

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E. 11th Street
Austin, Texas

May 23, 2019
8:00 a.m.

MEMBERS:

J.B. GOODWIN, Chair
LESLIE BINGHAM ESCAREÑO, Vice Chair
PAUL BRADEN, Member
ASUSENA RESÉNDIZ Member
SHARON THOMASON, Member
LEO VASQUEZ, Member

DAVID CERVANTES, Acting Director

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER	8
ROLL CALL	
CERTIFICATION OF QUORUM	
Resolution recognizing June as Homeownership Month	9
CONSENT AGENDA	
ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:	12
EXECUTIVE	
a) Presentation, discussion, and possible action on Board meeting minutes summary for January 17, 2019	
FINANCIAL ADMINISTRATION	
b) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions in this regard	
LEGAL	
c) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Northwood Apartments (HTC 11081 / HOME 1001590 / CMTS 1303)	
d) Presentation, discussion, and possible action on the final 2019 State of Texas Consolidated Plan: One-Year Action Plan	
HOME AND HOMELESSNESS PROGRAMS	
e) Presentation, discussion, and possible action to authorize the issuance of the 2019 Emergency Solutions Grants Program Notice of Funding Availability and publication in the Texas Register	
f) Presentation, discussion, and possible action on the reprogramming of Program Year 2018 Community Services Block Grant Administrative and Discretionary funds	11
OCI-HTF-NSP DIVISION	
g) Presentation, discussion, and possible	

action authorizing extensions to
Neighborhood Stabilization Program 3
Contract and Program Income Reservation
Agreement

- h) Presentation, discussion, and possible
action to amend the 2019 Amy Young Barrier
Removal Program Statewide Allocation Notice
of Funding Availability and publication
of the Notice of Funding Availability in
the Texas Register

BOND FINANCE

- I) Presentation, discussion, and possible
action on Resolution No. 19-033 authorizing
the filing of one or more applications for
reservation with the Texas Bond Review
Board with respect to qualified mortgage
bonds, authorizing state debt application,
and containing other provisions relating to
the subject

MULTIFAMILY FINANCE

- j) Presentation, discussion, and possible
action on the Second Amendment to the
2019-1 Multifamily Direct Loan Notice of
Funding Availability
- k) Presentation, discussion and possible 10
action on an extension for AHA! at
Briarcliff, Application #17511 (PULLED)
- l) Presentation, discussion, and possible
action on a Determination Notice for
Housing Tax Credits with another Issuer

19421 Hampton Homes Texarkana
19422 HATT Scattered Sites Texarkana
19423 Robison Terrace Texarkana
19424 Williams Homes Texarkana
19425 Bright Street Texarkana
19403 Mesa West San Antonio
19404 Legacy Ranch at Dessau East Austin

ASSET MANAGEMENT

- m) Presentation, discussion, and possible
action regarding a Material Amendment to
the Housing Tax Credit Land Use Restriction
Agreement

97104 Oak Meadows Townhomes Commerce
98191 Casa Pointe Villas San Antonio

99147 Ridgcrest Inn Apartments Livingston

- n) Presentation, discussion, and possible action regarding waiver

15251 Casa Verde Apartments Laredo

16197 Taylor Senior Village Mission

- o) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application

16098 Parkdale Villas Denison

- p) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and changes to the Direct Loan

18036 Clyde Ranch Clyde

18040 Farmhouse Row Slaton

- q) Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount

13428 Village at Palm Center Houston

- r) Presentation, discussion, and possible action regarding a Placed in Service deadline extension for a development located in a Major Disaster Area

16258 Provision at West Bellfort Houston

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS: 12

- a) TDHCA Outreach Activities, (April-May)
- b) 2020 QAP Planning Project report
- c) Report on proceedings to remove the eligible entity status and terminate CSBG contracts and funding for Cameron and Willacy Counties Community Projects, Inc.
- d) Quarterly Report on Texas Homeownership Activity

ACTION ITEMS

ITEM 3: HOUSING RESOURCE CENTER 63
Presentation, discussion, and possible
action on the draft 2020 Regional
Allocation Formula Methodology

ITEM 4: OCI-HTF-NSP DIVISION 90
Presentation, discussion, and possible
action on the Maverick County Colonia
Self-Help Center Program Contract in
accordance with Tex. Gov't Code Chapter 2105
and 10 TAC, Chapter 1, Subchapter D,
§1.411(f)(1)(F)

ITEM 5: RULES 98
Presentation, discussion, and possible
action on the proposed new 10 TAC Chapter 23
Subchapter H, Homebuyer Assistance with New
Construction (HANC) or Rehabilitation, and
directing its publication for public comment
in the Texas Register

ITEM 6: BOND FINANCE 66
Presentation, discussion, and possible
action regarding the Issuance of Multifamily
Housing Revenue Bonds Series 2019 Resolution
No. 19-034 and a Determination Notice of
Housing Tax Credits for Northgate Village
(#19603) in Dallas

ITEM 7: MULTIFAMILY FINANCE

a) Presentation, discussion, and possible 104
action regarding changes to the
capital structure for Highlander
Senior Village (HTC #18019/HOME
Contract #1002875)

b) Presentation, discussion and possible
action regarding an Award of Direct Loan
funds from the 2018-1 Multifamily Direct
Loan Notice of Funding Availability

18506 Golden Trails West 107
18137 New Hope Housing Dale Carnegie
Houston (Pulled)

18369 The Residence at Canyon Lake 111
Canyon Lake

c) Presentation, discussion and possible 116
action regarding an Award of Direct
Loan funds from the 2019-1 Multifamily
Direct Loan Notice of Funding

Availability

19504 Avanti at Sienna Palms Legacy
Weslaco

- d) Presentation, discussion, and possible 58
action on a Determination Notice for
Housing Tax Credits with another Issuer,
an Award of Direct Loan Funds, and a
waiver of 10 TAC §10.613(i)

19409 Grim Hotel Texarkana

- e) Presentation, discussion, and possible 68
action regarding the Issuance of
Multifamily Housing Revenue Bonds
Series 2019 Resolution No. 19-035, a
Determination Notice of Housing Tax
Credits, and on an Award of Direct
Loan Funds for McMullen Square
Apartments (#19601) in San Antonio

- f) Presentation, discussion, and possible
action on staff recommendations regarding
Application disclosure under 10 TAC
§11.101(a)(2) related to Undesirable
Site Features

19180 St. Elmo Commons Austin (Pulled)

19185 Edgewood Villas Killeen (Pulled)

19225 Rosewood Senior Villas Tyler 118

- g) Presentation, discussion and possible
action on staff recommendations regarding
Application disclosure under 10 TAC
§11.101(a)(3) related to Neighborhood
Risk Factors

19013 Our Lady of Charity Apartments 72
San Antonio

19050 Wayman Manor Temple (Pulled)

19125 Alice Lofts Alice 134

19133 Alazan Lofts San Antonio 14

19227 Reserve at Risinger Fort Worth 156

19299 2222 Pierce Houston 167

- h) Presentation, discussion and possible
action on timely filed appeals

19368 Sweetwater Springs Sweetwater
(Pulled)

19229 Hacienda Santa Barbara Socorro

	(Pulled)	
	19189 Lakewood Crossing Granbury	179
I)	Report on Requests for Administrative Deficiency	198
	19013 Our Lady of Charity Apartments San Antonio	
	19063 Residences at Lake Waco Waco	
	19079 Provision at Patriot Parkway Venus	
	19100 Carver Ridge Apartments Midland	
	19189 Lakewood Crossing Granbury	
	(Pulled)	
	19225 Rosewood Senior Villas Tyler	
	19244 Mariposa Apartment Homes at Harris Road Arlington	
	19250 Cypress Creek Apartment Homes at Waxahachie Waxahachie	
	19266 County Line Lofts Venus	
	19277 Cielo Place Fort Worth	
	19301 Prince Hall Port Arthur	
	(Pulled)	
	19307 Briarwest Apartments Houston	
	19315 Hammack Creek Apartments Kennedale	
	19319 Bardin Apartments Arlington	
	19365 Heritage Estates at Huntsville Huntsville	
	PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS	none
	EXECUTIVE SESSION	none
	OPEN SESSION	--
	ADJOURN	219

P R O C E E D I N G S

1
2 MR. GOODWIN: I'm calling to order the Texas
3 Department of Housing and Community Affairs Board meeting
4 for May 23, 2019.

5 Having done a visual roll call, all members are
6 present and we have a quorum, so we will begin.

7 Please stand and join as David leads us in the
8 pledge to the flags.

9 (The Pledge of Allegiance and the Texas
10 Allegiance were recited.)

11 MR. GOODWIN: Much better job this month,
12 David. Way to go.

13 MR. CERVANTES: Thank you, sir.

14 MR. GOODWIN: Michael will read a resolution
15 recognizing June as Homeownership Month.

16 MR. LYTTLE: Thank you, Mr. Chairman.

17 The resolution reads as follows:

18 "Whereas, June 2019 is Homeownership Month in
19 Texas;

20 "Whereas, the goal of the Texas Department of
21 Housing and Community Affairs (Department) that all Texans
22 have access to safe and decent affordable housing;

23 "Whereas, this year, the Department is Texas'
24 only state housing finance agency;

25 "Whereas, it is the policy of the Department to

1 support equal housing opportunities in the administration
2 of its homebuyer and homeownership programs and services;

3 "Whereas, since 1981, the Department has served
4 as the State's housing finance agency, providing a choice
5 of mortgage products and services to accommodate market
6 opportunities and buyer needs as appropriate;

7 "Whereas, the Department offers a free online
8 homebuyer education tool, Texas Homebuyer U, and
9 administers funds to support the Texas Statewide Homebuyer
10 Education Program to inform and prepare buyers for
11 successful homeownership;

12 "Whereas, the Department applauds all those who
13 work to achieve and maintain affordable, responsible
14 homeownership and recognizes those who provide services
15 and resources to all homebuyers regardless of race, color,
16 national origin, religion, sex, disability, or familial
17 status; and

18 "Whereas, the Department encourages Texans to
19 explore the numerous affordable home buyer resources
20 available during Homeownership Month and throughout the
21 year;

22 "Now, therefore, it is hereby

23 "Resolved, that in the pursuit of the goal of
24 affordable homeownership opportunities for all, the
25 Governing Board of the Texas Department of Housing and

1 Community Affairs, does hereby celebrate June 2019 as
2 Homeownership Month in Texas and encourages all Texas
3 individuals and organizations, public and private, to join
4 and work together in this observance of Homeownership
5 Month.

