Drive, Suite 210
West Chester, OH 45069
PIVOTAL-HP.COM

From: [Audrey Martin](#)
To: [Dominic DeNiro](#)
Cc: [Joshua Goldberger](#); [Cody Campbell](#); [Joel Martin](#); [Todd Helmer](#)
Subject: 2025 Official Draft QAP - PMRE Comment
Date: Friday, October 11, 2024 10:04:52 AM
Attachments: [2025 QAP Comments Official Draft QAP PMRE Final.pdf](#)

Hi, Dominic.

Please find attached Purple Martin Real Estate's 2025 QAP comments. Thanks to the TDHCA team for all your work on the rules this year.

Thank you,

Audrey Martin
Purple Martin Real Estate
2110 W. Slaughter Ln.
Suite 107-394
Austin, TX 78748
(512) 658-6386
audrey@purplemartinre.com



October 11, 2024

Multifamily Finance Division
Texas Department of Housing and Community Affairs
Attn: Joshua Goldberger, Competitive (9%) Housing Tax Credit Manager
221 East 11th Street
Austin, Texas 78701

Re: Public Comment, 2025 Official Draft Qualified Allocation Plan

Dear Mr. Goldberger:

Thank you to the Texas Department of Housing and Community Affairs ("TDHCA") for the opportunity to provide public comment related to the 2025 Official Draft Qualified Allocation Plan ("QAP"). Please accept the following comments on behalf of Purple Martin Real Estate ("PMRE"):

§11.9(b)(3) Quantity of Low-Income Units

PMRE agrees with TAAHP's comments related to this scoring item. The applicant community understands TDHCA's desire to increase the production of affordable units. However, the new 2024 QAP language was problematic and challenging for financial feasibility, and the effect of the 2024 language has yet to be seen since 2024 developments have not yet closed. In our highly inflationary environment, with significant cost increases over the past three years, producing more affordable units, particularly at the levels outlined in the 2024 and 2025 QAP, puts a significant financial strain on developments.

PMRE agrees with TAAHP's suggested revision to this scoring item:

- (A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds.
- (i) The proposed number of Low-Income Units is ~~4-10%~~ 6-20% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (1 point);
 - (ii) The proposed number of Low-Income Units is ~~6-20%~~ 6-20% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (2 points);
 - (iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is 50% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (3 points).
- (B) The Development is Rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural wards in the ~~two prior~~ 2022 and 2023 competitive rounds.
- (i) The proposed number of Low-Income Units is ~~4-10%~~ 6-20% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (1 point);
 - (ii) The proposed number of Low-Income Units is ~~6-20%~~ 6-20% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (2 points);

§11.101(a)(3) Neighborhood Risk Factors, Schools

Within §11.101(a)(3)(D)(iii), PMRE requests reinstatement of the 2022 language providing an exemption for developments encumbered by a TDHCA LURA. It is important to remove barriers to preserving existing TDHCA-funded affordable housing, such as potential costly 30-45 year after-school mitigation obligations based on a point-in-time evaluation of schools.

Additionally, providing an onsite after school learning center should not be a baseline requirement for mitigation for the entire Affordability Period, particularly in light of the disruptions to education and school ratings during and since the pandemic. It seems that TEA ratings have been and will continue to be negatively affected over the next few years due to the pandemic, and the QAP should not place the burden of correcting the effects of these disruptions on owners and developers. PMRE suggests that after school learning centers should only be required until the subject school achieves an acceptable rating, as was the case in the 2022 QAP.

§11.101(b)(1)(A)(vii) Ineligible Developments, Efficiencies and One-Bedroom Units

PMRE appreciates the increase in the percentage limitation for efficiencies and one-bedroom units. However, we continue to have concerns with having an ineligibility item that dictates the unit mix for developments. Unit mix is most appropriately determined based on the needs of each individual market. Furthermore, this policy may limit the ability of applicants to provide a greater number of units within each development. PMRE requests a further increase of the stated percentage to 50%.

Please contact me at (512) 658-6386 or Audrey@purplemartinre.com with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Audrey Martin', with a long horizontal flourish extending to the right.

Audrey Martin
Principal, Purple Martin Real Estate, LLC

From: [Alyssa Carpenter](#)
To: [Dominic DeNiro](#); [Joshua Goldberger](#); [Cody Campbell](#)
Subject: QAP Public Comment
Date: Friday, October 11, 2024 10:56:05 AM
Attachments: [2025 QAP comments 101124.pdf](#)

Hi, Dominic, Cody, and Joshua:

I have attached my comments on the 2025 QAP. Thank you very much for the opportunity and would you please confirm receipt?

Regards,

Alyssa Carpenter

October 11, 2024

Dominic Deniro
Texas Department of Housing and Community Affairs
QAP Rule Public Comment
221 E. 11th Street
Austin, Texas 78701

RE: Comment on the Draft 2025 Qualified Allocation Plan

Dear Mr. Deniro:

The following comments are in response to the draft 2025 Qualified Allocation Plan (QAP). I thank Staff for their work on this document and the opportunity to provide input.

11.1(e) Data

This section currently requires “other data” including Neighborhoodscout data to be dated between August 1 and the Pre-Application Final Delivery Date. Many years ago, the Tie Breaker considered the cumulative total of Opportunity Index selections, which included the Neighborhoodscout property crime rate. The Pre-Application Final Delivery Date was required for this data to ensure that there was a “level playing field” when selecting and comparing competing sites in case the Neighborhoodscout website changed between Pre-Application and Full Application.

Now that the Neighborhoodscout crime rate is not part of the Tie Breaker, I ask that Neighborhoodscout data/documentation be accepted when dated though the Full Application Delivery Date. This would be consistent when documentation is required in the rest of the application.

11.7 Competitive HTC Set-Asides

There was a lot of discussion concerning the USDA Set Aside applications competing against the At Risk Set-Aside Applications. I think the proposed language has the unintended consequence of preventing an application that legitimately qualifies for both USDA and At Risk to be funded in the At Risk. For example, there are developments that have a USDA loan as well as HTC credits and therefore would qualify for the USDA Set Aside with the USDA loan, and would separately qualify for the At-Risk Set-Aside with the HTC credits. I propose that this section be revised to allow an Application to compete in both Set-Asides if it has multiple subsidies. Suggested language is added in blue:

5% of the State Housing Credit Ceiling associated with this Set-aside will be given as priority to Rehabilitation Developments under the USDA Set-aside; any Applications submitted under the USDA Set-Aside in excess of this 5% priority may compete within the At-Risk Set-Aside only if they meet the definition for an At-Risk Development, have submitted sufficient supporting documentation within the Application to demonstrate qualification as an At-Risk Development, and all other eligible Applications in the At-Risk Set-Aside have been funded. However, an Application in the USDA Set-Aside may qualify to compete in both the USDA Set-Aside and At-Risk Set-Aside simultaneously if the Application has a subsidy listed in 11.7(3)(B)(i) that is in addition to the subsidy listed in 11.7(3)(B)(i)(VII) and the Application selects both the USDA Set-Aside and the At-Risk Set-Aside at Pre-Application and Full Application.

11.7(2) Tie Breaker Factors

A general restriction appears to have been placed on using a feature's "location" only once for Tie Breaker purposes. This might have the unintended consequence of preventing cities that group their services in one location from equal consideration in the Tie Breaker. I suggest the following language be added to allow a local municipality to clarify:

(A) Applications proposed to be located in closest proximity to the following features as of the Full Application Delivery Date. Each feature's location may be used only once for tiebreaker purposes regardless of the number of categories it fits, unless documentation is provided in the Full Application that the local municipality considers two or more features in the same location to be separate and distinct.

11.7(2)(A)(i) Tie Breaker Factors for Park

The addition of language that states that "Features that charge admission are not eligible for consideration" is overly broad and subject to challenge. For example, this language could disqualify parks that are otherwise free and open, but charge admission for a pool that is on one section of the property or that charge a fee for a league that uses the tennis courts on one section of the property. I suggest that this language be clarified and example language is below:

Features that charge admission for the general public to access the entire property for the majority of the calendar year (e.g. a golf course, zoo, botanical garden, etc.) are not eligible for consideration.

11.9(b)(3) Quantity of Low-Income Units

In order to incentivize an increase in low-income units while also recognizing current economic challenges, I suggest that the percentages be revised. I also suggest that the rehabilitation option percentage also be adjusted downward.

(A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the ~~two-prior~~ 2022 and 2023 competitive rounds.

(i) The proposed number of Low-Income Units is ~~4%~~ 10% greater than the subregion average of the ~~two-prior~~ 2022 and 2023 competitive rounds (1 point);

(ii) The proposed number of Low-Income Units is ~~6%~~ 20% greater than the subregion average of the 2022 and 2023 ~~two-prior~~ competitive rounds. (2 points);

(iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is ~~20%~~ 50% greater than the subregion average of the 2022 and 2023 ~~two-prior~~ competitive rounds (3 points).

(B) The Development is rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural awards in the 2022 and 2023 ~~two-prior~~ competitive rounds.

(i) The proposed number of Low-Income Units is ~~4%~~ 10% greater than the average of all Rural awards in the 2022 and 2023 two prior competitive rounds (1 point);

(ii) The Development size is 80 units and entirely Low-Income or the proposed number of Low-Income Units is ~~6%~~ ~~20%~~ greater than the average of all rural New Construction awards in the ~~2022 and 2023 two-prior~~ competitive rounds (2 points).

11.9(d)(7) Concerted Revitalization Plan

In order to provide a “level playing field” for urban At-Risk developments, I propose that 11.9(d)(7)(B) be revised to also include Rehabilitation developments in the At-Risk Set-Aside.

(B) For Developments located in a Rural Area or Applications submitted in the At-Risk Set-Aside, the Rehabilitation or demolition and Reconstruction of a Development that has been leased and occupied at 85% or greater for the six months preceding Application by low income households and which was initially constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, the HOME program, or the CDBG program.

11.101(a)(3)(D)(iii) Neighborhood Risk Factors for Certain School Attendance Zones and 11.101(b)(C) Ineligibility of Developments within Certain School Attendance Zones

It appears that the release of the 2024 Accountability Ratings has been delayed and ratings are unavailable as of this date. I ask that sections 11.101(a)(3)(D)(iii) and 11.101(b)(C) of the 2025 QAP be suspended for 2025 due to the delay of 2024 TEA ratings.

Thank you for your attention to these comments. Please contact me with any questions.

Regards,



Alyssa Carpenter
ajcarpen@gmail.com
512-789-1295

From: [Kathryn Saar](#)
To: [Dominic DeNiro](#)
Subject: 2025 QAP Public Comment
Date: Friday, October 11, 2024 12:34:08 PM
Attachments: [image001.png](#)

Dominic,

On behalf of the Brownstone Group, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

While I respect the desire to increase the number of low-income units, the proposal put forth is not realistic in today's economic environment. Burdened by high construction and insurance costs, high interest rates, and a drop in equity pricing, increased unit counts are increasingly difficult to achieve.

I believe in the mission of creating more affordable housing units with the resources we have available. This policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of increased levels of soft funding or tax-exemptions.

To promote attainable unit production, I respectfully ask that you make modifications to this threshold item as follows:

For Urban & Rural Developments:

- Decrease the 10% increase in more units to 4% for 1 point.
- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Thank you,

Kathryn Saar
O: 512.828.6413 | C: 214.532.4624 | kathryn@tbsg.com



From: justin@arxadvantage.com
To: [Dominic DeNiro](#)
Cc: [Cody Campbell](#); [Joshua Goldberger](#)
Subject: Arx Advantage 2025 QAP Comments
Date: Friday, October 11, 2024 12:44:15 PM
Attachments: [Arx Comment to 2025 Final QAP.pdf](#)

Mr DeNiro,

Please see the attached file for the 2025 QAP Comments from Arx Advantage.

