

**Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
December 12, 2024**

On Thursday, the twelfth day of December 2024, at 10:00 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (“TDHCA” or “the Department”) was held in Capitol Extension Hearing Room E1.012, Texas Capitol, 1100 Congress Avenue, Austin, Texas 78701.

The following members, constituting a quorum, were present and voting:

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Cindy Conroy
- Anna Maria Farias
- Holland Harper
- Ajay Thomas

Mr. Vasquez served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously approved the Consent Agenda (items 1-4 and 6-12) and Consent Agenda Report Items (13-17) as presented, and moved Item 5 – Presentation, discussion, and possible action on an order adopting the repeal and proposed new rule 10 TAC Chapter 10 Subchapter F, Compliance Monitoring Rule; and directing their publication in the *Texas Register* – to the Action Item Agenda.

2) Chairman Vasquez exercised his authority as chair to take up agenda items out of the order published and brought up Action Item 28 – Presentation, discussion, and possible action on recommendation to adopt Final Orders of debarment for On Track Ministries, Inc., Cliff McDaniel, Clay McDaniel, Olive Tree Multifamily Manager LLC, and Ian Bel, and to consider the timely filed appeals. The item was presented by Sascha Stremmer, TDHCA Assistant General Counsel, with additional information from Bobby Wilkinson, TDHCA Executive Director, and Mr. Eccles.

Following public comment (listed below), the Board by a 5-1 vote (Member Conroy voted nay) granted the debarment appeal from OnTrack Ministries, Inc., Cliff McDaniel, and Clay McDaniel but directed TDHCA staff to send them a letter of reprimand. As part of the same vote the Board denied the appeal from Olive Tree Multifamily Manager LLC, and Ian Bel, upholding staff recommendation for a three-year debarment.

- Michael Rosenfeld, Olive Tree, provided comments on the item
- Ian Bel, Olive Tree, provided comments in opposition to staff recommendation

- Derek DeHay, Lument, provided comments on the item
- Cliff McDaniel, OnTrack Ministries, provided comments on the item
- Cynthia Bast, attorney for Locke Lord and representing all the parties recommended for debarment, provided comments in opposition to staff recommendation
- Barry Palmer, attorney for Coats Rose and special counsel for the parties recommended for debarment, provided comments in opposition to staff recommendation
- The Honorable Gary Gates, State Representative for Texas House District 28, provided comments in opposition to staff recommendation

3) Chairman Vasquez continued to exercise his authority as chair to take up agenda items out of the order published and brought up Action Item 31 – Presentation, discussion, and possible action regarding an appeal of the underwriting report for Culebra Apartments. The item was presented by Cody Campbell, TDHCA Director of Multifamily Finance, with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board by a 5-1 vote (Member Farias voted nay) approved staff recommendation and denied the appeal.

- Melissa Cabello Haverda, San Antonio City Councilmember, provided comments in opposition to staff recommendation
- Marc Whyte, San Antonio City Councilmember, provided comments in opposition to staff recommendation
- Bill Fisher, Sonoma Housing Advisors, provided comments in opposition to staff recommendation
- Sarah André, Structure Development, provided comments in support of staff recommendation
- Michelle Snedden, attorney with Shackelford and representing the appellant, provided comments in opposition to staff recommendation
- Sallie Burchett, Structure Development, provided comments on the item
- Wallace Reed, Sonoma Housing Advisors, provided comments in opposition to staff recommendation

4) Chairman Vasquez continued to exercise his authority as chair to take up agenda items out of the order published and brought up Action Item 37 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Nuestra Senora – which was presented by Josh Goldberger, TDHCA Manager of the Competitive (9%) Housing Tax Credit Program. The Board unanimously adopted staff recommendation and approved the force majeure request.

5) Chairman Vasquez returned the Board to the normal order of business on the agenda and brought up Action Item 5 – Presentation, discussion, and possible action on an order adopting the repeal and proposed new rule 10 TAC Chapter 10 Subchapter F, Compliance Monitoring Rule; and directing their publication in the *Texas Register*. The item was presented by Wendy Quackenbush, TDHCA Director of Multifamily Compliance, with additional information from Mr.

Wilkinson, and Megan Sylvester, TDHCA Federal Compliance Counsel. Following public comment (listed below), the Board unanimously adopted staff recommendation and approved the repeal of the existing rule and adoption of the new rule.

- Tanya Lavelle, Disability Rights Texas, provided comments in opposition to staff recommendation
- Marc Hoskins, Texas Housers, provided comments in opposition to staff recommendation

6) Action Item 18 – Executive Director’s Report – was presented by Mr. Wilkinson. The Board heard the report and took no further action.