6 "Signed this Twenty-Third Day of May 2019."

7 MR. GOODWIN: Do I hear a motion to approve
8 this resolution?

9 MS. RESÉNDIZ: So move to approve.

10 MR. GOODWIN: Moved. And second?

11 MR. VASQUEZ: Second.

12 MR. GOODWIN: It's been moved and seconded.

13 Any discussion?

14 (No response.)

15 MR. GOODWIN: All those in favor say aye.

16 (A chorus of ayes.)

17 MR. GOODWIN: Opposed?

18 (No response.)

19 MR. GOODWIN: The resolution is passed.

20 We're moving on to the consent agenda which is
21 consent agenda and report items, and we have one item,
22 item 1(k), that is being pulled for this month, and then
23 we have on item 1(f) a technical correction, and Mr.
24 DeYoung will give us that technical correction.

25 MR. DeYOUNG: Good morning. Michael DeYoung,

1 Community Affairs Division.

2 Item 1(f) is the presentation, discussion, and
3 possible action on the reprogramming of Program Year 2018
4 CSBG funds.

5 At the end of the year, annually, we kind of go
6 through all the pools of money that haven't been spent and
7 we reallocate them to the network for additional funding.

8 Your Board book has a table contained in it for the
9 award. Subsequent to us posting the Board book, there was
10 an EARAC meeting where some conditions were placed on two
11 of the awards and one of the entities, the City of
12 Lubbock, doesn't have the ability to correct their
13 condition due to the fact that they're a body of
14 government and it's actually contained in their
15 ordinances. Additionally, there are some of the
16 awardees -- I believe nine -- who have not fully completed
17 the PPR process.

18 So staff is asking for your approval to award
19 these funds by the formula contained in the TAC and the
20 flexibility to deal with, if anybody has special condition
21 that they can't meet that we could subsequent re-award
22 those funds by formula to the other remaining entities so
23 that we can fully expend the funds before we lose access
24 to the federal funds. And you have a revised table in
25 your hands just placed. That's the one.

1 Staff moves your approval.

2 MR. GOODWIN: Thank you, Michael.

3 Any questions or any other items any Board
4 member want to have pulled from the consent agenda?

5 (No response.)

6 MR. GOODWIN: If not, I'll entertain a motion
7 to approve the consent agenda and report items as amended.

8 MR. BRADEN: So moved.

9 MR. GOODWIN: It's been moved. A second?

10 MS. BINGHAM ESCAREÑO: Second.

11 MR. GOODWIN: Any discussion?

12 (No response.)

13 MR. GOODWIN: All in favor say aye.

14 (A chorus of ayes.)

15 MR. GOODWIN: Opposed?

16 (No response.)

17 MR. DeYOUNG: Thank you.

18 MR. GOODWIN: Thank you, Michael.

19 So now we're moving into the action items, of
20 which we're going to jump around, so if we miss something,
21 please stand up and say, Oops, you missed me.

22 We're going to start with action item 7(g)
23 first, and on 7(g) we are going to deal specifically with
24 one item which is application 19133. And I'm going to ask
25 and remind those of you that are going to speak to please

1 come up and sit on the front row if you're intending to
2 speak. Also, because we have a very packed agenda, we are
3 not going to have debates on these items. If you've got
4 something to say, please come up and say it, and please
5 condense it into three minutes because at the end of three
6 minutes we're not going to be borrowing somebody else's
7 time, we're going to move to the next person. We'll do a
8 speaking for the recommendation and speaking against and
9 take them in alternative orders, but we're not going to
10 have a debate.

11 Marni.

12 MS. HOLLOWAY: Good morning, Chairman Goodwin,
13 members of the Board. I'm Marni Holloway. I am the
14 director of the Multifamily Finance Division.

15 This item is presentation, discussion, and
16 possible action on staff determinations regarding
17 neighborhood risk factors for 19133, Alazan Lofts.

18 This application was submitted in 2018 and at
19 that time they disclosed four of what we then called
20 undesirable neighborhood characteristics -- it's now
21 neighborhood risk factors. Of those four, one of them
22 actually has been resolved. They had a school that was
23 Improvement Required and it has now Met Standard.

24 The other three that are left, as far as crime
25 is concerned, they're triggering the notification in

1 Neighborhood Scout for 18 violent crime incidences per
2 thousand population, but when we looked at the actual
3 crime data, it's lower than that, so staff is recommending
4 eligibility on that item.

5 They have disclosed some blight within a
6 thousand feet of the development site. We did do a site
7 visit and looked at the neighborhood and we are
8 recommending eligibility on that item.

9 So what we're really discussing right now is
10 the poverty rate. The census tract in which the
11 development is located has a poverty rate of 65.7 percent
12 in 2017. That's an increase from 62.4 percent in 2016.
13 The applicant has said that -- excuse me. Take the coughs
14 out of my three minutes.

15 MR. GOODWIN: You need to shorten your
16 introduction too.

17 (General laughter.)

18 MS. HOLLOWAY: I do the best I can.

19 The applicant has reasoned that this high
20 poverty rate stems from the fact that there is currently a
21 public housing development in the census tract with more
22 than 700 units, so that skews that poverty rate lower. As
23 mitigation, they point to a contiguous census tract with a
24 poverty rate of 6.2 percent, but the boundary between this
25 census tract where the development site is and that 6.2 is

1 a highway, it's separated by an eight-lane freeway, so
2 it's clearly a separate and distinct neighborhood. The
3 three contiguous census tracts on the same side of the
4 highway all have rates above the Department's threshold of
5 40 percent with no physical barriers between them.

6 On page 849 of your Board book there's a chart
7 that charts out what's been happening with poverty rate
8 since 2012 and also with median income. Staff does not
9 believe that sufficient mitigation has been provided to
10 justify finding the site eligible due to the increased and
11 increasing high poverty rate, and we are recommending that
12 the Board find the site ineligible with regard to this
13 issue.

14 I'd be happy to answer any questions.

15 MR. GOODWIN: Any questions from any Board
16 members for Marni at this point?

17 (No response.)

18 MR. GOODWIN: I'll entertain a motion not to
19 approve what staff is recommending but to take discussion.

20 MS. BINGHAM ESCAREÑO: So moved.

21 MR. GOODWIN: Second?

22 MR. VASQUEZ: Second.

23 MR. GOODWIN: It's been moved and seconded.

24 All in favor say aye.

25 (A chorus of ayes.)

1 MR. GOODWIN: So we'll begin discussion. I
2 assume there are a number of people here to speak against.
3 Is there anybody here speaking in favor of what staff is
4 recommending? You're going to speak in favor? We're not
5 going to call on you first; we're going to first have
6 those people that are opposed to staff's recommendation.
7 Who wants to be the first speaker?

8 MS. GUERRERO: I'll be the first speaker, Mr.
9 Chair.

10 MR. GOODWIN: Okay.

11 MS. GUERRERO: My name is Debra Guerrero. I am
12 representing the NRP Group, co-developer of Alazan Lofts.

13 Today we are asking the Board to approve our appeal of
14 the staff's recommendation of denial for Alazan Lofts.

15 And I completely understand how if you just
16 look at the percentages and not really understand the
17 neighborhood, where the recommendation would come from.
18 But today we have a host of speakers that will talk to you
19 about what this neighborhood really looks like. I know
20 the biggest concern is that highway and how that highway
21 is actually not a deterrent to get directly to jobs in the
22 downtown area. And in fact, if anybody has ever been to
23 Market Square, they've been underneath that highway. It's
24 almost like a little city of pedestrian easy access back
25 and forth. And I did want to start by saying that because

1 that does seem to appear one of the reasons that the
2 contiguous census tract is not taking into account when it
3 comes to the mitigation.

4 So again, the QAP allows the Board to approve
5 our appeal if it's consistent with achieving the goals,
6 including the preservation of existing occupied affordable
7 housing units to ensure that they are safe and suitable,
8 or the new construction of high quality affordable housing
9 units. And that's the part that I want to stress is the
10 high quality affordable housing units. And determination
11 that the risk factors that have been disclosed are not of
12 such a nature or severity that would render the
13 development site ineligible. So the Board also has to
14 document the reasons, and I'm going to tell you the
15 reasons.

16 Beginning with the preservation of existing
17 occupied affordable housing units. This Alazan Lofts is
18 actually kicking off a larger master plan for the area,
19 one that has been a concerted community-driven plan that
20 will actually demolish the public housing units eventually
21 and reconstruct them from 100 percent public housing
22 units, not displacing anybody, but bringing in a mixed
23 income. So this census tract will then have the
24 opportunity to actually lower that poverty rate. It's
25 really the first step in taking children and families out

1 of substandard housing and putting them in, again, the new
2 construction of high quality affordable housing units.

3 The second reason, the risk factor disclosed is
4 not of such a nature or severity to render the site
5 ineligible. We provided information in the mitigation
6 that despite the high poverty rate in the census tract
7 that there is a contiguous census tract with a poverty
8 rate below 20 percent. The staff used 2017 so we went
9 ahead and included 2017 figures, and if you see the
10 contiguous census tracts, darn it, they have gone down in
11 poverty rate.

12 So we have a list of speakers. I will let them
13 back it up, but at the end of the day, the two reasons are
14 for those very two reasons that we ask you to grant the
15 appeal. Thank you.

16 MR. GOODWIN: Okay. Now someone that is in
17 favor of staff's recommendation, whoever wants to come up.

18 Come on up, sign in and tell us your name and who you
19 represent.

20 MS. FLORES: Good morning. My name is Yaneth
21 Flores. I'm with the Esperanza Peace and Justice center,
22 based in San Antonio's West Side. We are located at 816
23 South Colorado, directly in front of the proposed project.

24 We're here today supporting staff recommendations because
25 we do have a concern regarding fair housing in our

1 community.