Justin Meyer, HCCP

Arx Advantage

Development Specialist - Principal
3105 Larkspur Cir, College Station, TX 77845
(979) 229-6656 (M)
(512) 857-8227 (F)
ArxAdvantage.com



Arx Advantage, LLC
Justin M. Meyer
1305 Dusky Thrush Trail
Austin, Texas 78746
(512) 963-2555
justin@arxadvantage.com

October 11, 2024

Via Electronic Mail

Dominic DeNiro
Texas Department of Housing and Community Affairs
Multifamily Programs
221 E. 11th Street
Austin, Texas 78701-2410
Email: dominic.deniro@tdhca.texas.gov

Re: 2025 Final QAP Comment

Dear Mr. DeNiro:

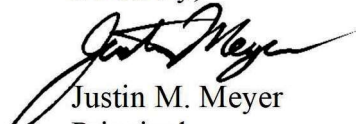
Please find the Arx Advantage comments for the Final of the 2025 Qualified Allocation Plan attached to this letter. We appreciate the opportunity to make comments for the 2025 Final Qualified Allocation Plan ("QAP").

Arx Advantage ("Arx") is a member of the Texas Affiliation of Affordable Housing Providers ("TAAHP") and of Rural Rental Housing Association ("RRHA") as well as a consultant for multiple applicants in the multifamily programs.

If you need any additional information or clarification regarding the attached comments, please contact me at 979-229-6656, or via email at justin@arxadvantage.com.

Thank you for the opportunity to provide comments for the 2025 Final QAP.

Sincerely,



Justin M. Meyer
Principal

Requested revisions for the 2025 Final of the QAP

§11.5(3)(B) At-Risk Set-Aside. – Since this section is firmly established with statutory language from Texas Government Code 2306, Arx requests that TDHCA allow the industry to handle the resolutions needed with this section through legislative action in the 2025 legislative session.

§11.9(b)(3) Quantity of Low-Income Units. As demonstrated in the 2024 cycle, many applicants submitted pre-applications and withdrew before submitting a full application because meeting this scoring was not financially feasible. Arx has provided a recap of information for the applications that were awarded in the 2024 cycle. All of the urban applications either have large amounts of soft funding that are not secured yet (and may not be) or are underwritten tightly within the REA guidelines with extremely low interest rates, high equity pricing and at a 1.15 DCR. There is NO room for changes or a hiccup for these applications to be able to move forward without amendments. At a minimum, we would request a pause to this scoring item for 2025 to see how the 2024 applications actually close.

If neither elimination or suspension is an option, we support TAAHP's recommendations.

§11.9(c)(4)(B) Residents with Special Housing Needs. This item requires an additional 2% of the total Units be set-aside for housing homeless individuals and families. Arx supports the RRHA with this item. The issue is not with serving the homeless population, it is with the ability to coordinate with non-existent COC providers and homeless service providers in remote rural areas. USDA was exempt from this point category when it was first introduced in the QAP. Having to hold units available for six (6) months before being able to lease them to other residents, can be financially problematic for developments not receiving rent on vacant units. Arx and RRHA has requested that USDA developments be exempt from this point category until such time there is an appropriate coordinating agency that rural development may work with to provide these services.

§11.9(c)(6) Underserved Area. Arx appreciates the changes to §11.9(c)(6) with the attempt to broaden the areas to allow more development.

§11.9(e)(1) Financial Feasibility. Arx fully supports the changes to financial feasibility scoring and related requirements in the threshold section.

§11.9(e)(4) Leveraging of Private, State and Federal Resources. We appreciate staff recognizing the need for rehabilitation development to have an addition increase in the leveraging percentage of 1%. We join with RRHA in requesting that USDA application be exempt from the 50-unit limit that was added to the Draft QAP in September. USDA development have been caught in aa cash-out dispute with one applicant that competes in the At-Risk set-aside. USDA applications have not been involved in this “cash out” issue as other applicants may have been in the past. We respectful ask that USDA applications not be penalized because of other regarded “bad actors”

[End]

From: [Evon](#)
To: [Dominic DeNiro](#); [Dominic DeNiro](#)
Subject: 2025 QAP Public Comment
Date: Friday, October 11, 2024 1:26:41 PM

You don't often get email from eyharris1@verizon.net. [Learn why this is important](#)

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft Qualified Allocation Plan ("QAP") and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

While I respect the desire to increase the number of low-income units, the proposal put forth is not realistic in today's economic environment. Burdened by high construction and insurance costs, high interest rates, and a drop in equity pricing, increased unit counts are increasingly difficult to achieve.

I believe in the mission of creating more affordable housing units with the resources we have available. This policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of increased levels of soft funding or tax-exemptions.

To promote attainable unit production, I respectfully ask that you make modifications to this threshold item as follows:

For Urban & Rural Developments:

- Decrease the 10% increase in more units to 4% for 1 point.
- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants.

Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Evon Harris

Harris284 Team, Inc.
404 East Worth Street
Grapevine, TX 76051
(817) 424-3908 work
(817) 707-3908 cell

From: [Joshua Goldberger](#)
To: [Dominic DeNiro](#)
Subject: FW: FC Comments to 2025 QAP
Date: Friday, October 11, 2024 1:42:49 PM
Attachments: [FC comments to 2025 QAP.pdf](#)

Best,

Josh Goldberger

Competitive (9%) Housing Tax Credit Manager
Texas Department of Housing and Community Affairs
Office: 512.475.2596
221 E. 11th Street | Austin, TX 78701

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §11.2(a)).

From: Tillie Croxdale <tillie.croxdale@Foundcom.org>
Sent: Friday, October 11, 2024 1:42 PM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>; Joshua Goldberger <Joshua.Goldberger@tdhca.texas.gov>
Cc: Sabrina Butler <sabrina.butler@Foundcom.org>; Walter Moreau <Walter.Moreau@Foundcom.org>
Subject: FC Comments to 2025 QAP

Hi Cody and Joshua, see attached for comments from Foundation Communities on the 2025 QAP.

It's pretty simple, we have a small but important clarification to the new 30 SF per unit of Common Area requirement. This was intended to capture true resident amenity space as well. Thank you! Hope you enjoy your weekend.

(ii) provide no less than 30 square feet of Common Area space per Unit that is specifically used for the delivery of supportive services or an amenity for the residents. This may include all defined Common Area spaces except for property management offices and interior corridors as these are standard for apartment communities.

Tillie Croxdale
pronouns: she/her
Housing Finance Project Manager
Foundation Communities
3000 S IH 35, suite 300
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Cell (512) 771-7545
tillie.croxdale@foundcom.org



HOUSING



EDUCATION



FINANCIAL STABILITY



HEALTH



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tel: 512-447-2026
fax: 512-447-0288

foundcom.org



October 11, 2024

Cody Campbell

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Comments on the 2025 Qualified Allocation Plan

Dear Mr. Campbell,

Thank you for accepting some of our comments on the Supportive Housing definition in the QAP. The changes to the financing section will better reflect the types of complex soft funding that are critical to Supportive Housing Developments and the added requirement for minimum amenity square footage will ensure the developments are designed to support the unique needs of the Supportive Housing target population. We have one small but critical tweak to request. The 30 SF per unit of Common Area requirement is intended to include services offices as well as true amenity space for residents. Our Supportive Housing communities include one or two service provider offices and a food pantry, which accounts for less than 1,000 SF. We also include large enclosed courtyards, tv rooms, community rooms, computer labs, community kitchens, and front desk space. These spaces should be included in the 30ft per unit of Common Area calculation. Suggested language is below.

(ii) provide no less than 30 square feet of Common Area space per Unit that is specifically used for the delivery of supportive services or an amenity for the residents. This may include all defined Common Area spaces except for property management offices and interior corridors as these are standard for apartment communities.

Thank you and the TDHCA staff for all that you do.

Sincerely,

Walter Moreau
Executive Director of Foundation Communities



a Partner Agency of



United Way for Greater Austin



From: [Christine Castillo](#)
To: [Dominic DeNiro](#)
Cc: [Sallie Burchett](#)
Subject: QAP Public Comment
Date: Friday, October 11, 2024 11:38:19 AM
Attachments: [Public Comment for 2025 QAP 10.11.24.pdf](#)

Dominic,

Please see attached for public comment on the Qualified Allocation Plan (QAP). At your earliest convenience, please confirm receipt.

Thank you,
Christine Castillo
Structure Development
1301 Chicon St, Unit 101
Austin, TX 78702
956-238-7717

October 11, 2024

Dominic DeNiro, Housing Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701



Re: 2025 Draft QAP Public Comment

Dear Mr. DeNiro,

Thank you for the opportunity to submit public comments for the formal draft of the 2025 Qualified Allocation Plan (QAP). I respectfully offer the following recommendations for staff consideration and implementation to the draft QAP that will be submitted to the governor's office for review and final approval on December 1st, 2024.

Tie Breaker Factors

The following language was added to the current QAP draft under §11.7 (2)(A):

Each feature's location may be used only once for tie breaker purposes regardless of the number of categories it fits

The purpose of incentivizing proximity to the specified features (elementaries, parks, libraries, grocery stores) as a tie breaker is to give future residents great access to a variety of amenities. Not allowing a feature's location to qualify even if it fits multiple categories is counterintuitive to this idea. If the goal is to provide a beneficial location for residents, **multiple unique and separate amenities that happen to be on the same legal parcel of land near the development are consistent with the policy objectives of the QAP.** As long as the features all meet the QAP's criteria, they should all be able to count even if they share the same parcel. It is best to allow applications to be as competitive as possible on the proximity to amenities and strike out this language. The exception should be school parkland reserved for students during school hours.

Schools

Due to the ongoing lawsuit, new ratings have not been released by the Texas Education Agency (TEA). With this having been an issue for two years in a row and no knowledge of when new ratings will be released, we recommend that TDHCA forgo TEA school ratings as a Neighborhood Risk Factor for this year's QAP. School scores from 2022 reflect what was happening just as the world came out of the Covid shutdown. That was very different from what we see now. The ratings are outdated at this point, and continuing to use school scores that date from the Covid pandemic just continues to perpetuate the effects of the pandemic and do not accurately reflect how schools are currently performing.

Quantity of Low-Income Units

The QAP's quantity of low-income unit requirement is unattainable with a fixed Housing Tax Credit maximum of \$2,000,000. To make the deal financially viable, we will need a property tax exemption, soft funding or both. Neither of these tools are readily achievable in most markets. To make the

requirement more attainable for the 2025 QAP, the percentage increase should be lowered to 4% and 6% for 1 and 2 points respectively.

Thank you for considering this public input.

Sincerely,

A handwritten signature in black ink that reads "Christine Castillo". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Christine Castillo

From: [Emerson Schulz](#)
To: [Dominic DeNiro](#)
Cc: [Joshua Goldberger](#); [Cody Campbell](#); [Jeremy Bartholomew](#); [Carrie Ford Compton](#)
Subject: 2025 Draft QAP Comments
Date: Friday, October 11, 2024 11:53:37 AM
Attachments: [2025 QAP Comments Official Draft QAP Resolution Companies.pdf](#)

Some people who received this message don't often get email from emerson@resolutioncompanies.com. [Learn why this is important](#)

Hi Dominic,

Resolution Companies' comments on the 2025 Draft QAP are attached. Thank you for your consideration, and please let us know if you have any questions.

Thanks,

Emerson Schulz
Resolution Companies
206.452.9856

October 11, 2024

Multifamily Finance Division
Texas Department of Housing and Community Affairs
Attn: Joshua Goldberger, Competitive (9%) Housing Tax Credit Manager
221 East 11th Street
Austin, Texas 78701

Re: Public Comment, 2025 Official Draft Qualified Allocation Plan

Dear Mr. Goldberger:

Thank you to the Texas Department of Housing and Community Affairs ("TDHCA") for the opportunity to provide public comment related to the 2025 Official Draft Qualified Allocation Plan ("QAP"). Please accept the following comments on behalf of Resolution Companies:

§11.9(b)(3) Quantity of Low-Income Units

Resolution Companies agrees with TAAHP's comments related to this scoring item. The applicant community understands TDHCA's desire to increase the production of affordable units. However, the new 2024 QAP language was problematic and challenging for financial feasibility, and the effect of the 2024 language has yet to be seen since 2024 developments have not yet closed. In our highly inflationary environment, with significant cost increases over the past three years, producing more affordable units, particularly at the levels outlined in the 2024 and 2025 QAP, puts a significant financial strain on developments.

