

To: [Melissa R Fisher \(mfisher@rise-residential.com\)](mailto:mfisher@rise-residential.com); Bill Fisher; wreed@sonomaadvisors.com
Subject: 24243 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Wednesday, May 29, 2024 1:03:15 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(6), §11.201(6)(A) and §11.201(6)(B) of the 2024 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. If any of the deficiencies below are unclear, call the reviewer to discuss.
2. HUD QCT map indicates that site is a QCT. Correct Tab 7.
3. Site Demographics Report says the subject census tract has 53.26% HTC units per total households. Correct Tab 7 and Tab 11, section 5, item 1, regarding 30% basis boost.
4. The city resolution should acknowledge that the site's CT has greater than 20% HTCs per total HHs.
5. There is no evidence that the city received a hold harmless letter in association with the zoning change request.
6. To score the 5 points requested for Underserved Area, present evidence for the 8 CTs that are contiguous to the subject CT, including a CT map that identifies the site and the numbers of the 2 contiguous CTs that were not visible on the CT map initially submitted for these points. Site Demographics (SD) prints were presented for 13 CTs instead of only the 8 that are contiguous to the subject CT. Notwithstanding the excess, 2 of the 8 CTs that are contiguous to the subject CT and required for scoring 5 points were not presented.
7. Submit escrow receipts for the initial \$10,000 and the additional \$10,000 due March 31.
8. The contract submitted is for 5.60 acres, but the title commitment shows the sellers in the contract as owners of only 4.718 acres. Explain the discrepancy, provide Exhibit A of the contract; provide other documentation as necessary to show that the sellers in the submitted contract own all of the land represented in the feasibility study's survey. Ensure that site control is documented for all three tracts of the feasibility study survey; if any tracts to be developed will be carved out of larger tracts, provide a survey or CAD parcel map with all land under contract marked as such and with the land proposed for development distinguished from any additional land that will not be part of the HTC development (e.g., by sketching boundaries as applicable); in particular, provide a survey or CAD parcel map of Exhibit C (5.049 acres) of the title commitment showing any shared boundaries or overlap with Exhibits A and B and with any boundaries not depicted by the parcel map sketched-in as applicable. Note that the title commitment should be revised to reflect only the land that is to be the HTC development.
9. Review Tab 11, Site Information Form Part I, for completeness regarding site control information, correcting the form as applicable.
10. Submit utility allowance schedule from San Antonio Housing Authority. Utility allowances

from SAHA must agree with the Rent Schedule. All affected exhibits must be revised.

11. Application "Utility Allowances" form must agree with utility allowances in Rent Schedule. Note that, very unusually, "Landlord" paying heating is represented.
12. Site plan should state on its face, "no floodplain".
13. Site plan should state on its face, "no detention", show the detention areas in the drawing, or explain how detention will be handled.
14. Site plan must identify pipeline easements that are in or adjacent to the site or state that there are none.
15. Consistent with the report of the feasibility study, the site plan table says 82 "covered parking stalls" (herein called "CP", for carports). Only 37 CPs are denoted with a "C" in the drawing.
16. Site plan must show accessible route by label or legend.
17. Site plan says 141 parking spaces. Tab 23 says 142.
18. Site plan table says 53 "Parking stalls w/Clubhouse". Only 18 stalls are in the lot in front of the Clubhouse. Explain and/or correct as applicable.
19. Site plan table says 6 "covered HC Parking stalls" (herein called "ACPs" for accessible carports). Only 4 ASPs (accessible surface parking spaces, where "surface" means uncovered) are denoted in the drawing. No CPs are denoted to be ACPs.
20. Tab 23 says 3 elevators. Site plan (sheet AS-100) shows 2 in Building Type 1 and 1 each in Buildings Type 2 and Type 3; but building floor plans show 2 elevators in building Type 1; and 3 elevators in Building Type 2, 1 between the 1st and 2nd floor and 2 between the 2nd and 3rd floor. Revise Tab 23 if applicable and submit an explanation describing the unusual placement of elevators that specifies the location of each elevator shaft.
21. The floorplans of Building Type 3 were not submitted.
22. The following subentries are examples of inconsistencies in the representations that the application reflects about the unit types and the unnecessary complexity of the existing unit names. Regarding the latter, for purposes of application review, it is undesirable for an HC (handicap accessible) unit or AV (audio-vision accessible) unit to be given a unique name that is unrelated to a standard unit that has substantially the same perimeter configuration, dimensions, square footage and floorplan. For example, it is better to name the HC unit that corresponds to unit type A3, "A3-HC", "A3hc", etc., than to name it A4.
 - a. Table of units on the level 1 & 2 floor plan of Building 2 says "S=3", but the floorplan indicates only 2 studios, i.e., by showing 1 studio on the one drawing that represents levels 1 & 2 (i.e., 2 floors x 1 unit = 2 units).
 - b. Given that there are no "A1" units denoted in the drawing of the third floor of Building 2, there are 6-"A1" units indicated for Building 2 by the fact that the floor plan labeled "Level 1 & 2" shows 3-"A1" units (i.e., 2 floors x 3-"A1" units = 6-"A1" units). However, the table on the Building 2 floorplan says there are 8-"A1" units.
 - c. "A" is a distinct unit type per the table of units in the drawing of Building 1 and the unit denotations within the drawing. Incongruously, the drawing of Building 2 and the table of units in the drawing of Building 2 reflect no "A" units in Building 2, ignoring the fact that the Level 3 floor plan of Building 2 denotes all 8 units as "A".
 - d. The "3rd Floor Plan" of Building 2 depicts 8 units that are all denoted type "A". However, the 4 interior units are not the same floor plan as the 4 corner units in that the Living/Dining room of the interior units has an outside corner within the Living/Dining room that the corner units do not have. The coat closet placement and offsets caused by

the placement of the elevators between each pair of corner units are other differences between the interior type “A” units and the corner type “A” units. Please revise the unit denotations to distinguish significant differences, like those just described, among the unit floorplans.