2 We know that this is the poorest census tract
3 in San Antonio. We are greatly in need of housing. That
4 land needs to become housing but we are concerned as to
5 how we are moving into this. We cannot keep concentrating
6 affordable housing in low income, high poverty areas when
7 it is clear that we do need low income homes. Right? We
8 need public sector housing to be in that neighborhood. If
9 the project moves forward as presented, we will be looking
10 at the demolition of the Alazan Courts and the possibility
11 of that turning into market rate housing. What would we
12 do without public sector housing? Where will all those
13 folks go? There are 500 units in the Alazan Courts; well
14 over 1,200 folks are living in those homes; 88 units in
15 the proposed Lofts, only 40 of those will be public sector
16 housing. What will happen to the rest of the folks living
17 in Alazan Courts?

18 We are concerned with the design working
19 against the historic neighborhood. It is a historic
20 neighborhood, and we are in the process of creating a
21 design look for the Lofts, but we're concerned that it
22 will not fit the historic neighborhood in which we find
23 ourselves.

24 We are also kind of struck that no one let
25 anybody know about this. We found out yesterday when it

1 seems like the city was well aware of it.

2 So again, we do support staff recommendations
3 and hope that you consider that as direct neighbors of the
4 project. Gracias.

5 MR. GOODWIN: Thank you.

6 Someone against staff's recommendation, next
7 speaker? If you're going to speak, please come up and sit
8 as close to the front as possible.

9 MR. NISIVOCCIA: Good morning, Mr. Chair.

10 MR. GOODWIN: Make sure you sign in, please.

11 MR. NISIVOCCIA: I will. My name is Dave
12 Nisivoccia. I'm the president and CEO of the San Antonio
13 Housing Authority. On behalf of my board, the fellow
14 employees at SAHA, as well as, most importantly, the
15 residents of Alazan, I thank you for the time that you've
16 graced us with this morning.

17 I want to talk about the property specifically.

18 Alazan Lofts sits in the center of a vibrant historic
19 neighborhood in the heart of San Antonio's West Side that's
20 with close proximity to downtown, job opportunities, good
21 medical care for our clients. The inner West Side
22 residents have been waiting for generations, quite
23 honestly, since former First Lady Eleanor Roosevelt first
24 helped bring affordable housing in the late '30s to San
25 Antonio. It's our perspective how much longer should our

1 clients wait for investment and opportunity to
2 economically grow their portion of the city.

3 Quite honestly, our solution is to implement a
4 multi-phase, mixed income, multifamily housing plan that
5 would spark economic development in the immediate inner
6 West Side to help reshape the trajectory of the
7 neighborhood, and quite frankly, the community. As Debra
8 mentioned earlier, this is just the beginning, Alazan
9 Lofts, of a multi-phase, multi-income family housing plan.

10 My board has allowed us to spend about \$1.2- to
11 \$1.5 million on cobbling vacant land already that sits
12 adjacent to Alazan, which is the public housing
13 development, so we can start this revitalization. None of
14 our residents would be displaced. As we move forward in
15 the removal and the redevelopment of Alazan, people will
16 have the opportunity to live there as we continue to bring
17 new units, have a voucher and then move back within the
18 community. It's our promise to all our clients that they
19 never will be displaced if they don't want to be. As I
20 mentioned earlier, we need to take action today for the
21 new development to help alleviate poverty and tax credits
22 will help us get there.

23 In San Antonio we've already seen the success
24 of tax credits and the impact it can have on communities.
25 On the near east side of town it used to be called

1 Wheatley Courts, now it's a vibrant public housing mixed
2 unit, mixed finance development that has brought income,
3 that has brought opportunity, that has brought economic
4 opportunity, as well as educational opportunity, to the
5 community, and tax credits were the funding vehicle that
6 helped us get there. It's 100 percent occupied in most
7 phases currently and it's stabilized the neighborhood, and
8 everybody who's lived there previously still has the
9 opportunity to live there. We're grateful for the tax
10 credits.

11 In fact, quite honestly, we feel that if the
12 tax credits aren't approved, the residents of the inner
13 West Side will have to wait potentially another generation
14 for the opportunity that we provide, and we want to ask
15 everybody to have in San Antonio. I think it's dangerous
16 when we start to romanticize poverty and stipulating that
17 housing that was built in the 1930s is viable for the way
18 we live today in America, regarding the square footage and
19 regarding to attributes that we can provide, such as in
20 Texas central heat and air which is a rather important
21 item.

22 Therefore, we look forward to this Board
23 amending the staff's position and granting our approval
24 today. Thank you very much.

25 MR. GOODWIN: Thank you.

1 Any questions?

2 (No response.)

3 MR. GOODWIN: Now I have a person speaking in
4 favor of staff's recommendation next. Please sign in, if
5 you would.

6 MS. VALDEZ: My name is Amelia Valdez and I'm
7 with the Historic West Side Residents Association in the
8 West Side of San Antonio. I am here in favor of the staff
9 recommendations.

10 Even though this is a phase one, the San
11 Antonio Housing has been notorious for doing things in
12 other parts of town as far as displacement, as far as
13 giving out vouchers, throwing people outside the city, and
14 my concern is that the smaller little things become big
15 things. There has been things prior to phase one that has
16 not even been talked about. How do you get to phase one?

17 Well, it's all these secretive things that go around that
18 people don't talk about as far as those errors and
19 mistakes that were done with the Wheatley Courts are not
20 being said, but there were people that were displaced,
21 there were people that were sent outside the limits, there
22 were kids that were displaced with their families, and
23 it's really important to know that phases do take the
24 turns that are not really good for the residents.

25 So it's important as the president of the

1 Historic West Side Residents Association that our
2 residents have the concerns that displacement is big and
3 displacement is tearing to a family, so it's very
4 important that phase one -- even though it's phase one --
5 that's when things start. Okay?

6 So thank you so much for giving me the time
7 this morning. Again, my name is Amelia Valdez and I'm
8 with the Historic West Side Residents Association in San
9 Antonio, Texas. Thank you so much.

10 MR. GOODWIN: Thank you.

11 Now we have someone that wants to speak against
12 staff's recommendation?

13 DR. DRENNON: Good morning. My name is
14 Christine Drennon. I am a professor of sociology and
15 anthropology at Trinity University and the director of the
16 urban studies program there. I speak to you today about
17 the poverty in the neighborhood, not about the project
18 itself.

19 The West Side of San Antonio we claim to be the
20 heart of the city. It's the culture that we prize in
21 every way, the food, the art, the language, the families,
22 but we also tend to romanticize. But poverty rate in our
23 West Side neighborhood is 65 percent. Why so high? Lots
24 of reasons: historic neglect, gerrymandering of our
25 resources, federal policy that divided the neighborhood

1 from economic engines of the city downtown in the form of
2 an interstate highway. Years and decades of policy
3 produced a neighborhood with a poverty rate so high it
4 doesn't even qualify for affordable housing tax credits.
5 But also a neighborhood in which the resilience is so high
6 that the local culture has flourished to create the San
7 Antonio that love.

8 In 2014 we came here to request consideration
9 for 9 percent tax credits for our East Side Choice project
10 that we today call East Meadows. For the last seven years
11 I've been doing research on the East Side Choice project,
12 and some of the concerns but also some of the celebrations
13 that have been raised I've researched deeply. The
14 neighborhood had had violent crime rates three times those
15 of the city, narcotic crime rates ten times of the city, a
16 neighborhood poverty rate three times that of the city,
17 and two schools that failed to prepare their students for
18 success. It's a neighborhood immediately east of
19 downtown, divided from downtown by an eight-lane highway
20 that was built with the intent in mind to keep opportunity
21 out of our non-white neighborhoods.

22 You say these neighborhoods are too poor. I
23 say of course they're poor. They were built to be poor,
24 they were built for the poor, so our policy so far has
25 been successful.

1 The circumstances on San Antonio's east and
2 west sides are similar: poor neighborhoods developed in
3 the early 20th Century under a discriminatory policy to
4 house poor non-whites in substandard housing. A poor
5 neighborhood separated from our centers of economic
6 activity by highways built with federal policy money to
7 isolate communities; poor neighborhoods where schools have
8 been gerrymandered into segregated and unequal districts.
9 These policies were effective and they isolated our poor
10 into our neighborhoods that are separate from our economic
11 activities.

12 Similar situations, so let's look at the East
13 Side since investment. Poverty is down 10 percent,
14 property crime rates are now at the same level as the
15 city, economic activity is beginning to flourish. What
16 worked? Public investment is beginning to work. We know
17 that unregulated private investment and development will
18 produce and has produced exclusive neighborhoods that are
19 not inclusive of the entire city. Public investment with
20 a watchful eye and significant partnerships may produce
21 inclusive development.

22 MR. GOODWIN: Any questions?

23 (No response.)

24 MR. GOODWIN: I have a question for you.

25 DR. DRENNON: Please.

1 MR. GOODWIN: It seems to me that in the last
2 ten years the economic boom in downtown San Antonio has
3 been absolutely phenomenal. Would you agree with that?

4 DR. DRENNON: The economic boom in San Antonio.
5 Downtown San Antonio now is booming with a lot of high
6 dollar residential property. Our jobs are still a bit
7 scattered but they're starting to centralize also. So the
8 city is booming. The geography of it is a little bit more
9 dispersed. We have put a lot of emphasis into higher
10 dollar residential property in our downtown that a lot of
11 us feel needs to be balanced, and that's why we argue for
12 this project, that we need more publicly funded
13 residential property as well.

14 MR. GOODWIN: More specifically, it seems like
15 there's about 15,000 hotel rooms that have been built in
16 the last 10 or 15 years.

17 DR. DRENNON: That's a great example.

18 MR. GOODWIN: Those are the jobs that are
19 available to these people. How come the poverty level has
20 stayed at such an exorbitant rate?

21 DR. DRENNON: In our downtown neighborhoods?
22 You have to come see. We built them that way. When we
23 built those downtown neighborhoods right around the inner
24 city, they were built without restrictive covenants, and
25 so our non-white populations were funneled into very dense

1 settlements right around the inner loop. Then we redlined
2 them, completely denied them any kind of investment
3 whatsoever, and gerrymandered the schools. What happened
4 in the meantime through the century actually we celebrate
5 because the communities and the families is where we still
6 consider the heart of the city. That's where the energy
7 is, that's where the creativity is. But some of the
8 children are now suffering in schools especially.

9 So there's real political and policy reasons
10 why the poverty is there, it's not the families, it's the
11 policy. We produced it like that. And now we do have the
12 growth in terms of these jobs and people are unable to get
13 to them. So the highways that have been identified in
14 these reports as being a problem, we built the highways
15 with federal dollars in order to isolate these communities
16 from the economic activity. Yay, we were successful.