Resolution Companies agrees with TAAHP's suggested revision to this scoring item:

(A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds.

(i) The proposed number of Low-Income Units is ~~4~~ ¹⁰% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (1 point);

(ii) The proposed number of Low-Income Units is ~~6~~ ²⁰% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (2 points);

(iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is 50% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (3 points).

(B) The Development is Rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural wards in the ~~two prior 2022 and 2023~~ competitive rounds.

(i) The proposed number of Low-Income Units is ~~4~~ ¹⁰% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (1 point);

(ii) The proposed number of Low-Income Units is ~~6~~ ²⁰% greater than the subregion average of the ~~two prior 2022 and 2023~~ competitive rounds (2 points);

§11.101(a)(3) Neighborhood Risk Factors, Schools

Within §11.101(a)(3)(D)(iii), Resolution Companies requests reinstatement of the 2022 language providing an exemption for developments encumbered by a TDHCA LURA. It is important to remove barriers to preserving existing TDHCA-funded affordable housing, such as potential costly 30-45 year after-school mitigation obligations based on a point-in-time evaluation of schools.

Additionally, providing an onsite after school learning center should not be a baseline requirement for mitigation for the entire Affordability Period, particularly in light of the disruptions to education and school ratings during and since the pandemic. It seems that TEA ratings have been and will continue to be negatively affected over the next few years due to the pandemic, and the QAP should not place the burden of correcting the effects of these disruptions on owners and developers. Resolution Companies suggests that after school learning centers should only be required until the subject school achieves an acceptable rating, as was the case in the 2022 QAP.

§11.101(b)(1)(A)(vii) Ineligible Developments, Efficiencies and One-Bedroom Units

Resolution Companies appreciates the increase in the percentage limitation for efficiencies and one-bedroom units. However, we continue to have concerns with having an ineligibility item that dictates the unit mix for developments. Unit mix is most appropriately determined based on the needs of each individual market. Furthermore, this policy may limit the ability of applicants to provide a greater number of units within each development. Resolution Companies requests a further increase of the stated percentage to 50%.

Please contact me with any questions.

Sincerely,

Emerson Schulz

Resolution Companies
emerson@resolutioncompanies.com
O: 713.334.5808
C: 206.452.9856

From: [Ekowo, Manuela](#)
To: [Dominic DeNiro](#)
Cc: [Newman, Michael](#)
Subject: IBHS Comment on TDHCA's draft 2025 QAP
Date: Friday, October 11, 2024 2:20:54 PM
Attachments: [TDHCA 2025 QAP IBHS Response.pdf](#)

You don't often get email from mekowow@ibhs.org. [Learn why this is important](#)

Hello,

Please find attached our comments on TDHCA's draft 2025 QAP.



Manuela Ekowo

Public Policy Associate

ph + txt: (305) 310-8880

[IBHS.org](#) | [IBHS_org](#) | [IBHS_org](#) | [IBHS_org](#)

Insurance Institute for Business & Home Safety

October 11, 2024

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Executive Director Wilkinson:

The Insurance Institute for Business & Home Safety (IBHS) is pleased to offer the following comments for your consideration in response to the Texas Department of Housing and Community Affairs (TDHCA)'s [Draft 2025 QAP](#) for public comment.

We strongly encourage TDHCA to require or incentivize through the scoring criteria a designation from IBHS's FORTIFIED™ program for all projects seeking LIHTC funding in Texas. We also strongly TDHCA to require or incentivize through the scoring criteria a designation from IBHS's *Wildfire Prepared* program for all single-family home projects seeking LIHTC funding in the state.

Based on decades of scientific research, IBHS's [FORTIFIED™ program](#) is a set of voluntary, beyond-code construction upgrades that improve a building's resistance to the effects of high winds, hurricanes and even tornadoes. The FORTIFIED program is available for single-family houses, multifamily properties, and commercial structures. The program features a technical standard and an independent verification process that ensures that buildings obtaining a FORTIFIED designation from IBHS have, in fact, reduced their risk. To date, nearly 70,000 structures have been designated by the FORTIFIED program across the country.

[Wildfire Prepared](#) is a voluntary designation program designed to reduce the risk of home ignition. The program incorporates a set of critical mitigation actions that, when undertaken collectively, can meaningfully reduce the risk of a home igniting from embers, flames, and radiant heat. Mitigations include actions like installing a Class A fire rated roof; creating five feet of defensible space – the first five feet surrounding a home where combustible material is reduced; and installing ember resistant vents. While *Wildfire Prepared* is currently only available in California and Oregon, we expect to make the program available in other wildfire-prone states.

To require FORTIFIED for all projects and *Wildfire Prepared* for all single-family home projects, we suggest the following edits be made to TDHCA's [Draft 2025 QAP](#):

SUBCHAPTER B. SITE AND DEVELOPMENT REQUIREMENTS AND RESTRICTIONS.

§11. 101.Site and Development Requirements and Restrictions.

(b) Development Requirements and Restrictions.

Resilient Construction. Commit to resilient construction standards. All projects must obtain from the Insurance Institute for Business & Home Safety a [FORTIFIED](#) designation with hail supplement.

All single-family home projects must obtain from the Insurance Institute for Business & Home Safety a [Wildfire Prepared](#) designation.

To incentivize resilient construction standards, we suggest the following edits be made to TDHCA's [Draft 2025 QAP](#):

SUBCHAPTER A. PRE-APPLICATION, DEFINITIONS, THRESHOLD REQUIREMENTS, AND COMPETITIVE SCORING.

§11.9. Competitive HTC Selection Criteria.

(b) Criteria promoting development of resilient housing.

Developments built with resilient construction standards and that receive a FORTIFIED Multifamily designation from the Insurance Institute for Business and Home Safety (IBHS) will be awarded up to 3 points as described below. Resilient construction standards are optional.

To reduce damage to residential, commercial and multifamily structures and help businesses re-open more quickly following severe weather, the Insurance Institute for Business & Home Safety (IBHS) developed [FORTIFIED™ Multifamily](#), a voluntary, resilient construction and re-roofing standard and designation/compliance program. FORTIFIED employs an incremental approach with three levels of designations available so design professionals can work with building owners to choose a desired level of protection that best suits their budgets and resilience goals.

FORTIFIED Roof with hail supplement – 1 point
FORTIFIED Silver with hail supplement – 2 points
FORTIFIED Gold with hail supplement – 3 points

Single-family home projects that obtain from the Insurance Institute for Business & Home Safety a [Wildfire Prepared](#) designation can earn up to two additional points. Resilient construction standards are optional.

Wildfire Prepared Home Base – 1 point
Wildfire Prepared Home Plus – 2 points

As set forth below, IBHS's FORTIFIED and *Wildfire Prepared* programs provide science-based, field-proven tools for TDHCA to incorporate resilience standards into the 2025 QAP. Investment in resilience will create safer homes that can withstand the increasingly severe weather Texas faces. In addition, it will make these properties lower risk (and therefore more attractive risks) for property insurers.

These resilience tools are particularly important in Texas, which experiences significant severe weather in the form of hurricanes, severe convective storms with high wind and hail, and wildfire:

- Texas lays claim to one of the most diverse climates in the United States. Hurricanes, severe thunderstorms, tornadoes, extreme heat and cold, drought, flooding, and wildfires all affect regions of Texas with severe thunderstorms being the most frequent hazard. 75% of counties in Texas are within at least 10 and up to 20 severe weather watches per year (thunderstorm and tornado combined). Most of Texas experiences at least 1 severe hail event per year. The panhandle and north-central regions of Texas experience the most frequent significant hail (>2"). 2024 was a record year in terms of hail size. In Vigo Park, TX a hailstone of 6.64" overtook the previous state record of 6.4" from Hondo, TX. While Texas doesn't have the highest rate of tornado occurrence, because of its size, the state experiences more tornadoes on average than any other state at 135 per year. A week-long severe weather outbreak in May 2023 accompanied by hail, wind, and tornadoes caused between \$ 7 - \$10 billion dollars of damage.
- Hurricanes make landfall on the Gulf Coast of Texas on average once every six years. On August 25th, 2017, Hurricane Harvey made landfall on the Texas coast as a category 4 hurricane and stalled over the Houston metro area dumping over 40" of rain in less than 48 hours causing catastrophic flooding in the region - Cedar Bayou set a new North American storm total record of 51.88"(>4') of rain. In June 2024, Hurricane Beryl set a record as the first category 4 hurricane in the Atlantic basin in June. Beryl made landfall on the Texas coast as a category 1 hurricane bringing coastal flooding from storm surge and winds gusting over land to 97mph.
- 7,530 wildfires burned over 200,000 acres in Texas in 2023. West Texas is the most susceptible to wildland fires, and in February 2024 the Smokehouse Creek fire in the panhandle burned over 1,000,000 acres as it spread from Texas into Oklahoma.

Background

IBHS is a 501(c)(3) organization enabled by the property insurance industry's investment to fund building safety research that leads to real-world solutions for home and business owners, helping to create more resilient communities. We conduct this work from our Research Center, located in Richburg, South Carolina.

Severe weather disrupts lives, displaces families, and drives financial loss. IBHS delivers top-tier science and translates it into action so we can prevent avoidable suffering, strengthen our homes and businesses, inform the insurance industry, and support thriving communities. The perils we study at IBHS are part of the natural world in which we live, but social and economic disasters occur when these perils meet human populations that live or work in harm's way. To break the cycle of destruction, it is essential to address all aspects of the building performance chain: where you build, how you design and construct, and how well you maintain and repair. As a building science institute, IBHS focuses on the ways that weather behaves, what makes homes and businesses vulnerable, and how our buildings can be more resilient. We exist to help ensure that the spaces where people live, learn, work, worship, and gather are safe, stable, and as strong as the best science can equip them to be.

Resilience is a Housing Issue

We encourage TDHCA to treat resilience as a housing issue. TDHCA's mandate is to "...develop high quality affordable housing which allows Texas communities to thrive." We assert that this mission cannot be met without investments in resilient construction.

Investing in resilience for affordable housing helps ensure that people are not only housed, but that they *remain* housed following natural disasters. Quality housing that withstands severe weather allows working families to return home following natural disasters, which in turn supports local economies and

economic revitalization by preventing businesses from closing from low demand and want of workers, protecting the local tax base.

Low- and moderate-income persons and families need that is affordable. And yet, housing is not, in fact, “affordable” unless it provides savings to the resident not just on the day of purchase (or lease signing), but on an ongoing basis as well. Investments in resilience provide ongoing savings to residents. Generally, risk reduction results in avoided damages from severe weather and reduced insurance premiums reflecting the reduction in risk.

In its [2024 Biennial Report to the Texas Legislature](#), the Texas Windstorm Insurance Association (TWIA) recommended the Texas state legislature “consider the feasibility and possible public funding of FORTIFIED home construction and other mitigation programs.”

As a significant source of funding for affordable housing in Texas, TDHCA’s LIHTC program could become a critical tool for strengthening the resilience in the state by joining TWIA in considering investments in FORTIFIED as a construction standard.

Further, given the risks facing Texas housing stemming from the risk trifecta of hurricanes, severe convective storms, and wildfires, requiring or incentivizing resilient construction represents good stewardship of public resources. The FORTIFIED program can help publicly funded buildings escape the costly build-damage-rebuild cycle that can take place in areas at risk from hurricanes, high wind and hail events, and wildfire.