- e. Unlike item 25 above, In general, if the perimeter wall dimensions and NRAs of 2 units are the same, and the floorplans of the 2 units are substantially similar, it is desirable for these units to be designated by the same unit type name. Applying this convention, Unit types A3, A4 and AV would all have been named, for example, “A3”, with the “HC” or “AV” units being denoted as “A3-HC” or “A3-AV”.
 - f. Tab 23 has this instruction on a blue background: “DO NOT distinguish the HC or AV Units from other Units that are the same size/floor plan.” This means do not distinguish units that have the same perimeter wall configurations and substantially the same floorplans and square footages merely because, for example, HC turning radiuses make bathrooms and kitchens slightly different. If all units of the same NRA also had substantially the same floorplan, Tab 23 would reflect only 5 unit types, i.e., 540sf, 708sf, 720sf, 730sf, and 1,038sf, instead of the 13 unit types that are shown.
- 23. It is the applicant’s choice to implement or forego the simplified approach to naming units that is described above, but each HC and AV unit must be denoted in the building floorplans.
 - 24. For every unit that is distinguished as a separate unit type (e.g., S, S1, A, A1, A2, A3, A4, AV, AAV, B, and B1 in the site plan table) a separate unit floorplan must be provided.
 - 25. A separate HC unit floorplan must be provided for any such units (e.g., S, S1, A, A1, A2, A3, A4, AV, AAV, B, and B1) that are HC units. Separate floorplan drawings for AV units are not required.
 - 26. To the extent possible, HC and AV units should be distributed among all buildings and all floors.
 - 27. The function of each room in the clubhouse must be denoted in the clubhouse floorplan.
 - 28. Provide a calculation of the total Common Area that includes the applicable clubhouse space, corridors of all floors of all 3 residential buildings, and any other area as applicable per §11.1(d)(21). The calculation should reflect the same numbers stated on the building floorplans so that it can be reviewed for consistency with those numbers.
 - 29. 42 Equity letter reflects IBC construction loan term of 30 months. Sources of Funds (Sources) says 24. Explain in view of 24-30 in IBC letter.
 - 30. 42 Equity letter reflects IBC permanent loan having amortization of 35 years. Sources says 40.
 - 31. Submit IBC letter with date of agreement entered on signature page.
 - 32. Submit Exhibit B to the IBC letter.
 - 33. IBC letter must acknowledge income averaging. Identify this acknowledgement, submit revised letter, or email the acknowledgement.
 - 34. Sponsor Characteristics scoring form does not have an “x” in the box by “No Principals or officer of the . . . HUB are related parties or Affiliates or Developer or guarantor, regardless of control.” Explain this omission, particularly with respect to funding providers having named Bill Fisher as an approved guarantor.
 - 35. As applicable, resubmit all PPFs with an “x” in the box of section 2.
 - 36. Credit Limit Part II of Lisa Fisher must be signed by Lisa Fisher.
 - 37. Regarding Tab 46, Input from Community Organizations, for each letter that you expect to score 2 points, submit “reasonable evidence that they [i.e., the community organizations] are

active in the area that includes the location of the Development Site”, i.e., document that the organization has conducted its mission-driven activities in the community of the proposed development [§11.9(d)(6)(A)].

38. Tab 48 Tie Breaker information is not for the subject location. Submit Tie-Breaker documentation for the subject application.
39. ESA must include all land that is part of the development site. ESA states the site acreage as 4.55 acres and the site outlines in the ESA omit at least 1 of the 2 small tracts that the survey shows as composing the southern part of the 5.56 acre site. Explain how the ESA can be accepted as including all 5.66 acres in the architectural site plan of Tab 22 or 5.56 acres in the feasibility study survey.
40. ESA page 4 recommends a noise study. Identify the location of this study. Alternatively, submit a statement that all recommendations of the ESA will be implemented.
41. There is nothing in the feasibility report to indicate that Attachment E, “Preliminary Site Plan”, was prepared by the civil engineer, nor does the site plan bear the required statement it “materially adheres to all applicable zoning, site development, and building code ordinances”. Respond to this deficiency with a letter from the feasibility report provider that includes any exhibits necessary. Do not submit a revised site plan.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(6)(B) of the 2024 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice [§11.2(b)(2)]. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-4000.

All applicants should review §§11.1(b) and 11.1(c) of the 2024 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Wednesday, June 5, 2024. Please respond to this email as confirmation of receipt.****

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

Any person receiving guidance from TDHCA staff should be mindful that there are important limitations and caveats as set forth in [10 TAC Section 11.1\(b\)](#).