17 MR. GOODWIN: I think that's your
18 interpretation of that. By the way, I have been there.
19 The very first time I was there was 55 years ago in it
20 would have been 1964, and that was before that highway was
21 built.

22 DR. DRENNON: Yeah, those are federal highways,
23 1954 projects.

24 MR. GOODWIN: And the same poverty was there at
25 that level back 55 years ago.

1 DR. DRENNON: Right. So go back to the 1930s
2 and redlining.

3 MR. GOODWIN: Thank you.

4 Is there anybody else that wants to speak in
5 favor of staff's recommendation? Because I only saw two
6 people.

7 (No response.)

8 MR. GOODWIN: Okay. Now we'll take additional
9 speakers that want to speak against staff's
10 recommendation.

11 And staff's recommendation is on one item and
12 that is the poverty. Do I understand that correctly,
13 Marni?

14 MS. HOLLOWAY: If I may clarify for a second?
15 In order for this application to continue, the Board must
16 find the site eligible because it has these neighborhood
17 risk factors, so staff is recommending that it be found
18 eligible on crime and on blight, we are recommending that
19 it not be found eligible due to the poverty.

20 MR. GOODWIN: So my comment to other speakers
21 is that, you know, you've gotten a checkmark on everything
22 except the poverty level, so if you would, address the
23 poverty level. That's really what's in front of this
24 Board.

25 MS. GARCIA: Hello. Good morning. My name is

1 Janna Garcia. I'm currently Alazan Resident Council vice
2 president, and I also live there at South San Marcos right
3 across the creek.

4 Sorry, I'm a little nervous.

5 Them building this is an opportunity to see for
6 our future, our children live there, and I know that by
7 them building these apartments, it brings opportunity and
8 brings investment and for other people to come and see us
9 and want to invest in us.

10 Sorry, I'm just very nervous. I know that SAHA
11 has committed in building the new development and before
12 demolishing them they have to have somewhere to place us,
13 and I also have here some residents from the Alazan that
14 are for it and I know that it brings hope to us, it brings
15 a different perspective. When we build buildings like
16 this, it's just like something new, something that we have
17 to take care of, something different, and it's just hope
18 for us.

19 So I want to thank you for giving us the time
20 to be here.

21 MR. GOODWIN: Thank you.

22 Any questions?

23 (No response.)

24 MR. GOODWIN: Next speaker.

25 MS. GONZALEZ: Hi. Good morning. My name is

1 Victoria Gonzales, and I'm here on behalf of San Antonio
2 Mayor Ron Nirenberg. I'm one of his senior policy
3 advisors. And he couldn't be here today but he asked me
4 to read a statement from his office.

5 "On behalf of the City of San Antonio, I want
6 to reiterate the city's support for the Alazan Lofts
7 multifamily development. As you know, the San Antonio
8 City Council passed a resolution of support for this
9 project because it contributes more than any other to the
10 concerted revitalization efforts in the city. As a
11 result, Alazan Lofts, this project in front of you, was
12 the only development this year to receive a resolution of
13 support.

14 "In the fall of 2017, I created the Mayor's
15 Housing Policy Task Force to create a comprehensive and
16 compassionate housing policy framework that allows
17 residents to live with dignity, age in place, rehabilitate
18 their housing, and preserve the integrity of their
19 neighborhoods. I challenged them to provide
20 recommendations to protect and connect the neighborhoods
21 amid our historic growth. As a result, the city council
22 passed a resolution to accept San Antonio's housing policy
23 framework and make housing a priority for the first time
24 in our city's history. This policy document was produced
25 through a comprehensive, data-informed community

1 engagement effort which identified recommendations and
2 implementation steps to help alleviate housing insecurity
3 and affordable challenges in San Antonio so that way our
4 families can experience economic mobility.

5 "The Alazan Lofts development aligns with the
6 work of the Mayor's Housing Policy Task Force in many
7 ways, but the location in the near West Side in the census
8 tract makes it extremely important to our community. This
9 development would increase the number of quality,
10 affordable housing units and leverages funding for new
11 rental units in a community linked with transportation,
12 jobs and cultural assets. Additionally, it would provide
13 affordable housing options in a neighborhood experiencing
14 change and significant public improvements.

15 "The project site is located within the West
16 Side TRZ, an opportunity zone area, neighborhood
17 improvement bond area, and community members, including
18 neighborhood associations, businesses, property owners,
19 employers, cultural institutions have been envisioning a
20 plan for the West Side community through the SA Tomorrow
21 comprehensive planning process. Because of its
22 significance, the city prioritized the West Side community
23 plan as the first community plan to go through this
24 process because we knew that the West Side deserved the
25 revitalization that we're here seeking today.

1 "Additionally, the city has invested in
2 infrastructure projects to improve the drainage, road and
3 bike infrastructure in the area.

4 "Due to Councilwoman Shirley Gonzales's
5 leadership on this issue -- who you will hear from later
6 on -- our city council prioritized the Alazan Lofts
7 project in an effort to provide quality affordable housing
8 options on the near West Side, so as our city continues to
9 revitalize the near West Side, families may have the
10 opportunity to benefit from these improvements.

11 "Our city is committed to the revitalization of
12 this area and I respectfully request you support our local
13 efforts by awarding the Alazan Lofts development 9 percent
14 tax credits this year."

15 MR. GOODWIN: Thank you.

16 Next speaker.

17 MS. GONZALES: Good morning, everyone. I'm
18 Shirley Gonzales, city councilwoman from District 5, which
19 Alazan resides.

20 As you all have indicated, we have been working
21 very hard to overcome the issue of poverty in our
22 community, but I believe one of the greatest reasons why
23 this area should be invested in is because it's in the
24 West Side Opportunity Zone which was designated by
25 Governor Greg Abbott, and it was also a coordinated effort

1 to dedicate especially HUD low income tax credits into
2 opportunity zones.

3 As you all may know, the president also
4 established the White House Opportunity and Revitalization
5 Council in April to target, streamline and coordinate
6 federal resources to be used in opportunity zones, so I
7 believe that this could be a coordinated effort, all the
8 way from the president of the United States down to our
9 local governor and then our local area, our mayor and many
10 of the residents that you see here today requesting an
11 investment in this community.

12 As you have mentioned, poverty has been a
13 problem in this area for many generations and I think Dr.
14 Drennon explained many of the reasons why that persists,
15 however, we believe that we are making steps to mitigate
16 that by some of the things that you've heard here today,
17 especially regarding the opportunity zones. We know that
18 we need private investment in order to thrive. It takes
19 public investment but private investment as well, and we
20 have some our developers here today to talk about what
21 they plan to do.

22 We also have Albert Carrizales who is here from
23 the UTSA downtown campus to talk about the educational
24 opportunities for our students as well. We expect that
25 they will benefit and then become more prosperous as our

1 educational institutions are also aligned with the
2 opportunity zones.

3 It was given examples of what has happened on
4 the Near East Side with Wheatley Courts and what happened
5 as an investment of, at the time, Promise Zones that was
6 created by President Obama, and we have seen the change in
7 the community. And while there has been some concern with
8 displacement, the strategy in this scenario is to move
9 residents into new housing and also look for other
10 opportunities to create new housing in the area so that
11 the residents who are here with us today can move into
12 some of those new properties, have basic amenities that
13 most people expect in today's environment, issues
14 concerning, for example, the existing Alazan Courts don't
15 have air conditioning, they also don't have sufficient Wi-
16 Fi and they don't have dryers, so it makes it very
17 difficult for kids to have their clothes washed and dried
18 on a regular basis because people have to go to
19 laundromats to do their laundry. So if we could have
20 updated facilities, most of which any of you all would
21 expect in your housing development, we can improve the
22 quality of life for all of our residents.

23 So I would appreciate your consideration in
24 this request to mitigate the poverty in my neighborhood.
25 As a longtime resident of the neighborhood, we know that

1 poverty continues to plague us and we look for the
2 investment to make those changes. Thank you.

3 MR. GOODWIN: Thank you.

4 Any additional speakers?

5 MR. ARECHIGA: Good morning. My name is Jason
6 Arechiga with the NRP Group. Hopefully conclude. We've
7 had a lot of speakers today but I will conclude speaking
8 specifically about the poverty. You had mentioned focus
9 on the poverty.

10 There are 773 households in this census tract,
11 of which 502 are public housing in Alazan Courts, so to
12 some degree there will be a degree of poverty, there will
13 be in this census tract. But let me tell you about
14 mitigating part of that poverty. We were talking about
15 proximity to downtown, and that's important, but let's
16 talk about mitigating some of the poverty that's inside
17 the actual census tract itself.

18 Alazan Lofts is the first step to mitigating
19 that poverty because if you look at the actual unit mix,
20 you will notice that there are public housing, market rate
21 housing, 60 percent, 50 percent, 30 percent housing, that
22 it's across the board, and it is the first step to move,
23 along with the combination between NRP and SAHA, to move
24 and build new housing very similar to this with Alazan,
25 the whole Alazan Courts. We plan on demolishing that and

1 rebuilding it, just like we did with San Juan I and II and
2 how they did on the East Side, and that has proven to be
3 successful. And if nothing else, I'll say this with
4 something that Senator Jose Menendez always mentions to
5 me: children don't know if they're poor but they do know
6 if they're not living in an air conditioned unit, they
7 don't know the age necessarily but they do know that their
8 unit is old, it was built in the '30s and '40s.

9 So what we're trying to do is we're trying to
10 replace that housing, and in some cases we will be
11 replacing public housing, so will that poverty number to
12 some degree stay up? Yes. Will it come down? Yes, it
13 will do that too because we're replacing it with market
14 rate and 60 percent. So part of the speakers that were
15 here today that were for this were speaking that did not
16 want the people displaced, and we don't want that either.

17 We want to bring a complete community to the area, and
18 the first step into bringing a complete community, while
19 it is small at 88 units, this is the first step and this
20 is proving that we can get federal and state funds here.

21 So we ask that you please vote against staff's
22 recommendation so that we can start this first step
23 towards mitigating that poverty, and if nothing else, just
24 replacing the housing that currently exists in the area.