Wildfire Prepared Reduces the Risk of Home Ignition

IBHS’s *Wildfire Prepared* program brings together a systems-based approach of core mitigation actions that, when taken together, significantly reduce the risk of ignition when embers land on suburban properties and, should ignition occur, remove pathways leading flames to the home. The program has two levels:

Wildfire Prepared Home™ provides a baseline level of risk reduction by protecting the home against ignition from embers. It includes mitigation actions focused on the roof, building features, and defensible space—particularly, the removal of combustible material from the five-foot zone around the structure.

Wildfire Prepared Home Plus™ adds an additional set of mitigation actions, such as non-combustible siding and dual paned, tempered glass windows, and wildfire resistant decking material, that reduce the risk of ignition from radiant heat.

FORTIFIED Strengthens Resilience

FORTIFIED provides property owners with the ability to achieve three increasing levels of resilience:

FORTIFIED Roof is the foundation of FORTIFIED because an estimated 70 to 90 percent of catastrophic homeowners’ insurance claims include roof damage, and damaged roofs can lead to water intrusion that significantly amplifies damage. FORTIFIED Roof provides a system that strengthens the roof through (i) more and stronger nails, (ii) locked-down edges, and (iii) a sealed roof deck, which work in concert to keep the wind and rain out.

FORTIFIED Silver adds increased levels of resilience through requirements on windows, doors, and siding.

FORTIFIED Gold adds requirements related to a continuous load path from the roof to the foundation.

The FORTIFIED hail supplement requires impact resistant shingles rated by IBHS that show they can withstand hail up to 2 inches in diameter. These shingles perform best when tested against realistic hailstones and better protect homes. IBHS's impact test standard is currently the most representative of natural hail of any current testing protocol for building materials.

Studies following Hurricane Sally (in Alabama) and Hurricanes Matthew, Florence, Dorian, and Isaias (in North Carolina) concluded that FORTIFIED designated homes are less likely to have an insurance claim and, for those homes with insurance claims, claims that are smaller on average.

The value of FORTIFIED has also been explored in a 2022 [study](#) from the University of Alabama's Culverhouse College of Business, which concluded that building or retrofitting to FORTIFIED has relatively minimal costs and a strong rate of return. Findings include:

By constructing a new multifamily building to FORTIFIED Gold, property owners could realize an 8.1 to 72 percent internal rate of return on a marginal cost increase of no more than 1.5 percent of total cost of construction. For investments in retrofitting an existing multifamily building to FORTIFIED Roof, a property owner could realize an 8.3 to 35 percent internal rate of return on the investment for the property owner.

Further, a new [IBHS study](#) exploring opportunities to enhance the resilience of Section 8 multifamily and single-family housing in the Atlantic and Gulf coast regions estimates that retrofitting these properties with a FORTIFIED Roof could decrease losses by 30-50 percent.

Public Investment in FORTIFIED

FORTIFIED keeps roofs on, water out, blue tarps off, families in place, and communities intact. As a result, federal and state agencies are increasingly turning to FORTIFIED when investing in resilient housing.

- The Louisiana Housing Corporation **requires** a FORTIFIED Roof as a minimum construction standard in its [2024 QAP](#) and provides additional scoring consideration for projects that build to FORTIFIED Silver and Gold.
- The Louisiana Housing Corporation **requires** FORTIFIED Gold as a minimum construction standard for [projects funded by HUD CDBG-DR grants](#).
- The Mississippi Home Corporation incentivizes FORTIFIED Multifamily in its [2024 QAP](#) scoring criteria.
- Alabama, Louisiana, and South Carolina help pay for FORTIFIED retrofits through grant programs managed by the state insurance departments. These states will soon be joined by grant programs in Kentucky, Minnesota, and Oklahoma, all of which have been enacted into law since

2023 although not yet operational. In addition, North Carolina provides homeowners with grants through the state wind pool, the North Carolina Insurance Underwriting Association.

- The Federal Home Loan Bank of Dallas invests in FORTIFIED through two mechanisms: as part of the scoring criteria for its [Affordable Housing Program](#) and through a new [FORTIFIED Fund grant program](#).
- The U.S. Department of Housing and Urban Development's new [Green and Resilient Retrofit Program \(GRRP\)](#) includes FORTIFIED as a covered expense for eligible property owners.

In addition to creating more resilient housing for Texas residents, resilience requirements in housing programs like the LIHTC program have an important effect on workforce and skills development. We have observed in Alabama and Louisiana that references to the FORTIFIED program in government programs creates opportunities to educate developers, builders, and contractors about FORTIFIED. Once these essential participants in the housing market build to FORTIFIED because of program or funding requirements, they develop a comfort level with the work and costs associated with FORTIFIED. This can result in voluntary take-up on other projects unconnected to government funding sources. In this way, QAP resilience requirements can have an even broader impact on the built environment than those projects funded by grantees.

Requiring or incentivizing FORTIFIED in TDHCA's LIHTC program could significantly increase the number of Texans who live and do business in resilient homes and buildings. It would also align TDHCA's program with neighboring states of Louisiana and Mississippi and the complementary AHP of the Federal Home Loan Bank of Dallas.

* * *

Weather events become natural disasters by devastating communities, damaging property, disrupting local economies, and dislocating families. This need not be the case. Solutions exist to strengthen the resilience of our homes—investments by TDHCA can turn these solutions into a reality for Texas residents.

Thank you for the opportunity to contribute to this critical issue. If you have any questions, please do not hesitate to contact me at mnewman@ibhs.org.

Sincerely,



Michael Newman
General Counsel
Insurance Institute for Business & Home Safety

From: [Alan Naul](#)
To: [Dominic DeNiro](#)
Cc: [Buddy Jones \(buddy@hillcopartners.com\)](#); [Emily Naul](#)
Subject: FW: Public Comment on 10 TAC Chapter 11, the Qualified Allocation Plan
Date: Friday, October 11, 2024 2:49:14 PM

You don't often get email from alan@javgrp.com. [Learn why this is important](#)

Good afternoon Dominic,

Our firm is a small development company based in Dallas and we have received three 9% tax credit allocations for senior housing projects. In addition to our private development efforts, I serve on the board of the Atlantic Housing Foundation also based in Dallas. Our foundation owns and operates 50 affordable housing properties across the U.S. Our mission is to not only create affordable housing but to locate these communities in areas that will reduce poverty and crime into the future.

We have three related suggestions for the Qualified Allocation Plan that we believe would promote better communities for Texans:

1. Section 11.7 (Tie Breaker Factors)

We propose inserting the language from the 2023 QAP as the first tie breaker.

(1) Applications proposed to be located in a census tract with a poverty rate below a 20% poverty rate threshold in all regions except for Regions 11 and 13(with Region 11 adding an additional 15% to that value and Region 13 adding an additional 5% to that value). The poverty rate for each census tract will come from the most recent American Community Survey data.

When this element was removed from the 2024 QAP we believe that it unintentionally elevated the competitive position of high-poverty census tracts and disincentivized developers like us from proposing objectively

better locations. It's unfortunately true that census tracts with more than 20% poverty statistically have much higher crime rates than lower poverty census tracts. We strongly believe that encouraging construction in lower poverty areas will reduce crime and improve the ability of families to break the cycle of poverty for many years going forward. Since this rule revision is only a tie-breaker, it would not eliminate any census tracts from consideration but it would simply encourage developers to push for the best locations possible for families' quality of life.

2. Section 11.9 (b)(3) (Quantity of Low-Income Units)

We strongly encourage this rule to be removed or it will result in a further decline in the quality of housing locations developed under this program. When this rule was added in the 2024 QAP, we were concerned that it would force developers to seek out high poverty and high crime areas and we observed that was exactly what happened in the 2024 round. There is already a rule in place in Section 11.9 (e)(2) (Cost of Development per Square Foot) that forces developers to build the largest projects that are feasible.

3. Section 11.4 (Tax Credit Request, Award Limits, and Increase in Eligible Basis)

We would like to see another category added that would allow 4% projects that provide **new construction** in **low-poverty areas** (poverty rate below 20%) to also qualify for the 30% Boost in eligible basis. Currently, only Qualified Census Tracts and those in Small Area Difficult Development Areas designated by HUD can receive the boost in basis. We believe Federal statute language clearly permits State agencies' discretion in this area, and we think it would greatly increase new construction in the 4% program versus recycling older projects that would be affordable anyway. Again, it would not prohibit rehabilitation, but it would allow new construction projects to compete for the bond capacity.

Thanks very much for allowing this forum for our comments and please let me

know if you have any questions.

Alan Naul

Javelin Development Partners
President

Atlantic Housing Foundation
Board Member

Alan Naul

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Villages of Lake Highlands

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From: [Chris Applequist](#)
To: [Dominic DeNiro](#); [Adrian Iglesias](#)
Cc: [Joshua Goldberger](#); [Cody Campbell](#); [Travis Barber](#)
Subject: 2025 QAP Comments - Generation Housing PartnersHello Dominic,
Date: Friday, October 11, 2024 2:51:46 PM
Attachments: [image001.png](#)
[2025 QAP Comments Official Draft QAP Generation Housing Partners.pdf](#)

Hello Dominic,

Please see attached comments to the 2025 QAP draft. We very much appreciate the time and effort that staff has put into the draft QAP and appreciate the opportunity to provide feedback.

Thank you,

Chris Applequist | Partner



**GENERATION
HOUSING
PARTNERS**

Generation Housing Partners, LLC

17440 North Dallas Parkway, Suite 120

Dallas, Texas 75287

Ph. (214) 613-6569 x1 | **Mb.** (817) 501-9577

Chris.Applequist@GHDevelopment.com



October 11, 2024

Multifamily Finance Division
Texas Department of Housing and Community Affairs
Attn: Joshua Goldberger, Competitive (9%) Housing Tax Credit Manager
221 East 11th Street
Austin, Texas 78701

Re: Public Comment, 2025 Official Draft Qualified Allocation Plan

Dear Mr. Goldberger:

Thank you to the Texas Department of Housing and Community Affairs ("TDHCA") for the opportunity to provide public comment related to the 2025 Official Draft Qualified Allocation Plan ("QAP"). Please accept the following comments on behalf of Generation Housing Partners:

§11.9(b)(3) Quantity of Low-Income Units

Generation Housing Partners agrees with TAAHP's comments related to this scoring item. The applicant community understands TDHCA's desire to increase the production of affordable units. However, the new 2024 QAP language was problematic and challenging for financial feasibility, and the effect of the 2024 language has yet to be seen since 2024 developments have not yet closed. In our highly inflationary environment, with significant cost increases over the past three years, producing more affordable units, particularly at the levels outlined in the 2024 and 2025 QAP, puts a significant financial strain on developments.

Generation Housing Partners agrees with TAAHP's suggested revision to this scoring item:

- (A) The Development is Urban and the Application proposes a number of Low-Income Units that is greater than the subregion average of the 2022 and 2023 competitive rounds.
 - (i) The proposed number of Low-Income Units is 4% greater than the subregion average of the 2022 and 2023 competitive rounds (1 point);
 - (ii) The proposed number of Low-Income Units is 6% greater than the subregion average of the 2022 and 2023 competitive rounds (2 points);
 - (iii) The Application is proposing Rehabilitation of a Development that has no existing rent and income restrictions and does not receive any subsidy listed under §11.5(3)(B)(i). The proposed number of Low-Income Units is 50% greater than the subregion average of the ~~two prior~~ 2022 and 2023 competitive rounds (3 points).
- (B) The Development is Rural and the Application proposes a number of Low-Income Units that is larger than the average of all rural wards in the ~~two prior~~ 2022 and 2023 competitive rounds.
 - (i) The proposed number of Low-Income Units is 4% greater than the subregion average of the 2022 and 2023 competitive rounds (1 point);
 - (ii) The proposed number of Low-Income Units is 6% greater than the subregion average of the 2022 and 2023 competitive rounds (2 points);

§11.101(a)(3) Neighborhood Risk Factors, Schools

Providing an onsite after school learning center should not be a baseline requirement for mitigation for the entire Affordability Period, particularly in light of the disruptions to education and school ratings during and since the pandemic. It seems that TEA ratings have been and will continue to be negatively affected over the next few years due to the pandemic, and the QAP should not place the burden of correcting the effects of these disruptions on owners and developers. Generation Housing Partners suggests that after school learning centers should only be required until the subject school achieves an acceptable rating, as was the case in the 2022 QAP.