7) Mr. Thomas, chair of the Board’s Audit and Finance Committee, presented Action Item 19 – Report on the meeting of the Audit and Finance Committee. The Board heard the report and took no further action.

8) Action Item 20 – Presentation, discussion, and possible action to approve Fiscal Year 2025 Internal Audit Annual Plan – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board unanimously adopted staff recommendation to approve the audit plan.

9) Action Item 21 – Report on the allocation of Program Year 2025 Community Services Block Grant awards – was presented by Gavin Reid, TDHCA Manager of Planning in the Community Affairs division, with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

10) Action Item 22 – Report outlining the extension of the Certificate Purchase Period for Residential Mortgage Revenue Bonds, Service 2024 C (Tax Exempt) and D (Taxable) – was presented by Scott Fletcher, TDHCA Director of Bond Finance. The Board heard the report and took no further action.

11) Mr. Fletcher also presented Action Item 23 – Report regarding a Request for Proposal issued by the Texas Department of Housing and Community Affairs for Financial Advisor and selection thereof. The Board heard the report and took no further action.

12) Action Item 24 – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application, changes to the ownership structure, and a waiver of 10 TAC §11.9(b)(2)(A) for Avanti Legacy Lyon (HTC #23019) – was presented by Rosalio Banuelos, TDHCA Director of Asset Management. The Board unanimously adopted staff recommendation to approve the material amendment request, the rule waiver request, and the change to the ownership structure.

13) Action Item 25 – Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for the 2025 Reentry Activities Pilot Program funded

with Community Services Block Grant Discretionary funds – was presented by Mr. Reid. The Board unanimously approved staff recommendation to release the NOFA.

14) Action Item 26 – Presentation, discussion, and possible action on awards for 2025 Community Services Block Grant discretionary funds for education and employment services to Native American and Migrant and Seasonal Farm Worker populations – was presented by Mr. Reid. The Board unanimously adopted staff recommendation to approve the awards.

15) Action Item 27 – Presentation, discussion, and possible action regarding nonrenewal of South Texas Development Council's 2025 Comprehensive Energy Assistance Program Contract and future Comprehensive Energy Assistance Program contracts, the authorization of staff to identify a temporary and subsequently a permanent provider(s), through release of a Request for Applications, to administer the Comprehensive Energy Assistance Program in Jim Hogg, Starr, and Zapata counties (the area served by South Texas Development Council) – was pulled from the agenda and not heard.

16) Action Item 29 – TDHCA Annual Performance Measure Report - Fourth Quarter, 2024 – was presented by Michael Lyttle, TDHCA Director of External Affairs, with additional information from Ms. Quackenbush. The Board heard the report and took no further action.

17) Action Item 30 – Presentation, discussion, and possible action on the proposed amendments to 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, §10.405 Amendments and Extensions, and §10.406 Ownership Transfers, and directing their publication for public comment in the *Texas Register* – was presented by Mr. Banuelos. The Board unanimously adopted staff recommendation to approve the proposed amendments to publish for public comment.

18) Action Item 32 – Presentation, discussion, and possible action on a loan approval and a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Beaumont Pioneer Crossing – was presented by Mr. Campbell with additional information from Mr. Wilkinson. The Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request and the loan request.

19) Action Item 33 – Presentation, discussion, and possible action on a loan approval and a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Brownwood Pioneer Crossing – was presented by Mr. Campbell. The Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request and the loan request.

20) Action Item 34 – Presentation, discussion, and possible action on a loan approval and a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Royal Gardens Lufkin – was presented by Mr.

Campbell. The Board by a 5-1 vote (Chairman Vasquez voted nay) adopted staff recommendation to approve the force majeure request and the loan request.

21) Action Item 35 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Autumn Parc – was presented by Mr. Goldberger. The Board unanimously adopted staff recommendation to approve the force majeure request.

22) Action Item 36 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for West Columbia Manor – was pulled from the agenda and not heard.

23) Action Item 38 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Estacado Estates – was presented by Mr. Campbell with additional information from Mr. Wilkinson and Mr. Eccles. The Board unanimously adopted staff recommendation and approved the force majeure request, with a placed-in-service date of December 31, 2026.

24) Action Item 39 – Presentation, discussion, and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Sweetwater Station – was presented by Mr. Campbell. The Board unanimously adopted staff recommendation and approved the force majeure request.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 2:46 p.m. The next meeting is scheduled for Thursday, January 16, 2025.

Secretary

Approved:

Chair