25 Thank you.

1 MR. GOODWIN: Thank you. Were you the final
2 speaker?

3 Beau, did you have a question?

4 MR. VASQUEZ: And I have some questions.

5 MR. GOODWIN: Did you want to speak? Come on
6 up.

7 Beau, do you have a question first? I'm sorry.

8 MR. VASQUEZ: Jason would be a great person to
9 answer.

10 MR. GOODWIN: Then ask that question.

11 MR. VASQUEZ: Just so I can understand, this is
12 replacing existing units, this phase, this 88 u\nits?

13 MR. ARECHIGA: Half of them are replacing and
14 half of it is market rate, 60 percent and 50 percent. So
15 if you'll notice this is what the ultimate plan is going
16 to be doing. Of the 88 there's about 42 of them that are
17 public housing units, so if you look at the unit mix.

18 MR. VASQUEZ: How many existing public housing
19 units?

20 MR. ARECHIGA: There are 502.

21 MR. VASQUEZ: In this 88 units.

22 MR. ARECHIGA: Oh, no. We are going to be
23 building 42 public housing units.

24 MR. VASQUEZ: How many are you replacing with
25 this 88-unit development?

1 MR. ARECHIGA: We're going to be replacing 42.
2 That's all we can do is replace the 42 so that we do not
3 displace them. So we can move 42 from Alazan Courts into
4 Alazan Lofts, and then when we can build, hopefully, a
5 second phase of a 9 percent that's very similarly done, we
6 can move 40 more from Alazan, and now instead of 502
7 you're at 422. And then that's when we can begin part of
8 the demolition process. If we'd just begun the demolition
9 process of the existing Alazan Courts as it is, they would
10 be displaced. If we just demolished it right now, the
11 people that live there right now would not be able to have
12 the opportunity to live in the same neighborhood. And so
13 that is really ultimately what we're trying to achieve
14 here is by building a place for them to move to so that we
15 can start that displacement -- actually, I wouldn't call
16 it displacement, I would call it we can start that
17 relocation right across the street.

18 MR. VASQUEZ: All right. Thanks.

19 MR. GOODWIN: Any other questions? Paul.

20 MR. BRADEN: I have a question. So there's a
21 freeway that's sitting between your census tract and
22 downtown. Is it up on like stilts?

23 MR. ARECHIGA: And everybody is shaking their
24 head. Debra, do you want to speak to it?

25 MS. GUERRERO: No. Go ahead.

1 MR. ARECHIGA: And I go down there. There's
2 something called the Market Square. If you've been down
3 to San Antonio, it's a neat little area separating this
4 census tract and the other, and what it's done is you have
5 market days where people go. It's under stilts and
6 there's activities and there's city events and there's
7 events that are held underneath there, and so it's not
8 like an actual barrier that you can't cross, you can walk
9 underneath it. And one of the examples that we show over
10 here as a direct connection to opportunities, there's bus
11 routes that go frequently underneath it. Because that is
12 where the jobs are, as you had said, Chairman Goodwin,
13 about the hotel jobs, there's buses that take you directly
14 under there, but you can walk there too, it is under
15 stilts.

16 So yes, it is a physical barrier but it is a
17 physical barrier that is not difficult to cross and it is
18 integrated into the community. We try to bring and the
19 city tries to bring a lot of the stuff that's happening at
20 Market Square down underneath that, we use it. It's not
21 just always used for parking.

22 MR. GOODWIN: Any other questions? Did you
23 have a question, Beau?

24 MR. ECCLES: I'm going to have to introduce the
25 standard that's in our rule.

1 MR. GOODWIN: Okay.

2 MR. ECCLES: Could you describe the actions
3 that are being taken that would lead the Board to conclude
4 that there is a high probability and reasonable
5 expectation that the poverty rate will be sufficiently
6 mitigated or significantly improved within a reasonable
7 time frame, typically prior to the placement of service of
8 this development?

9 MR. ARECHIGA: Okay. So the actions that have
10 taken place so far have been the investments that the city
11 has shown, and while it did have a small uptick this last
12 year, at the time of application it was 62.7 percent but
13 if you look at the previous history, in 2013 it was over
14 70 percent. So the actions that the city has been --
15 again, if you look at 2011, 2012, 2013, the poverty rate
16 was over 70 percent and a lot of the infrastructure and
17 improvements and commitments that the city has made have
18 been reducing that poverty. An uptick of 3 percent, well,
19 you know, I mean I can't explain that, but if you look at
20 the surrounding neighborhoods -- it's on this poverty map
21 right here, you'll notice that four of the six census
22 tracts contiguous to the tract have all dropped down for a
23 net loss of 18.6 percent. So in general, not just this
24 census tract, but in one year the contiguous census tracts
25 have dropped by 18.6 percent. Yes, this census tract a

1 tiny bit but it has also gone down from 70 percent to the
2 mid 60s over this period.

3 MS. GUERRERO: To clearly answer your question,
4 Beau, the mitigation is the investment that's being made,
5 the creek investment by the San Antonio River Authority
6 and Bexar County, UTSA expansion.

7 MR. ECCLES: And if you could, as you're
8 ticking these off, talk about when they happened and the
9 effects that you see that have happened and you are
10 projecting will happen to the poverty rate.

11 MS. GUERRERO: Absolutely. So beginning with
12 the neighborhood and bond investment areas and the capital
13 improvements that are being made in the area, it has
14 improved the infrastructure currently and there is more
15 planned. And what it has done is actually eliminate the
16 need to come talk to you about blight, and you've seen
17 that and staff talked about that. Also, the capital
18 improvements, again, lead to that as well, it's
19 infrastructure improvements and pedestrian access and the
20 designation of the opportunity zone and leveraging the
21 opportunity zone with those improvements.

22 The creek improvements along Alazan, which is
23 within the census tract, is improving the pedestrian
24 access to UTSA and their expansion, as well as into the
25 downtown area where most of the jobs are located or

1 concentration of jobs. The city TRZ which is the \$35
2 million investment, and there's a list within your packet
3 of the specific developments. How that contributes to
4 lowering the poverty rate, again, it's improving the
5 access to jobs and to the contiguous census tracts.

6 So all of that together, unless, Councilwoman,
7 I might have missed what's coming now, and the placed in
8 service is usually a year and a half to a two year window.

9 MS. GONZALES: And I know that we referenced
10 the opportunity zone, so we do know that we require
11 private investment as well, in addition to the capital
12 improvements that we've made in order to see a real
13 turnaround. And so we anticipate with our opportunity
14 zones that there will be more private investment which
15 would then lead to more jobs, better higher paying jobs.
16 I think the university and the school system is doing its
17 part to transform the neighborhoods and the school
18 districts, as was mentioned before, so the capital
19 improvements that we've seen in the neighborhood have been
20 significant, but we just need for the private investment
21 to catch up to what the public investment has been doing.

22 MR. GOODWIN: Okay with that? I didn't hear
23 the exact dates.

24 MR. ECCLES: Nor did I.

25 MS. GONZALES: So the West Side Creeks was

1 completed about two years ago. The UTSA expansion, they
2 just received \$110 million -- Albert Carrizales is here
3 that can talk a little bit about that -- that's just a
4 little bit to the east which is in the immediate downtown
5 but it's within walking distance. I think we've secured
6 about \$110 million for the university to do this
7 expansion. The phase two part of the expansion is yet to
8 be finalized, but we see that as well. Also, the school
9 district has a bond program. I think they've invested
10 about \$30 million into Lanier High School which is the
11 school that's in this immediate census tract.

12 So we've had some other 9 percent tax credits
13 that are still in the works, they have not been finalized
14 yet. But we also had just yesterday or a few days ago we
15 did a \$4.5 million complete street program right in this
16 existing census tract, and then in the next few months or
17 so we will break ground on another part of the Complete
18 Street program that's also in the census tract.

19 So we've done quite a bit of also smaller scale
20 improvements to the neighborhood, including lighting,
21 landscaping, that kind of thing to do aesthetic
22 improvements to the area that have all been done within
23 the last maybe three years or so. I've been on the
24 council now for six years, I was just reelected to my last
25 term so I've got two years left, so most of the things

1 that I'm talking about have all been done in the last six
2 years minimum.

3 MR. ECCLES: And have you seen a relationship
4 between those investments and the poverty rate in this
5 particular census tract?

6 MS. GONZALES: Well, I think as the numbers
7 show, this census tract still is very poor, but we know
8 that it's primarily because we have such a large public
9 housing complex that really engulfs most of the census
10 tract. And the surrounding census tracts do show some
11 modest improvements, so we know that as we've been
12 investing public dollars in owner-occupied rehab, the
13 focus of my attention has been to help the existing
14 community mitigate any potential gentrification that may
15 happen as a result of some of this public investment. So
16 we've done about \$6 million total in the city so I would
17 say at least \$2 million or so has been dedicated to the
18 area around the near West Side to help stabilize homes and
19 work with owner-occupied rehab so that people don't get
20 displaced in the event that we see what we hope will be an
21 improvement in our neighborhoods, more affordable housing.

22 We hope to bring in more mixed housing. We
23 know that we need that in order to reduce the amount of
24 poverty. We need to have more market rate projects in our
25 district, so we've had a couple of those a little bit to

1 the south of this census tract, but we really need this
2 investment in order to adjust that sort of demographic of
3 what has been a very, very poor community for many
4 generations.

5 MR. GOODWIN: Any other questions?

6 (No response.)

7 MR. GOODWIN: We have one additional speaker?

8 MR. ARECHIGA: Is it okay if I answer his
9 question pretty directly? He asked about placed in
10 service.

11 MR. GOODWIN: Sure.

12 MR. ARECHIGA: I wanted to make sure that was
13 okay. And I know we have two more speakers and that
14 should be the conclusion.

15 Beau, you had asked about placed in service,
16 the mitigating of the poverty to get before that?

17 MR. ECCLES: Yes.

18 MR. ARECHIGA: I would say that the lease up of
19 the market rate and 60 percent units here would help
20 towards mitigating that while this is built and being
21 leased up. That's going to be reducing the poverty rate
22 with the market rate units that are coming in here and
23 setting the standard to show other developers that they
24 can do the same thing.