§11.101(b)(1)(A)(vii) Ineligible Developments, Efficiencies and One-Bedroom Units

Generation Housing Partners appreciates the increase in the percentage limitation for efficiencies and one-bedroom units. However, we continue to have concerns with having an ineligibility item that dictates the unit mix for developments. Unit mix is most appropriately determined based on the needs of each individual market. Furthermore, this policy may limit the ability of applicants to provide a greater number of units within each development. [Generation Housing Partners] requests a further increase of the stated percentage to 50%.

Please contact me at (817)501-9577 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Applequist", with a long horizontal flourish extending to the right.

Chris Applequist
Generation Housing Partners, LLC

From: [Kennedy, Brendan](#)
To: [Dominic DeNiro](#)
Cc: [Cody Campbell](#); [Joshua Goldberger](#); [DeMayo, Mandy](#); [Ross, Alison](#)
Subject: Public Comment on 2025 Draft QAP: City of Austin Housing Department
Date: Friday, October 11, 2024 3:04:54 PM
Attachments: [image001.png](#)
[Draft QAP Comments Housing COA.pdf](#)

Dear Mr. DeNiro:

Please accept the attached comments on behalf of the City of Austin's Housing Department regarding the 2025 Draft Qualified Allocation Plan. Please feel free to reach out if you have any questions. Thank you for your consideration.

Best,



Brendan Kennedy (he/his)

Program Manager

Housing Department

1000 East 11th Street, Suite 200, Austin, TX 78702
512-978-1594

Brendan.kennedy@austintexas.gov

www.AustinTexas.gov/Housing



HOUSING DEPARTMENT

October 10, 2024

Texas Department of Housing and Community Affairs
Attn: Cody Campbell
221 East 11th Street
Austin, Texas 78701

RE: Comments on 2025 Draft Qualified Allocation Plan

Dear Mr. Campbell:

The City of Austin's Housing Department appreciates the efforts of the Texas Department of Housing and Community Affairs (TDHCA) each year in establishing guidelines for the Low-Income Housing Tax Credit (LIHTC) program. We appreciate this opportunity to provide feedback on the Draft 2025 Qualified Allocation Plan (QAP). We are grateful for the opportunity to offer these comments and look forward to the LIHTC's program's continued success in delivering quality affordable housing in Austin and throughout the state.

§11.6 (C)(3)(vi) – Limitations on Supportive Housing Awards in Certain Regions

The City of Austin does not support the proposed rule limiting Urban and Rural subregions that do not contain a county with a population of at least 2,500,000 to one Supportive Housing award per cycle. Permanent Supportive Housing (PSH) has consistently been identified as an urgent priority for the City of Austin, and the 9% LIHTC Program is one of the most reliable tools providing high-quality PSH in our community. While a diversity of Target Populations is an important policy goal, we believe the desperate need for PSH outweighs that goal in cases where two or more PSH applications would be eligible for an award.

§11.3 (b) – Two-Mile Same-Year Rule

We support efforts to modify the Two-Mile Same-Year Rule. We are hopeful that these modifications will improve the likelihood that proposed developments from different set-asides serving different target populations and product types can receive an award in Urban subregions. The City of Austin remains supportive of legislative efforts to eliminate or modify the Two-Mile Same-Year Rule, and we appreciate efforts to modify the rule within the QAP in the meantime.

§11.9 (c)(7) – Proximity to Jobs

We oppose the widening of the proximity to jobs radius from 2 to 5 miles. We believe this wide radius significantly undermines the policy intent of this scoring item. In urban areas in particular, we believe a 5-mile radius is an unrealistic reflection of true access to job opportunities.

We appreciate TDHCA's efforts to incorporate feedback and work collaboratively to improve the LIHTC program. Thank you for your consideration, and please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mandy DeMayo". The signature is fluid and cursive, with the first name "Mandy" and last name "DeMayo" clearly distinguishable.

Mandy DeMayo
Interim Director, Housing Department
City of Austin
1000 East 11th Street, Suite 200
Austin, Texas 78702

From: robbye@arxadvantage.net
To: [Dominic DeNiro](#)
Cc: [Cody Campbell](#); [Joshua Goldberger](#)
Subject: 2025 QAP Comments
Date: Friday, October 11, 2024 3:17:36 PM
Attachments: [Personal QAP Comments.pdf](#)

Dominic

Please find attached my personal comments for the 2025 Final QAP.

Robbye G. Meyer
(512) 963-2555
robbye@arxadvantage.net
www.arxadvantage.com

Robbye G. Meyer

1305 Dusky Thrush Trail • Austin, Texas 78746 • Telephone (512) 963-2555
robbye@arxadventure.net

October 11, 2024

Via Electronic Mail

Dominic DeNiro
Texas Department of Housing and Community Affairs
Multifamily Programs
221 E. 11th Street
Austin, Texas 78701-2410
Email: dominic.deniro@tdhca.texas.gov

Re: 2025 Final QAP Comment

Dear Mr. DeNiro:

I am a member of the Texas Affiliation of Affordable Housing Providers (“TAAHP”) and of Rural Rental Housing Association (“RRHA”) as well as a consultant for multiple applicants in the multifamily programs; however, my comments to the proposed 2025 Qualified Allocation Plan (“QAP”) are my own.

I worked relentless and continually with USDA, At-Risk and preservation developments during my time employed with the Texas Department of Housing and Community Affairs (“TDHCA”) and I have spent the majority of my time tirelessly working to preserve USDA, At-Risk and affordable housing in Texas.

My only comment is to the proposed changes to the At-Risk section of the QAP. These changes will have over-reaching negative affects for eligible USDA developments to **compete** in the At-Risk set-aside.

The At-Risk set-aside and definition are heavily embedded in statute. Overall, the statutory provisions regarding the At-Risk Set-Aside have changed minimally since enactment in 2001. The original list of subsidies that allow a Development to qualify for the At-Risk Set-Aside has not changed.

Similarly, TDHCA’s rules in the QAP with regard to the At-Risk Set-Aside have not changed significantly over the years, except to clarify procedural matters or incorporate provisions necessitated by a statutory change.

The first proposed change is in Section 11.5(3)(A) and highlighted in red below.

- (A) At least 15% of the State Housing Credit Ceiling for each calendar year will be allocated under the At-Risk Development Set-aside and will be deducted

from the State Housing Credit Ceiling prior to the application of the regional allocation formula required under §11.6 of this chapter (relating to Competitive HTC Allocation Process). Through this Set-aside, the Department, to the extent possible, shall allocate credits to Applications involving the preservation of Developments identified as At-Risk Developments. (§2306.6714) 5% of the State Housing Credit Ceiling associated with this Set- aside will be given as priority to Rehabilitation Developments under the USDA Set-aside; any Applications submitted under the USDA Set-Aside in excess of this 5% priority may compete within the At-Risk Set-Aside only if they meet the definition for an At-Risk Development, and have submitted sufficient supporting documentation within the Application to demonstrate qualification as an At-Risk Development, **and all eligible non-USDA Applications in the At-Risk Set-Aside have been funded.** Applications submitted under the USDA Set-Aside in excess of the 5% priority that do not meet the definition for an At-Risk Development do not qualify for the At-Risk Set- Aside.

The highlighted insertion is inconsistent with state statute. Section 2306.6702(5) of the Texas Government Code (the “Code”) defines an At-Risk Development as one that has received subsidy from a list of eight sources, including Sections 514, 515, and 516 of the Housing Act of 1949, which provides subsidy for rural developments. The statutory definition does not prioritize these sources, one over another. Each form of subsidy makes a Development eligible for the definition of At-Risk.

Construction of a statute in agency rules by the administrative agency charged with the statute’s enforcement is entitled to serious consideration, as long as the construction is reasonable and does not contradict the plain language of the statute. By inserting the language highlighted in red above, the Department is treating one subsidy source differently than another subsidy source for purposes of the At-Risk Development definition, which is not consistent with the plain language of the statute.

If TDHCA is attempting to prohibit applicant from **competing** in both At-Risk and USDA set-asides, then TDHCA may limit an applicant through the application by choosing the set-aside to compete under. USDA applicant will need to be able to be identified as a USDA transfer application for all the other QAP sections concerning USDA applications.

The second proposed change is in Section 11.5(3)(B)(ii) and highlighted in red below.

(ii) Any stipulation to maintain affordability in the contract granting the subsidy or any HUD-insured or HUD-held mortgage as described in §2306.6702(a)(5)(A)(ii)(a) will be considered to be nearing expiration or nearing the end of its term if the contract expiration will occur or the term will end within two years of after July 31 of the year the Application is submitted. Developments with HUD-insured or HUD-held mortgages qualifying as At-Risk under §2306.6702(a)(5)(A)(ii)(b) will be considered eligible if the HUD-insured or HUD-held mortgage is eligible for prepayment. Contracts that are nearing expiration but that are eligible for automatic renewal, regardless of whether that renewal is subject to funding appropriation, are not considered to be nearing expiration for purposes of the At-Risk Set-Aside unless:

- (I) The Applicant has been provided written confirmation from the relevant entity that the contract will not be renewed, or
- (II) The contract's permanent expiration date is within two years after July 31 of the year the Application is submitted.

This is a substantive change that has not been deemed necessary for the 23-year life of the At-Risk Set-Aside. Without a comprehensive program review, it is not possible to identify the unintended consequences that may derive from this revision. *Generally, TDHCA has refrained from materially altering the At-Risk Set-Aside in response to Applicant comments, except as necessary for statutory compliance or clarification appropriate for procedural matters.*

I respectfully request that the proposed changes be deleted from the Final QAP and allow the industry to work through the legislature in the upcoming 2025 legislative session to bring about appropriate clarifications and changes to this definition and set-aside.

Thank you for allowing me to make comments and be a part of the rule making process.

Sincerely,

A handwritten signature in black ink that reads "Robbye G. Meyer". The signature is written in a cursive, slightly slanted style.

Robbye G. Meyer

From: [Allison Beaver \(NHSD\)](#)
To: [Dominic DeNiro](#)
Subject: QAP Public Comment
Date: Friday, October 11, 2024 3:20:08 PM
Attachments: [image001.png](#)
[Preliminary QAP Draft Comments 10 9 2024.pdf](#)

You don't often get email from allison.beaver@sanantonio.gov. [Learn why this is important](#)

Good afternoon Dominic,

Please see attached for my comments on the 2025 Draft QAP.

Thank you for your consideration.

Allison Beaver, MPA, PMP
Sr. Housing Policy Manager



**NEIGHBORHOOD &
HOUSING SERVICES**

100 W Houston Street | San Antonio, TX 78205
P: 210.207.5329



NEIGHBORHOOD & HOUSING SERVICES

October 9, 2024

Texas Department of Housing and Community Affairs
Attn: Dominic Deniro
221 East 11th Street
Austin, TX 78701
dominic.deniro@tdhca.texas.gov

Re: Comments Regarding the Draft of the 2025 Qualified Allocation Plan and Uniform Multifamily Rules

Dear Mr. Deniro,

The City of San Antonio's Neighborhood & Housing Services Department (NHSD) appreciates the opportunity to provide feedback on the Preliminary Draft of the 2025 Qualified Allocation Plan (QAP). NHSD is dedicated to enhancing the quality of life for the residents of San Antonio. We believe the Housing Tax Credit programs administered by TDHCA are integral to our efforts to provide quality, safe, and affordable housing throughout San Antonio.

§11.3. Housing De-Concentration Factors.

