



Arx Advantage, LLC

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June 28, 2024

Via Electronic Mail

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

Re: 24261 Green Manor

Dear Mr. Wilkinson:

We represent HVM 2024 PT Burnet, LLC, the “Applicant”, for the above referenced Application submitted for the 2024 Housing Tax Credit Application Cycle.

On June 26, 2024, the Applicant received a Termination Notice stating “The Application as originally submitted includes a Unit mix that proposes 33.33% of the Units as one-bedrooms. In accordance with 10 TAC §11.101(b)(1), a Development is ineligible for funding if it includes a mix of Units that is more than 30% one-bedrooms.”

The Applicant received an Administrative Deficiency Notice on June 13, 2024 and the ineligible unit mix was identified and included in the list of deficiencies, which were timely answered. Staff contends that a swap in the two units required to correct the bedroom percent issue constitutes a Material Deficiency because the change affected multiple exhibits.

The Applicant respectfully, disagrees with the materiality of the deficiency. The change was actually to the Site Plan (Behind Tab 22), Tab 23 (Building Configuration) and Tab 24 (Rent Schedule). The other tabs were only required submissions because the Rent Schedule (Tab 24) flows into the Annual Operating Expense exhibit (Tab 26) which flows into the Proforma (Tab 27). No changes from the Applicant were made to the AOE (Tab 26) or the Proforma (Tab 27). Furthermore, no ratios were affected that would have caused more changes.

Additionally, the same number of total number of units are being proposed. The development is 100% affordable as originally proposed. The AMGI restriction percentages are still as originally proposed. The Applicant did not change any operating expenses, development costs or sources and uses in order to make this two unit swap.

The Applicant is not asking for a waiver of the rules. The Applicant is asking for staff to accept the unit swap as a normal Administrative Deficiency and allow the Application to continue through the process.

Finally, in granting this request, it will further the policies of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income and maximize the number of suitable, affordable residential rental units added to the state's housing supply. The last new affordable units in Burnet were more than fifteen years ago and fourteen years ago in Marble Falls about eleven miles from Burnet.

It is the Applicant's understanding that the only other application left in rural sub-region 7 did not to submit a market study for their application by the April 1st deadline. Therefore, there would be no other Applications available for funding in rural sub-region 7 and the sub-region would lose out on funding that has a desperate need of new affordable units.

Should the Executive Director deny this appeal, the Applicant requests to be placed on the early July Board agenda.

Thank you for your consideration.

Sincerely.



Robbye G. Meyer

Cc: Dennis Hoover
Kim Youngquist