25 MR. ECCLES: Okay.

1 MR. GOODWIN: Any other questions, additional
2 speakers?

3 Are you for or against staff recommendation?

4 MS. ZATARAIN-FLOURNOY: I am against staff
5 recommendation. Thank you very much.

6 My name is Josefa Zatarain-Flournoy and I work
7 for the Aging and Disability Resource Center, funded by
8 the State of Texas under the initiative of the federal
9 government's Health and Human Services collaborative
10 effort with the Department of Housing and Urban
11 Development to dispatch housing professionals into
12 communities across this country to look for ways and
13 opportunities to change, affect, improve, add to or
14 otherwise impact policy and programs, housing policy and
15 programs for the benefit of the populations that we
16 serve -- as I said, it's the Aging and Disability
17 Resource Center. I also am an avid participant in TDHCA's
18 Housing and Health Services Coordination Council.

19 I would like to take this opportunity this
20 morning to share with you that in my 39 years in the
21 affordable housing and its great many related industries
22 in this very community of San Antonio, but more
23 specifically in the urban core, I've had an opportunity to
24 observe how affordable housing initiatives, reinvestment
25 initiatives, and community development

1 efforts/initiatives, including economic development, has
2 unfolded in my little town of San Antonio, now the seventh
3 largest city in the country. And what I'd like to do is
4 maybe if you can give me an opportunity to just address
5 two things.

6 Number one, I'd like to just answer a little
7 bit about the question that was asked just prior to me
8 stepping forward. I worked very, very closely with the
9 effort in 2010 and 2011, in conjunction with the New York
10 Mayor's Office through a social innovation fund, that
11 brought to San Antonio what had been seen as a successful
12 program in Los Angeles, California, which was referred to
13 as Jobs Plus. And so that award of many millions of
14 dollars over a number of years was awarded specifically
15 the San Antonio Housing Authority specifically to be
16 launched in this very community at the Alazan and its
17 immediate surrounding community.

18 And what the Jobs Plus effort was was this
19 concerted effort where we would bring all of the
20 supportive services needed and necessary to help people
21 transition into employment opportunities, and so that
22 included everything from child care to employment search
23 to resume preparation to actually placing them and
24 providing follow-up and other supportive services. That
25 was launched in 2011 and it has shown many successes.

1 If we go on HUD's website today, we will see
2 that HUD has since taken the Jobs Plus initiative and has
3 now taken that pilot program that showed success in this
4 very community, in this very neighborhood and census tract
5 that we're talking about and has now made it a national
6 program and has a NOFA that it will be funding and
7 awarding to other communities, so much so that East San
8 Antonio in it's Promise and Choice neighborhoods have also
9 adopted and taken the Jobs Plus initiative.

10 MR. GOODWIN: In the sensed of fairness, I
11 asked everybody to keep their comments to three minutes.

12 MS. ZATARAIN-FLOURNOY: Okay. If I can just
13 say one other thing.

14 MR. GOODWIN: Be quick.

15 MS. ZATARAIN-FLOURNOY: I will, 30 seconds.

16 This community has asked to have its resources,
17 it's historical and cultural resources protected and one
18 of those many resources is that close knit family and
19 family support and union, and by giving people, young
20 folks and other working folks an opportunity to have a
21 unit, an affordable unit that keeps them close to mom and
22 dad and grandma and grandpa, that keeps that close knit
23 community and gives them an opportunity to provide
24 supportive services for each other, which, as I said, was
25 one of the many pieces of the Jobs Plus program.

1 MR. GOODWIN: Thank you.

2 MS. ZATARAIN-FLOURNOY: Thank you so much.

3 MR. GOODWIN: One other speaker?

4 MR. LARRALDE: Good morning. My name is Tomas
5 Larralde and I'm chief of staff for State Senator Jose
6 Menendez. He apologizes for not being here. We had a
7 late session yesterday and he drives back to San Antonio
8 because his wife is very ill, so he sends his regards.
9 And one thing I want to say is thank y'all for your
10 service. I know this is a lot of work that y'all do on a
11 daily basis, so we appreciate that.

12 So this area, Alazan, is very important to the
13 senator. It's right smack dab in the middle of his
14 district and he has been a champion for a lot of these
15 developments in the past. I know nearby there's one at
16 San Juan that has really been transformative, and while I
17 think there's a perception about this community, I think
18 one of the things that's happened that's really been
19 transformative as well is UTSA, and that has really been a
20 gateway into the West Side and has really created, I
21 think, a lot of opportunities and will continue to do
22 that.

23 The fact is the city has made a lot of
24 investment and I think there's still a lot of opportunity.
25 There's a lot of cultural districts that have been

1 developed now along that corridor that I think are
2 bringing a lot of people, not just from the area but from
3 other parts of San Antonio into the district, and I think
4 the continued support could really help. There is a huge
5 need for the mixed housing that they're proposing, and one
6 of the things that will do is by bringing these families
7 into that community it will spur a lot more reinvestment.

8 I think we've seen some of the private sector
9 in some of the other areas where these developments have
10 occurred really beginning to put more emphasis and put
11 more interest. I think we've seen some transformation in
12 the East Side where now you have these older neighborhoods
13 that were stagnant for a long time that are now blossoming
14 and we're getting a lot more families that are coming into
15 those communities. And I think if we can take that first
16 step, we can make a big difference.

17 And the senator has constantly advocated and
18 continues to do that. We'll be sharing with you guys a
19 letter in support of this project, but we really
20 appreciate your reconsideration of staff's recommendation
21 and going with investing in Alazan. And this is kind of a
22 personal thing for me. My parents were living there, they
23 had a grocery store before the property was built, and I
24 think if we can get back to those mixed use where folks
25 are there and can invest and have these little small

1 businesses around, I think we can begin to turn the corner
2 in that community, and they really deserve that kind of
3 investment and effort.

4 MR. GOODWIN: Thank you.

5 And final speaker, Michael, we have a letter
6 you want to read into the record?

7 MR. LYTTLE: Yes, sir. We have a letter from
8 State Representative Diego Bernal, State Representative
9 District 123. It's addressed to you, Mr. Chairman.

10 "I'm asking you and the TDHCA Board to grant
11 the appeal of the staff's denial for Alazan Lofts. This
12 particular development is the City of San Antonio's number
13 one priority because it is the first housing initiative
14 that will deconcentrate poverty in the area by providing
15 mixed income rental housing.

16 "Under the current leadership, hundreds of
17 millions of dollars of public and private investment is
18 allocated to improve neighborhood infrastructure in this
19 area, create new jobs and provide access to higher
20 education. The State of Texas is doing its part, not only
21 with the expansion of UTSA in the adjacent census tract,
22 but also with the governor's designation of the census
23 tract as an opportunity zone.

24 "The Low Income Housing Tax Credit Program must
25 work in conjunction with state and local priorities, not

1 in contradiction, and according to your own rules, Alazan
2 Lofts can be considered an eligible site despite the
3 presence of such neighborhood risk factor if 'actions
4 being taken that would lead staff and/or the Board to
5 conclude that there is a high probability and reasonable
6 expectation the risk factor will be sufficiently mitigated
7 or significantly improved with a reasonable time,
8 typically prior to placement in service, and that the risk
9 factor demonstrates a positive trend in continued
10 improvement.'

11 "The funding initiatives of the city, Bexar
12 County, the San Antonio River Authority and the State of
13 Texas all demonstrate a high probability that the risk
14 factor will be sufficiently mitigated, therefore meeting
15 the requirement for granting the appeal.

16 "Thank you for your service to the working
17 families of Texas.

18 "Regards, Representative Diego Bernal, Texas
19 House of Representatives, District 123."

20 MR. GOODWIN: Thank you, Michael.

21 I think we're at a stage where we've heard what
22 our standard is as a Board and it's time for a motion to
23 either accept staff's recommendation or to deny staff's
24 recommendation and find the site eligible.

25 MS. BINGHAM ESCAREÑO: Mr. Chair, can I just

1 make a couple of comments, because this is difficult and I
2 know everybody on this side of the room gets and then we
3 have awesome residents that have shown up that you
4 probably know kind of what we're struggling with and what
5 we're trying to do here.

6 But I think our responsibility, you definitely
7 deserve safe, comfortable places to live that provide you
8 with opportunities for you and your family to grow and
9 thrive. Right? And you would like to do that where you
10 are, you would like that to happen in your neighborhood
11 and you love your neighborhood. Our challenge is trying
12 to figure out if your neighborhood represents the best
13 opportunity for your future.

14 The city and the people here that are
15 advocating, it's a great thing for the city and your
16 councilwoman to do everything that they've done to develop
17 your area. Our responsibility is just to figure out
18 whether or not it's headed in the right direction pretty
19 quickly so that it really does offer your families, you
20 know, the best opportunity to be successful, and it's kind
21 of tough, it's a tough area.

22 If I were going to look at what I think are
23 mitigating, I think some of what we consider are
24 mitigating are the fact that some of the other areas that
25 were previously risks are starting to reduce. Right? So

1 crime is looking better, I think blight is kind of
2 decreasing. Your census tracts around your neighborhood,
3 the poverty isn't so bad. We're struggling a little bit,
4 I think, with the whole expressway and the fact that under
5 the expressway on the other side there's some really nice
6 opportunity and some growth over there.

7 And I think the idea, the last letter that was
8 read into the record from the state representative, and
9 Tomas, what you pointed out from the senator in terms of
10 the plan that the city has is to attract folks that can
11 pay higher rents so that the affordable housing is also
12 mixed with what we call market rate housing that would
13 allow other people to live there, the jobs.

14 But that's kind of our dilemma is really just
15 trying to weigh out that, yes, we know you love your
16 neighborhood, and our responsibility is just to make sure
17 that we're identifying places that we can support housing
18 that will give you the best chance for a good future.

19 And we're not approving the development.
20 Right? All we're doing is saying whether or not it can
21 compete with any other development that's going to show up
22 this year for San Antonio. So even if we approve it as
23 being eligible today or recommend that it's eligible, it's
24 still going to have to compete with other developments
25 that might have other attributes that Alazan may not be

1 able to compete on.

2 So I would like to, Mr. Chair, make a motion
3 that I do believe that the site should be found eligible
4 based on the mitigation that has been provided by the
5 folks that spoke in support of the development today,
6 which would be the contiguous census tract that isn't at
7 poverty level, that has a much lower poverty level, the
8 commitment from the City of San Antonio to continue to
9 provide improvements in the area that were in the form of
10 the creek project and the TRZ and some of the other things
11 that were read into the record.