(b) Two-Mile Same Year Rule. We appreciate your efforts to modify the Two-Mile Same Year Rule within the confines of what the statute allows. We understand your prioritization follow the existing priority structure of the QAP and appreciate the consistency in logic. NHSD plans to continue to support legislation that provides the ability to waive and or modify the Two-Mile Same Year Rule. We plan to support modifications that will allow projects in separate set-asides to both be eligible for award. This is especially true for projects proposing to serve different populations (elderly vs. general) and are different types of projects (new construction vs. rehabilitation).

§11.9. Competitive HTC Selection Criteria.

(c)(6) Underserved Area

We appreciate the modification to this section that lowers the last award serving the same population in a given census tract from 30 years to 20 years. This aligns both with the reality of site scarcity we are seeing and with the cadence of the scoring in the section.

(c)(7) Criteria to serve and support Texans most in need.

(A) Proximity to Jobs.

In 2022, we did not support expanding the job radius in urban areas from 1 mile to 2 miles. At that time we shared that individuals living in HTC developments benefit when they have access to jobs, services, and amenities associated with job centers. Restricting the radius of jobs for higher points makes it easier for families to live, work, and play in their neighborhoods. We discourage the further widening of the



NEIGHBORHOOD & HOUSING SERVICES

proximity to jobs radius. We believe this would negate the intent of the scoring item particularly in large cities where nearly anywhere in the city is within 5 miles of 10,000 jobs.

(C) Access to Jobs.

We support the inclusion in the Access to Jobs specifying that to qualify for the 2 additional points “the Development must be located on a route with sidewalks for pedestrians, that is within one half-mile from the entrance of a public transportation stop”. We also support the addition to the section “The entirety of the sidewalk route must consist of smooth hard surfaces, curb ramps, and marked pedestrian crossings when traversing a street.”

§11.101. Site and Development Requirements and Restrictions (b)(7)(C)(vii).

NHSD agrees with the intent and vision of the scoring opportunity related to the inclusion of an eviction prevention program. As communities wind-down spending of pandemic era Emergency Rental Assistance program, it is important that housing providers are part of ensuring housing stability for households in need. We encourage TDHCA to make this option an appealing one that can be effectively implemented.

With that, the requirement of a dedicated case manager with no more than 50 cases at a time is likely too high. We recommend lowering the case manager's load limit to ensure they have sufficient time to support each household. We applaud the guidance on payment plans. We support flexibility for the property manager to tailor these to individual resident's needs such as by waiving late fees entirely upon entering into an agreement and the option to forgive them.

We understand there are limits in statute pertaining to what staff can change regarding the QAP. NHSD is continuing to advocate for changes needing legislative action. In the meantime, we welcome the opportunity to work with TDHCA to develop methods to advance our shared visions without legislative interventions.

Thank you for your consideration. Please contact me if you have any questions.

Regards,

Allison Beaver

Allison Beaver
Sr. Housing Policy Manager, Neighborhood & Housing Services Department
Allison.Beaver@sanantonio.gov
210-207-5329

From: [Andrew Sinnott](#)
To: [Dominic DeNiro](#)
Cc: [Janine Sisak](#)
Subject: 2025 QAP Comments
Date: Friday, October 11, 2024 3:47:47 PM
Attachments: [image001.png](#)
[DMA QAP Comments 241011.pdf](#)

You don't often get email from andrews@dmacompanies.com. [Learn why this is important](#)

Dominic,

Please find attached our comments for the 2025 QAP.

Thanks!

Andrew Sinnott | Development Director
DMA Companies
4101 Parkstone Heights Drive, Suite 310, Austin, TX 78746
(512) 674-0773



www.dmacompanies.com



October 11, 2024

Cody Campbell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Dear Mr. Campbell:

On behalf of DMA Development Company, LLC, I am submitting the following comments to the 2025 Draft Qualified Allocation Plan (QAP) (10 TAC Chapter 11). We appreciate staff's time in hosting roundtables to gather public input leading up to publication of the draft QAP and Multifamily Rules, in addition to staff's willingness to simply talk through various concepts over the phone.

§11.9(b)(3): Quantity of Low-Income Units

We appreciate the Department trying to solve for how to produce more low-income units as interest rates, operating expenses, and construction costs have all increased dramatically over the past few years. However, we believe the continuation of this proposed scoring item remains ill-advised as it does not consider the greater number of units that can be produced in a development serving an elderly or supportive housing population than a development serving a family population. With one year (2024) of this scoring item to analyze compared to previous years, this appears to be what is happening, as reflected in the table below. This table shows the percentage of units (low income and market rate) among the populations served based on each year's 9% awards in the 26 urban and rural subregions (At-Risk and supplemental awards excluded):

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (QLIU scoring)</u>
Supportive Housing	0.7%	2.9%	8.1%	8.0%
Elderly	33.1%	40.3%	32.5%	39.5%
SH and Elderly Total	33.8%	43.2%	40.6%	47.5%
General	66.2%	56.8%	59.4%	52.5%

As you can see, after several years of approximately 60% General and 40% SH/Elderly in terms of total units, the Quantity of Low-Income Units (QLIU) scoring this past year resulted in 52.5% and 47.5%, respectively. We anticipate an even closer 50/50 split between General and SH/Elderly target populations in 2025 should this scoring item continue, with the median age in Texas being 35.9 according to 2023 American Community Survey data as context. Moreover, this QLIU scoring item hinders the financial feasibility of 9% deals by forcing developers to do more with less. With a \$2,000,000 cap on 9% credits for most of the urban subregions (1, 3, 4, 6, 7, 8, 9, 10, 11) that require 80 or more LI units for the max 2 points for new construction, gaps of \$3,000,000 to \$10,000,000 are becoming the norm depending on land costs and construction type. Very few of the municipalities in these urban subregions have the ability to fill these gaps, and even full property tax exemptions that can be achieved by partnering with a housing authority or housing finance corporation yield only an additional \$500,000 to \$2,000,000 in additional loan proceeds.

Therefore, we suggest eliminating this scoring item for 2025 and further discussion of a Quantity of Low-Income Units scoring item which considers the differences in populations served before potentially bringing this item back in the 2026 QAP.

§11.101(b)(1)(A)(vii): Limitation on Efficiency and/or One-Bedroom Units

We understand that the Department would like to see more two-bedroom and three-bedroom units being proposed in developments serving family populations and appreciate the Department increasing the limit on efficiency and/or one-bedroom units in family population developments from 30% to 35. However, even the 35% limit on efficiency and/or one-bedroom units in family population developments is too restrictive. There are demographic changes (younger generations having less children, lower immigration levels, etc.) happening that developers have no control over; we can only meet the demand that exists in the market. In many urban markets, demand for non-elderly/SH deals is predominantly for efficiency, 1br, and 2br units, with a plurality (40%-50%) of demand for efficiency and/or 1br units. Therefore, we believe that a higher limit of 50% on efficiency and/or one-bedroom units for family developments would be more appropriate. This higher limit would give applicants flexibility to structure family developments in ways that are responsive to market conditions.

Again, thank you for your time and efforts regarding the 2025 Draft QAP.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Sisak", with a stylized flourish at the end.

Janine Sisak
Senior Vice President/General Counsel

From: [Brandon Campos](#)
To: [Dominic DeNiro](#)
Cc: [Daphne Alcalá](#); cmancha@hacb.us
Subject: 2025 QAP Public Comment - Senator Morgan LaMantia
Date: Friday, October 11, 2024 4:26:13 PM
Attachments: [2024.10.07 Comments on TDHCA Draft 2025 QAP.pdf](#)

You don't often get email from brandon.campos@senate.texas.gov. [Learn why this is important](#)

Good afternoon, Dominic,

This is Brandon Campos from Senator LaMantia's office. I have attached additional comments from Sen. LaMantia regarding the 2025 QAP. Please let us know if there are any issues.

Thank you,

Brandon Campos
Legislative Director
[Office of Senator Morgan LaMantia](#) | Senate District 27
O: 512-463-0127 | Brandon.Campos@Senate.Texas.Gov



THE SENATE OF TEXAS
MORGAN LAMANTIA
DISTRICT 27

October 7, 2024

Mr. Dominic DeNiro
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Comments to §11.6(3)(C)(iv) of the Preliminary Draft 2025 Qualified Allocation Plan

Dear Mr. DeNiro:

I am writing once again to reaffirm my previous comments on the Preliminary Draft of the 2025 Qualified Allocation Plan ("QAP"). I am grateful for the Board's decision, which will have a positive impact on the City of Brownsville.

In Senate District 27, the City of Brownsville is one of only three cities in Texas that have received the Choice Neighborhood Planning or Implementation Grant from HUD within the last five years. As such, it should be able to benefit from a priority afforded by Choice Neighborhood Grantees under the Qualified Allocation Plan to receive the 9% Housing Tax Credit, but it cannot, due to a current limitation in §11.6(3)(C)(iv).

Section 11.6(3)(C)(iv) of the preliminary draft of the 2025 QAP provides priority to applicants with projects located in neighborhoods that have received Choice Neighborhood grants within the last five years. Unfortunately, this section also limits that priority to applicants in Urban Subregions which contain a county with a population exceeding 950,000. Both Fort Worth and Houston can qualify under this requirement, but Brownsville is located in Urban Subregion 11, whose most populous county is Hidalgo County, with a population of 870,781 per the 2020 Census. For this reason, the City of Brownsville would be unable to qualify for the priority otherwise given to winners of HUD's extremely competitive Choice Neighborhoods Program.

There appears to be no real correlation between the county population and the Choice Neighborhood applicant since §11.6(3)(C)(iv) does not even require that the Choice Neighborhood grantee be located in the county with a population in excess of 950,000. The only purpose of limiting the priority in this manner would appear to be restricting the availability of the priority to

Urban Subregions 3, 6, 7, and 9, which together contain all seven Texas counties that have populations in excess of 950,000.

While we understand the need for population limitations and priorities in the effective disbursement of the 9% Housing Tax Credit, we believe that an exception should be made for those who receive the Choice Neighborhood Grant due to its stringent nationwide application process and competitive nature. Allowing this exception in the 2025 version of §11.6(3)(C)(iv), as it concerns Choice Neighborhood Grantees, permits the City of Brownsville to benefit from the priority given to neighborhoods that have won this extremely competitive grant from HUD.

We applaud the Texas Department of Housing and Community Affairs for many of its revisions in the QAP. We remain hopeful that the approved version of the 2025 QAP would include a change to this population requirement to better support cities like Brownsville that have achieved the significant milestone of receiving a Choice Neighborhood Grant. Thank you for your attention to this critical matter and for your continued commitment to improving the lives of Texans.

Respectfully,

A handwritten signature in black ink, appearing to read 'Morgan LaMantia', written in a cursive style.

Morgan LaMantia
State Senator, District 27

cc: Bobby Wilkinson, Executive Director
Cody Campbell, Director of Multifamily Programs
Joshua Goldberger, Administrator, 9% Competitive Housing Tax Credit Program

From: [Sidney Beaty](#)
To: [Dominic DeNiro](#)
Cc: [Ben Martin](#)
Subject: 2025 QAP Draft public comment
Date: Friday, October 11, 2024 4:47:13 PM
Attachments: [Housers_Draft25QAP.pdf](#)
[Eviction Prevention Program 25QAP Comment.pdf](#)

Hello Dominic,

Please see Texas Housers' attached public comments on the 2025 QAP staff draft.

In addition, I am attaching a letter drafted by a group of organizations with comments on the new Eviction Prevention option under Resident Supportive Services.

Thank you,

Sidney Beaty





📍 1800 W 6th Street
Austin, TX 78703

🌐 TexasHousers.org

October 11, 2024

Attn: Dominic DeNiro
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: Draft of the 2025 Qualified Allocation Plan

To whom it may concern:

Thank you for the opportunity to comment on the Draft 2025 QAP.