12 Is there anything else you need from me?

13 MR. ECCLES: Do you mean the census tracts that
14 have lower poverty levels on the same side of the highway
15 as the census tract?

16 MS. BINGHAM ESCAREÑO: I mean the census tracts
17 that are contiguous and that would include the ones that
18 aren't on the same side of the expressway.

19 MR. ECCLES: Let me just read from QAP
20 11.101(a)(3)(B)(i) which is dealing with mitigation.
21 "Evidence that the poverty rate within the census tract
22 has decreased over the five-year period preceding the date
23 of application, or that the census tract is contiguous to
24 a census tract with a poverty rate below 20 percent, and
25 there are no physical barriers between them, such as

1 highways or rivers, which would be reasonably considered
2 as separating or dividing the neighborhood containing the
3 proposed development from the low poverty area must be
4 submitted."

5 MS. BINGHAM ESCAREÑO: Great. Thank you,
6 Counsel.

7 I believe that the census tract that is
8 contiguous that has a highway that's in between it, that
9 the highway doesn't represent a barrier to that contiguous
10 census tract because it's elevated and we all move
11 underneath that structure.

12 MR. GOODWIN: Okay. We have a motion. Do we
13 have a second?

14 MR. VASQUEZ: Second.

15 MR. GOODWIN: Any other discussion?

16 (No response.)

17 MR. GOODWIN: All those in favor say aye.

18 (A chorus of ayes.)

19 MR. GOODWIN: Opposed?

20 (No response.)

21 MR. GOODWIN: It's passed.

22 (Applause from audience.)

23 MR. GOODWIN: We are moving back to action item
24 number 3 on the Housing Resource Center. Elizabeth.

25 We're going to change the agenda. We're

1 bringing up item 7(d), the presentation, discussion, and
2 possible action on a determination for tax credits for
3 file 19409 Grim Hotel in Texarkana.

4 MS. HOLLOWAY: Yes. This is presentation,
5 discussion, and possible action on a determination notice
6 for housing tax credits with another issuer, an award of
7 direct loan funds, and a waiver of 10 TAC 10.613(i).

8 Grim Hotel is a proposed redevelopment of an
9 historic hotel in Texarkana. It was originally
10 constructed in the 1920s and operated as a hotel until the
11 '90s, after which it was vacant and began to decline. The
12 development will have 93 tax credit units and 22 NSP
13 units. The units will be restricted at 60 and 50 percent
14 of AMI.

15 The \$4 million direct loan award will be
16 sourced with NSP-1 program income funds and is proposed to
17 be structured as a repayable construction to perm loan at
18 2 percent interest with a 30-year amortization and a 30-
19 year term. The Department's loan will maintain first lien
20 position during the permanent period.

21 There is a unique ownership structure that is
22 being utilized for this development as a result of
23 receiving equity from both housing tax credits and
24 historic tax credits, which requires the Department to use
25 a structure to secure our loan that differs from what we

1 have used in the past. Our legal staff is continuing to
2 work through this process and there's a description in the
3 background. Simply, the property will be ground leased
4 from the fee title owner. The leasehold owner will, in
5 turn, lease the property to a master tenant, who will be
6 the party that enters into leases with residents. This
7 structure allows the development to maximize the historic
8 tax credits. It's one that we've seen in the past but not
9 with the added complication of a direct loan.

10 On May 14 we submitted the update to the
11 substantial amendment to the NSP-1 action plan that you
12 approved last month. That update allows the NSP-1 funds
13 to be used in the manner proposed by this applicant.

14 All multifamily direct loan developments are
15 required to provide match by our rules. So in addition to
16 the update from HUD, we're also going to be requesting a
17 waiver from the of certain aspects of the Federal
18 Regulations regarding match.

19 The applicant has requested and staff is
20 recommending a waiver of our rules regarding lease
21 requirements. The need for the waiver was not reasonably
22 foreseeable or preventable in that the unique ownership
23 structure that must be utilized to take advantage of all
24 of the credits is necessary to get to a feasible and
25 viable development.

1 The direct loan rule requires that direct loan
2 awardees submit a fully completed environmental review
3 within 90 days after Board approval and to execute a
4 contract within 60 days of environmental clearance. Staff
5 is recommending an extension to the contract execution
6 deadline because the property has already received their
7 environmental clearance. The recommended extension is to
8 six months beyond the 60 days after the environmental
9 clearance, which would put it now at December 16, 2019,
10 and that would be the contract deadline.

11 Regarding neighborhood risk factors, the
12 applicant has disclosed that the poverty rate for the
13 census tract containing the development is 51 percent.
14 They've also included a great deal of information about
15 revitalization efforts in downtown Texarkana. There has
16 been private investment of approximately \$48 million over
17 the past five years and another \$10 million in public
18 infrastructure over the next five years is planned. The
19 city has committed funding to the redevelopment efforts of
20 the hotel which will support continued revitalization in
21 downtown Texarkana. Based on these efforts, staff is
22 recommending that the proposed site be found eligible
23 under that neighborhood risk factor.

24 The reservation from the BRB will expire on
25 June 9 of 2019. The proposed issuer of the bonds is the

1 Premier Texarkana Development and Management Facility
2 Corporation.

3 Staff is making the following recommendations:
4 that the site be found eligible pursuant to the
5 neighborhood risk factors rules; that the waiver of tenant
6 lease requirements necessary under this ownership
7 structure be granted; the extension of the NSP-1 contract
8 execution to December '19 be granted; and that the
9 issuance of a determination notice of \$1,006,241 in 4
10 percent housing tax credits and \$4 million in NSP-1
11 program income funds be approved.

12 I will be happy to answer any questions.

13 MR. GOODWIN: Any questions?

14 (No response.)

15 MR. GOODWIN: If not, we'll entertain a motion
16 to accept staff's recommendation.

17 MS. BINGHAM ESCAREÑO: I'll move staff's
18 recommendation. Do we have to say anything about the
19 waiver, or can we just move staff's recommendation? I'll
20 move staff's recommendation.

21 MR. GOODWIN: Second?

22 MS. THOMASON: Second.

23 MR. GOODWIN: It's been moved and seconded.

24 It's my understanding we had a state
25 representative that was here and wanted to speak. Did he

1 leave, Michael?

2 MR. LYTTLE: No. He's good.

3 MR. GOODWIN: Okay. All those in favor say
4 aye.

5 (A chorus of ayes.)

6 MR. GOODWIN: Opposed?

7 (No response.)

8 MR. GOODWIN: Okay.

9 MS. HOLLOWAY: Thank you. Are we still going?

10 MR. GOODWIN: No. We're going to go back to
11 item 3.

12 MS. YEVICH: Good morning, Chairman Goodwin,
13 Board. My name is Elizabeth Yevich. I'm director of the
14 Housing Resource Center, known as HRC, and I'm here before
15 you this morning for item number 3 which is about the
16 methodology for the Regional Allocation Formula, and that
17 is affectionately known in our alphabet soup of acronyms
18 as the RAF.

19 Now, the RAF has been around a long time,
20 almost 20 years now. It was created in 1999 through the
21 passage of Senate Bill 1112. The bill directed TDHCA to
22 create a formula for use in distributing HOME, investment
23 partnerships, our State Housing Trust Fund, and of course,
24 the Housing Tax Credit awards, and they use these with the
25 uniform state service regions across the state. So since

1 it's creation, the RAF has driven to objectively measure
2 the affordable housing need and available resources in our
3 state's 13 service regions and the 26 subregions for
4 Housing Tax Credit, HOME and the State Housing Trust Fund
5 programs. The 26 subregions consist of the state's 13
6 service regions metropolitan statistical areas, the MSA
7 counties with urban counties and the state's 13 service
8 regions with MSA counties and the non-MSA counties with
9 only rural places.

10 So the methodology has always been taken out
11 annually for public comment and revised accordingly if
12 needed. So I wanted to point out that what is before you
13 today is just the methodology and it bases the formula on
14 data that measures the need for housing assistance, the
15 availability of housing resources, and other factors
16 relevant to the equitable distribution of housing funds in
17 urban and rural areas of the state in keeping with the
18 statutory requirements detailed in Section 2306 of the
19 Texas Government Code.

20 So we have HOME single family, HOME
21 multifamily, Housing Tax Credit and the State Housing
22 Trust Fund programs, they all use the RAF just slightly
23 different formulas because the programs have different
24 eligible activities, households and geographic service
25 areas.

1 As I mentioned before, the Board today is only
2 approving the methodology, not the allocation numbers
3 themselves. Example amounts are included but these are
4 not the actual numbers yet as the funding amounts are
5 still unknown.

6 And just a few other things I wanted to point
7 out of note this year because, really, the methodology has
8 not really changed. The only thing that has changed,
9 Bastrop County is no longer considered rural, so by
10 Bastrop County being considered urban, the allocation to
11 Rural Region 7 has gone down which affects the funding
12 allocation in Rural Region 7 across all three of the RAF
13 funded programs.

14 And another thing to point out also of interest
15 is that most of the rural and urban subregions saw overall
16 decreases in need variables and urban region subregions
17 saw increases in housing availability, so while this does
18 not mean that all needs are being met, it would start to
19 indicate that the need is not increasing.

20 So with that, the RAF is going out for public
21 comment, if you approve, May 24 through June 14. There's
22 going to be a public hearing next week on May 29, and then
23 the RAF will be brought back in July for final approval.

24 Any questions?

25 MR. GOODWIN: So approval will basically allow

1 you to publish this in the *Texas Register*.

2 MS. YEVICH: That is correct.

3 MR. GOODWIN: Do I hear a motion to approve
4 staff's recommendation?

5 MR. BRADEN: So moved.

6 MR. GOODWIN: Second?

7 MS. THOMASON: Second.

8 MR. GOODWIN: It's been moved and seconded.

9 Any questions?

10 (No response.)

11 MR. GOODWIN: All those in favor say aye.

12 (A chorus of ayes.)

13 MR. GOODWIN: Opposed?

14 (No response.)

15 MR. GOODWIN: Okay. Thank you, Elizabeth.

16 MS. YEVICH: Thank you.

17 MR. GOODWIN: Now we're going to move around in
18 the agenda a little more just to make it interesting, item
19 6, Teresa, and then after Teresa does item 6, she's going
20 to do 7(e).