Texas Housers strives to help low-income Texans achieve affordable, stable, decent and fair housing in a quality neighborhood. The Housing Tax Credit program is the most substantial tool in the state for producing affordable housing for low-income Texans. As TDHCA considers the role of the program in this QAP draft and beyond, we encourage the agency to commit to the task of balancing providing more units, deeper affordability, access to high opportunity locations, decent quality units, and appropriate amenities. We recognize that it is not simple to balance these interests. That is why we continue to advocate that TDHCA commits to an engagement process that 1) prioritizes working together from different perspectives on common sense, consensus reforms, 2) centers the needs of project beneficiaries, and 3) includes meaningful input and participation from a wider set of stakeholders than those that typically participate in TDHCA board meetings and round tables.

Texas Housers offers comments on the Draft 2025 QAP on the following pages.

Thank you,

Ben Martin
Research Director
Texas Housers
ben@texashousing.org

Sidney Beaty
Research Analyst
Texas Housers
sidney@texashousing.org

Texas Housers is a 501(c)(3) nonprofit organization founded in 1988 to work for housing justice and fair and equal treatment by government of communities. Our mission is to support low-income Texans' efforts to achieve the American dream of a decent, affordable home in a quality neighborhood of their choosing. We work toward these goals through research, policy, and collaboration with community organizations.

§11.101(b)(7) Resident Supportive Services

Texas Housers has called for eviction prevention in HTC properties in the past and we are very supportive of the addition of the eviction prevention program at §11.101(b)(7)(C)(vii). We appreciate the strong 5-point incentive offered to applicants.

Texas Housers has submitted an additional comment in partnership with Disability Rights Texas, the Center for Civic and Public Policy Improvement, Texas Network of Youth Services, Inclusive Communities Project, Pure Justice, Texas AARP, and the Dallas Eviction Advocacy Center recommending improvements to the proposed Eviction Prevention Program that would provide additional protections and benefits for low-income tenants at risk of housing instability.

§11.7 Tie Breaker

In the past, Texas Housers has pushed for a tie breaker formula based on the number of units and the affordability of units in a proposed HTC development. We recognize that in the past few cycles TDHCA has proposed and implemented multiple policies to incentivize units affordable to ELI households, including the proposed changes at §11.9(c)(2) discussed below. As a result, we will not be commenting in favor of reimagining the tiebreaker at this time.

Texas Housers supports our partners at Disability Rights Texas calling for the addition of urgent care facilities as a fifth tiebreaker option to better capture access to opportunity and service needs for low-income tenants, many of whom are older or disabled and may have increased healthcare needs. To implement this, TDHCA should add an option at §11.7(2)(A)(v) for an urgent care facility per the definition from the American College of Emergency Physicians and adjust §11.7(2)(c) and (d) as necessary so that the tie breaker considers the closest 3 out of 5 features. This maintains the same ultimate measure (closest three amenities) while broadening the menu of options.

§11.9(c)(4) Section 811 Project Rental Assistance (811 PRA) and Residents with Special Housing Needs

TDHCA should update the special needs populations listed in §11.9(c)(4)(B) to better reflect special needs populations identified in statute. §11.9(c)(4)(B) includes those with alcohol or drug addictions, Colonia residents, people with disabilities, people with VAWA protections, people with HIV/AIDS, people experiencing homelessness, veterans, and farmworkers. Tex. Gov't Code §2306.0721(c)(1) includes many of these populations, but also youth aging out of foster care and youth experiencing homelessness. These two populations should be added to §11.9(c)(4)(B).

§11.9(c)(6) Underserved Area

The new 5-point option (§11.9(c)(6)(F)) for high income tracts is in line with past Texas Housers recommendations to only allow concentration of HTC units in high-opportunity areas and we strongly support this addition. As in the previous QAP cycle, we believe such an option will provide a counterbalance to other policy decisions meant to increase the number of areas eligible for underserved points.

The change to the year threshold in item (C) from 30 to 20 is a minor concern as it slightly weakens the provision while also increasing the number of points. We advise against the change from 30 to 20 years. There would still be three methods to achieve 5 points, and this should help address developer concerns while maintaining policies that disincentivize concentration of affordable housing in low opportunity areas. If the goal is to make more areas eligible for underserved points, the clause "...that serves the same Target Population as the proposed Development" from items (C) and (F) could be added to items (D) and (E).

§11.9(c)(7) Proximity to Job Areas

Texas Housers strongly supports the addition of language at §11.9(c)(7)(C) to ensure that properties do not get credit for proximity to public transit without being fully accessible to anyone who needs it.

We appreciate staff reducing the increase in the distance between the development and jobs needed for points for rural areas from the Staff Draft. However, we are concerned that the more than doubled radius for urban areas in item (A) is still too large. We recommend a smaller increase, preferably one mile like the rural increase, if an increase is necessary. A smaller increase will continue to encourage the placement of affordable housing near places of employment while opening additional areas for points.

§11.101(a)(2) Undesirable Site Features

Texas Housers supported the addition of language at §11.101(a)(2)(E) clarifying that rehabilitation developments with ongoing federal support or a current LURA were not exempt from protections against environmental hazards that are harmful to tenant health. We recommend that TDHCA reinstate this proposed change, and we urge TDHCA to consider additional changes to reduce tenant exposure to a variety of hazards. For example, we continue to recommend:

- Expanding §11.101(a)(1) to better consider other disasters such as wildfires, winter storms, and tornadoes.
- Increasing the floodplain elevation requirement in §11.101(a)(1) from 1 to 2 feet above the 100-yr floodplain or Base Flood Elevation to align with other federal programs.
- Adding 1 point under §11.9 for developments in either “relatively low” or “very low” risk census tracts in [FEMA’s National Risk Index map](#).
- Adding a new point item under §11.101(b)(6)(B)(ii) to incentivize resilient construction materials, fire-resistant designs, and/or reinforced structures.

§11.101(a)(3) Neighborhood Risk Factors

Texas Housers opposed exempting rehabilitation properties from crime and poverty risk factors during the 2023 QAP development cycle. While the proposed changes at §11.101(a)(3)(D)(i) and (ii) are not ideal, we appreciate limiting this exemption to just rehabilitation developments with ongoing federal assistance or an existing LURA. We support TDHCA in balancing preservation of affordable units with the need to locate new units in high opportunity areas that are not harmful to tenants.

October 11, 2024

Attn: Dominic DeNiro
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: Comment on the Draft 2025 Qualified Allocation Plan

Dear Mr. DeNiro,

We commend the inclusion of a definition for an Eviction Prevention Program in the Draft 2025 Qualified Allocation Plan (QAP). Given that this is a new initiative, we recommend transferring this definition to the Texas Administrative Code (TAC) definition section. Doing so would provide greater flexibility as the concept evolves, avoiding the need for future amendments to Land Use Restriction Agreements (LURAs) and ensuring consistent monitoring as the definition wouldn't fluctuate based on the year of allocation.

Outlined below are our specific recommendations, along with the reasoning behind them:

“Eviction Prevention Program

The program should be overseen by a case manager with relevant education or professional experience, particularly in areas such as supporting survivors of violence, uplifting households impacted by the criminal-legal system, addressing substance abuse, or working with veterans and individuals suffering from PTSD. The case manager may be employed by the property owner or a third-party social service organization. A case manager's responsibility shall not exceed five properties or 500 units.

At least once a month, the case manager will obtain contact information and track overdue balances for households at risk of eviction due to nonpayment. For households that opt to participate, the case manager shall offer an eviction holdoff agreement, providing a minimum of six months to settle outstanding balances. All late fees associated with the balance should be forgiven upon fulfillment of the agreement, regardless of whether they were paid. The tenant shall make a good faith effort to pay off outstanding balances during the six month period.

During this holdoff period, rent increases shall not apply. If the resident pays as agreed, no additional late fees shall be charged. The case manager will offer biweekly meetings with households to assist in identifying and applying for community resources, including emergency rental assistance. Additionally, they will remind residents of upcoming payment deadlines.

Properties participating in this program will:

- *Cap late fees at a maximum of 4% of the tenant's rent share.*
- *Limit late fees to no more than three consecutive months.*
- *Apply payments in the following order: rent first, utilities second, and late fees last.*
- *Allow residents receiving Social Security or other fixed income to pay rent within three business days of receiving their payment, without penalty.*

Furthermore, the case manager will have access to a private office space available after hours and on weekends to meet with residents. They will also be accessible by phone or online for those unable to meet during regular business hours."

Specific Recommendations for Properties in the Program:

- **Maintain the six-month holdoff period.**

Some commenters expressed concerns with the six-month holdoff period for repaying overdue balances. One commenter remarked:

"...there are significant concerns with the proposed six-month eviction 'holdoff' period. No one would ask a state employee to go without a paycheck for six months—this is an unreasonable amount of time for property owners to go without rent. TAAHP recommends reducing this period to 60 days. There are also unanswered questions regarding the details of the holdoff agreement and the owner's remedies should the tenant fail to comply."

In response, we would clarify that an eviction holdoff agreement still requires the household to pay rent; it provides them with a structured timeline to address both current rent and past-due balances. For instance, if a household's rent is \$800, and they are unable to make the payment one month, the case manager would work with the household to create a plan where they pay the current rent plus an additional amount each month to cover the overdue balance. This arrangement is not analogous to going without a paycheck for six months.

- **Establish standards for case managers.**

We are recommending setting clear criteria for the case manager's qualifications. Eviction is often symptomatic of larger issues, such as trauma, mental health challenges, substance abuse, or domestic violence. The individual tasked with helping households facing eviction must be trauma-informed and equipped to handle these serious concerns.

- **Forbid rent increases during the six-month holdoff period.**

As the household is already under financial strain, we recommend that no rent increases be imposed during the holdoff period.

- **Remind tenants of due dates.**

While a proactive case manager would remind clients of upcoming deadlines, we suggest including this requirement to ensure it is a measurable item for monitoring purposes.

- **Cap late fees at no more than 4% of the tenant's rent share.**

Mortgage late fees can vary depending on the lender, the state, and the terms of the mortgage contract. However, late fees are typically between 3% and 6% of the total overdue payment. For example, if your monthly mortgage payment is \$1,000, a late fee could be between \$30 and \$60. In addition, most lenders give a 15-day grace period before charging a late fee.

On the other hand, renters face a 10% late fee and a 3-day grace period. So, if your rent payment is \$1,000, a late fee will be \$100 and assessed on the 4th of the month.

Late fees should be based on a percentage of **the tenant's rent share**. Suppose a household receives Section 8 assistance. The contract rent is \$1,000; of the \$1,000, the housing authority pays \$900 and the resident pays \$100. If they are late paying their rent, they are assessed a \$100 late fee—which in effect doubles their rent. A property committed to eviction prevention should be assessing late fees on the tenant's portion of rent, not the contract rent.

- **Limit the assessment of late fees to no more than three consecutive months.**

Late fees should not be eliminated entirely, as they play an important role in encouraging timely rent payments. However, it is crucial to recognize that we are dealing with low-income households who often live paycheck to paycheck. If late fees are continuously applied, it becomes nearly impossible for these households to recover financially.

For example, if a household's rent is \$1,000 and they are short and make an \$800 payment, they would incur a \$100 late fee. The following month, if they pay \$1,000, the first \$100 would be applied to the late fee, \$200 to the overdue rent, and the remaining \$700 to the current rent, leaving them with another \$100 late fee. By prioritizing late fees over rent and utilities, households can become trapped in a cycle of debt from which they may never escape. In addition, late fees are not part of the normal revenue influx to landlords and will make it more difficult for tenants to catch up on rent, which is the landlord's most significant revenue source.

- **Allow residents receiving Social Security or fixed income to pay rent within three business days of receiving their payment without penalty.**

Social security recipients often do not receive their check on the first of the month. Rent payments for households with this type of income should be tied to when they receive their payment.

While some of our suggestions regarding property participation requirements in an eviction prevention program may be deemed too substantive for this stage in the rule-making process, we offer them to highlight systemic issues contributing to evictions. We hope TDHCA will consider these recommendations, recognizing that the program is optional and likely won't be implemented before 2028.

Thank you for the opportunity to provide our comments.

Sincerely,

Ben Martin
Research Director
Texas Housers
ben@texashousing.org

Atty. Sasha Legette
Executive Director
Pure Justice
sasha@purejustice.org

Sidney Beaty
Research Analyst
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Salena Braye-Bulls
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Kathy Green
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Sean A. Haley, Ph.D.
Executive Director
Center for Civic and Public Policy
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sean.haley@ccppi.org

Stuart Campbell
Chief Legal Officer
Dallas Eviction Advocacy Center
stuart@dallaseac.org

Lauren Rose
Policy Director
Texas Network of Youth Services
lrose@tnoys.org

Ann Lott
Executive Director
Inclusive Communities Project
alott@inclusivecommunities.net

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: Letter to TDHCA (Vault Consulting) - 11.9b3 Quantity of Low-Income Units QAP Modification Request
Date: Monday, October 14, 2024 10:27:33 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - Vault - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

From: russ@csh-vault.com <russ@csh-vault.com>
Sent: Friday, October 11, 2024 8:50 AM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Subject: Letter to TDHCA (Vault Consulting) - 11.9b3 Quantity of Low-Income Units QAP Modification Request

Good Morning Cody – please see attached.

Thank you,

Russ Michaels, Esq. / Consultant
212-960-3913 mobile
www.csh-vault.com



October 10, 2024

Texas Department of Housing and Community Affairs (“TDHCA”)
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701

RE: Request for 2025 Qualified Allocation Plan (QAP) Modifications / §11.9(b)(3) related to the Quantity of Low-Income Units

Dear Mr. Campbell,

First, I greatly appreciate the time that TDHCA staff and the Board have dedicated to discussing the 2025 Draft QAP and Multifamily Rules. After reviewing the proposed changes for the 2025 QAP, I wish to express my serious concerns regarding §11.9(b)(3) related to the Quantity of Low-Income Units.

While I respect the desire to increase the number of units for extremely low-income households in Texas, the proposal put forth is not realistic in today’s economic environment. Burdened by high construction and insurance costs, high interest rates, and a drop in equity pricing, increased unit counts are increasingly difficult to achieve.

Many non-profit and for-profit applicants have faced challenges meeting the proposed unit counts due to funding constraints which have led to dropped proposals and the need for full property tax exemptions—factors that should not be necessary for increased unit production and financial feasibility.

I believe in the mission of creating more affordable housing units with the resources we have. This policy should reflect achievable thresholds to encourage obtainable levels of unit production statewide, without having to rely on the availability of increased levels of soft funding, more credits, or full tax exemptions.

To promote attainable unit production, I respectfully ask that you make modifications to this threshold item as follows:

For Urban & Rural Developments:

- Decrease the 10% increase in more units to 4% for 1 point.
- Decrease the 20% increase in more units to 6% for 2 points.

These changes would still encourage increased production while reflecting realistic expectations for applicants. Thank you for your time and I appreciate the opportunity to weigh-in on this very important matter.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Russ Michaels'.

Russ Michaels, CEO / CSH Vault Consulting, LLC
212-960-3913 / russ@csh-vault.com / Austin, TX

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: Letter to TDHCA (TIFHC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request
Date: Monday, October 14, 2024 10:28:17 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - TIFHC - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

From: Russ Michaels <rmichaels@interfaithgroup.org>
Sent: Friday, October 11, 2024 8:50 AM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Subject: Letter to TDHCA (TIFHC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request

Good Morning Cody – please see attached.

Thank you,

Russ Michaels, Esq. / Executive Director

Texas Inter-Faith Housing
3701 Kirby Drive, Suite 860
Houston, Texas 77098
212-960-3913 mobile
rmichaels@interfaithgroup.org
www.interfaithgroup.org



October 10, 2024

Texas Department of Housing and Community Affairs ("TDHCA")
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701

RE: Request for 2025 Qualified Allocation Plan (QAP) Modifications / §11.9(b)(3) related to the Quantity of Low-Income Units

Dear Mr. Campbell,

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Kind Regards,

A handwritten signature in black ink, appearing to read "Russ Michaels", is written over a light blue horizontal line.

Russ Michaels, Executive Director / Texas Inter-Faith Housing Corporation
212-960-3913 / rmichaels@interfaithgroup.org / Houston, TX

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: Letter to TDHCA (MWCH) - 11.9b3 Quantity of Low-Income Units QAP Modification Request
Date: Monday, October 14, 2024 10:28:22 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - MWCH - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

From: russmichaels.law@mail.com <russmichaels.law@mail.com>
Sent: Friday, October 11, 2024 8:50 AM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Subject: Letter to TDHCA (MWCH) - 11.9b3 Quantity of Low-Income Units QAP Modification Request

You don't often get email from russmichaels.law@mail.com. [Learn why this is important](#)
Good Morning Cody – please see attached.

Thank you,

Russ Michaels, Esq.
212-960-3913

October 10, 2024

Texas Department of Housing and Community Affairs (“TDHCA”)
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701



RE: Request for 2025 Qualified Allocation Plan (QAP) Modifications / §11.9(b)(3) related to the Quantity of Low-Income Units

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Kind Regards,

A handwritten signature in black ink, appearing to read "Russ Michaels", is written over a light blue horizontal line.

Russ Michaels, Managing Member / Mountain West Community Housing, LLC
212-960-3913 / russmichaels.law@mail.com / Santa Fe, NM

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: Letter to TDHCA (OCHDC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request
Date: Monday, October 14, 2024 11:26:11 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - OCHDC - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

About TDHCA

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From: russ@csh-vault.com <russ@csh-vault.com>
Sent: Friday, October 11, 2024 12:10 PM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Cc: executivedirector@ochdc.org
Subject: Letter to TDHCA (OCHDC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request

Good Morning Cody – On behalf of Oaklake Community Housing Development Corporation, please see attached.

Thank you,

Russ Michaels, Esq. / Consultant
212-960-3913 mobile
www.csh-vault.com



October 10, 2024

Texas Department of Housing and Community Affairs (“TDHCA”)
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701

RE: Request for 2025 Qualified Allocation Plan (QAP) Modifications / §11.9(b)(3) related to the Quantity of Low-Income Units

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Kind Regards,

A handwritten signature in blue ink, appearing to read 'JOT Couch'.

JOT Couch, Executive Director / Oaklake Community Housing Development Corporation
346-230-3127 / executivedirector@ochdc.org / Houston, TX

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: 2025 QAP Comments
Date: Monday, October 14, 2024 11:28:55 AM
Attachments: [2025 QAP Comments, TNOYS.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

About TDHCA

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From: Dewey Marshall <dmarshall@tnoys.org>
Sent: Friday, October 11, 2024 1:48 PM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Cc: Policy TNOYS <policy@tnoys.org>
Subject: 2025 QAP Comments

You don't often get email from dmarshall@tnoys.org. [Learn why this is important](#)
Hello good afternoon Mr Campbell,

Please see the attached comment from the Texas Network of Youth Services CEO, Fedora Galasso, regarding the proposed 2025 QAP.

Thank you,

--

Dewey Marshall
Policy Manager
[Texas Network of Youth Services](#)

Chief Executive Officer:
Fedora Galasso

10 OCTOBER 2024

BOARD OF DIRECTORS

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Michael Strickland, Jonathan's Place

Krystel Bezio, Upbring

DaVina Morris, BCFS Health and Human
Services

Delesha Jones, Covenant House Texas

Katherine Valencia, El Paso Center for
Children

Cody Campbell

Director of Multifamily Programs
cody.campbell@tdhca.texas.gov

Dear Mr. Campbell,

Texas Network of Youth Services (TNOYS) is a network of youth-serving providers that work to strengthen services and support for Texas youth and families to help them overcome challenges and achieve healthy development. Our members share a vision of Texas where all youth and young adults are valued, their strengths are recognized, their voices are heard and respected, and they have access to the resources, opportunities, and support they need to meet their goals. TNOYS and the providers in our member network are concerned about Texas youth and young adults' (YYA) lack of access to affordable housing.

Over the last year, TNOYS hosted town halls in communities across the state to hear from youth services providers and the YYA they serve to learn about the community's needs to better support YYA. One of the most common concerns - in every community - was the lack of affordable housing accessible by YYA which was leading to their homelessness and instability.

We strongly recommend that when adopting the 2025 Qualified Allocation Plan, TDHCA prioritizes housing for youth and young adults aged 18-25 in Low Income Housing Tax Credit (LIHTC) properties. This population, including those transitioning out of foster care, is at heightened risk of housing instability and homelessness. Allocating specific resources to serve this vulnerable population would provide them with the support and stability needed during a critical period of their lives and help to ensure they have a successful transition to adulthood.

This could be achieved by creating set-asides or providing additional points during scoring for developments that commit to serving young adults aged 18-25, either in entire developments or as a percentage of the development, paired with supportive services that address their unique needs.

Chief Executive Officer:
Fedora Galasso

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Children

Furthermore, we are aware that misunderstandings about the LIHTC student rule have led to the improper denial of housing for younger applicants. As noted by the [National Housing Law Project in 2021](#), some property owners mistakenly believe that a household with a mix of full-time students and non-students is ineligible for LIHTC housing. Others fear credit recapture and avoid admitting younger households, assuming they will access post-secondary education and trigger the student rule. These misconceptions disproportionately harm young people seeking stable housing. We recommend providing clear guidance to property owners to dispel these misunderstandings and incentivizing LIHTC properties to house youth and young adults.

Thank you for your consideration. Please do not hesitate to reach out if you have any questions or concerns.

Sincerely,



Fedora Galasso
Chief Executive Officer
Texas Network of Youth Services

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: Letter to TDHCA (BCHDC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request
Date: Monday, October 14, 2024 11:33:43 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - BCHDC - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

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From: russ@csh-vault.com <russ@csh-vault.com>
Sent: Friday, October 11, 2024 5:13 PM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Cc: Ellie Miles Couch Fanning <emcfanning@BromptonCHDC.org>
Subject: Letter to TDHCA (BCHDC) - 11.9b3 Quantity of Low-Income Units QAP Modification Request

Good Afternoon Cody – On behalf of Brompton Community Housing Development Corporation, please see attached.

Thank you,

Russ Michaels, Esq. / Consultant
212-960-3913 mobile
www.csh-vault.com



October 10, 2024

Texas Department of Housing and Community Affairs (“TDHCA”)
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701

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Kind Regards,

Ellie M.C. Fanning

Ellie Fanning, Executive Director / Brompton Community Housing Development Corporation
713-205-4024 / emcfanning@BromptonCHDC.org / Dallas, TX

From: [Cody Campbell](#)
To: [Dominic DeNiro](#)
Subject: FW: QAP Comment and Modification Request - SuperUrban Realty Ventures
Date: Monday, October 14, 2024 11:25:51 AM
Attachments: [Letter to TDHCA - 11.9b3 Quantity of Low-Income Units QAP Modification Request - SuperUrban - vF.pdf](#)

Cody Campbell

Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

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From: Jervon Harris <JervonHarris@superurbanrealty.com>
Sent: Friday, October 11, 2024 11:55 AM
To: Cody Campbell <Cody.Campbell@tdhca.texas.gov>
Subject: QAP Comment and Modification Request - SuperUrban Realty Ventures

Cody. Good Morning...

Please find the attached letter with comment on the 2025 Draft QAP.

Jervon Harris
SuperUrban Realty
713-503-4477

SuperUrban Realty Ventures, LLC
2812 Lighthouse Drive
Houston, Texas 77058

October 10, 2024

Texas Department of Housing and Community Affairs (“TDHCA”)
ATTN: Cody Campbell, Director of Multifamily Programs
221 E. 11th Street
Austin, TX 78701

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