21 MS. MORALES: Teresa Morales, manager of
22 Multifamily Bonds.

23 Chairman Goodwin and members of the Board, item
24 6 involves the issuance of multifamily revenue bonds by
25 the Department for the acquisition and rehabilitation of

1 168 units serving the general population in Dallas. Under
2 the proposed financing structure, the Department will
3 issue tax exempt bonds in an amount not to exceed \$20
4 million, and it utilizes Fannie Mae's pass-through
5 mortgage-backed security program. This is a structure
6 that we have seen and closed before which includes
7 previous transactions with this applicant.

8 The bonds will bear interest at an all-in rate
9 of approximately 4-1/2 percent and the loan will have a
10 term of 17 years and a 35-year amortization, as reflected
11 in the bond resolution in your Board materials.

12 To date for 2019, Northgate Village is the
13 fourth transaction to be funded by the Department's
14 private activity bond program, bringing the total issuance
15 to just over \$60 million and serving 630 households.

16 Staff recommends approval of Bond Resolution
17 No. 19-034 in an amount not to exceed \$20 million, and a
18 determination notice of 4 percent housing tax credits in
19 the amount of \$1,142,704.

20 MR. GOODWIN: Any questions?

21 (No response.)

22 MR. GOODWIN: Do I hear a motion to approve
23 staff's recommendation.

24 MR. BRADEN: Move to approve.

25 MR. GOODWIN: Move to approve. Second?

1 MS. RESÉNDIZ: Second.

2 MR. GOODWIN: It's been moved and seconded.

3 Any further discussion?

4 (No response.)

5 MR. GOODWIN: All those in favor say aye.

6 (A chorus of ayes.)

7 MR. GOODWIN: Opposed?

8 (No response.)

9 MR. GOODWIN: Okay. Moving to item 7(e).

10 MS. MORALES: Chairman Goodwin and members of
11 the Board, item 7(e) involves the issuance of multifamily
12 revenue bonds by the Department for the acquisition and
13 rehabilitation of McMullen Square Apartments in San
14 Antonio. The Board previously approved Bond Resolution
15 No. 19-021 in the amount of \$10 million for McMullen
16 Square in January of this year. A determination notice of
17 4 percent housing tax credits was also approved.

18 Subsequent to the January Board meeting, as the
19 equity partner continued their underwriting and due
20 diligence, the assumption on the amount of permanent debt
21 that the transaction could support changed. Based on
22 their underwriting standards, the permanent debt needed to
23 be reduced by \$350,000. This reduction in debt increased
24 the deferral of developer fee which impacted the
25 underwriting parameters of JPMorgan Chase, who was

1 providing the construction loan. Chase was requiring a
2 lesser percentage being deferred to provide more cushion
3 in the event that the transaction does not stabilize at
4 the expected loan amount.

5 It was at this point when the applicant
6 approached the Department to seek funds under the direct
7 loan program. In March the applicant applied for \$500,000
8 requested in the form of TCAP repayment funds under the
9 current NOFA Including the \$500,000 in the capital
10 structure reduces the deferred developer fee to a level
11 that is more palatable for JPMorgan Chase.

12 The proceeds of this loan will be used to
13 replace part of the permanent loan debt and cover
14 construction loan increases that have occurred since the
15 transaction was originally bid last year. The TCAP loan
16 will be structured as a surplus cash flow loan at zero
17 percent with a 15-year term and a 40-year amortization.

18 Pursuant to Section 13.5(h)(2) of the direct
19 loan rule, for developments that were already found
20 feasible and awarded by the Board but come back requesting
21 additional funding, an applicant is required to
22 demonstrate eligibility for the direct loan funds. Staff
23 believes that the aforementioned factors that describe the
24 need for the additional funds meet this requirement.

25 The changes resulting from the inclusion of the

1 direct loan and continued underwriting of the financing
2 partners affected aspects of the transaction that was
3 previously approved, namely the credit amount previously
4 recommended has increased by about \$35,000. Recognizing
5 the changes that have occurred and to have a cleaner
6 record of approval, Board action today is intended to
7 supersede the action associated with the prior bond
8 resolution and is based on the terms outlined in the Bond
9 Resolution 19-035 and the referenced bond documents as
10 noted therein, along with the addendum to the original
11 underwriting report reflecting the updated tax credit
12 amount and direct loan recommendation.

13 Staff recommends approval of Bond Resolution
14 No. 19-035 in the amount of \$10 million, a determination
15 notice of 4 percent housing tax credits in the amount of
16 \$460,738, and an award of TCAP repayment funds in the
17 amount of \$500,000.

18 MR. GOODWIN: Any questions?

19 MR. VASQUEZ: Just so I understand. So what's
20 the net difference between where we started when it was
21 first approved and now? I mean, we're just swapping out
22 \$435- for \$500-?

23 MS. MORALES: Correct. So the loan amount that
24 we started with back in January was approximately \$7.95-,
25 and as Hunt Capital Partners, who is the equity investor,

1 when they started going through their additional due
2 diligence, they decided that this transaction could not
3 support that full \$7.95-, and so they were only in a
4 position of feeling comfortable with a \$7.6 million perm
5 loan, and so that left a difference. And I guess you can
6 look at it as equity having their own box and their own
7 standards and parameters, the construction lender had
8 theirs, and so it kind of created this ripple effect.

9 MR. VASQUEZ: So technically they still
10 deferred --

11 MS. MORALES: They're still deferring fee but
12 just not as much.

13 MR. VASQUEZ: But then we're lending the funds
14 up front. Okay. All right. Thanks.

15 MR. GOODWIN: Any other questions?

16 (No response.)

17 MR. GOODWIN: Do I hear a motion to approve
18 staff's recommendation?

19 MR. VASQUEZ: Move to approve.

20 MR. GOODWIN: Second?

21 MS. BINGHAM ESCAREÑO: Second.

22 MR. GOODWIN: Moved and seconded. Any further
23 discussion?

24 (No response.)

25 MR. GOODWIN: All those in favor say aye.

1 (A chorus of ayes.)

2 MR. GOODWIN: Opposed?

3 (No response.)

4 MR. GOODWIN: Okay. Thank you, Teresa.

5 Now we're going to move back to 7(g),
6 application 19013, Our Lady of Charity Apartments. Took
7 you a little off guard there, didn't we?

8 MS. HOLLOWAY: Yes. You've done that a few
9 times today.

10 MR. GOODWIN: Well, we have a council member,
11 as I understand it, here from San Antonio that would like
12 to speak on this, and in consideration of time that they
13 are spending to come forward, we would like to
14 accommodate.

15 MS. HOLLOWAY: This item is presentation,
16 discussion, and possible action on staff determinations
17 regarding neighborhood risk factors for 19013, Our Lady of
18 Charity.

19 This is a proposed new construction/adaptive
20 reuse development of historic church structures on
21 properties owned by the San Antonio Housing Authority.
22 The buildings will be converted to residential units and
23 existing residential units on the site in non-historic
24 buildings will be demolished and replaced with new
25 construction.

1 Regarding neighborhood risk factors, the
2 proposed development is located in a census tract with a
3 poverty rate of 48.4 percent. The applicant claims that
4 there has been a decrease in poverty in the past three
5 years, and then while that's true as it was presented in
6 their application, the statement is based on the selection
7 of the highest and lowest points of past poverty rates.
8 Looking back over five years, as required by the rule,
9 poverty has increased in the census tract. Over that five-
10 year period the poverty rate has risen as high as 45.1
11 percent, it has never fallen below 42.5. That was back in
12 2013.

13 Given the fairly static poverty rate over a
14 five-year period, staff is not able to conclude that
15 suggested gentrification in the materials provided by the
16 applicant has had an impact on the socioeconomic
17 indicators in the neighborhood. Given the ambiguity in
18 this situation, staff is requesting that the Board make a
19 determination regarding eligibility of the proposed
20 development site in regards to this neighborhood risk
21 factor.

22 In addition, the applicant disclosed that the
23 Part 1 violent crime rate, according to Neighborhood
24 Scout, is above 18 incidences per 1,000 persons annually.
25 Looking at the actual crime data, the rates are actually

1 much lower than that, so staff is recommending that the
2 site be found eligible as regards crime.

3 The applicant disclosed that there are some
4 homes or properties that are vacant or in disrepair near
5 the proposed development. A staff visit to the site
6 confirmed that the blight in question was not of such a
7 nature as to render the site ineligible, and staff can
8 confirm that several homes are being rehabilitated
9 throughout the neighborhood. Staff is recommending that
10 the Board find the site eligible in regards to this issue.

11 Lastly, the Davis Middle School was rated
12 Improvement Required for 2018. As mitigation, the
13 applicant provided the school's targeted improvement plan
14 and a letter from the superintendent of the San Antonio
15 Independent School District. Additionally, students zoned
16 to Davis Middle School may attend a school in the district
17 that has a Met Standard rating, and the applicant commits
18 that if the school district will not provide
19 transportation to those alternative schools, it will
20 provide no-cost transportation until such time as the
21 school has achieved a Met Standard rating. This
22 mitigation provided meets the requirements of the rule but
23 staff recommends find the site eligible in regards to this
24 issue, subject to a condition that the no-cost
25 transportation appear in the land use restriction

1 agreement.

2 So regarding the four neighborhood risk
3 factors, staff has found mitigation to be acceptable for
4 crime, blight and schools, we are requesting that the
5 Board make a determination regarding the poverty rate.

6 MR. GOODWIN: And staff's recommendation that
7 the site be determined ineligible because of poverty?

8 MS. HOLLOWAY: Well, our concern is that the
9 rate has been really static, and as Beau read the rule
10 earlier, the requirement in the rule is that there be
11 movement or evidence that by the time the development is
12 placed in service, that poverty rate will have decreased.

13 MR. GOODWIN: So it's the same standard as we
14 did with Alazan.

15 MS. HOLLOWAY: Exactly.

16 MR. GOODWIN: And would ask that those of you
17 who are going to speak would speak specifically to that
18 point. We don't have to hear about everything else;
19 everything else is okay.

20 Is there anyone that's going to speak in favor
21 of staff's recommendation.

22 MR. LYTTLE: Mr. Chairman. I do have a letter
23 from a state rep on this. Would you like for me to read
24 that right now before we begin public comment?

25 MR. GOODWIN: Yes.

1 MR. LYTTLE: Okay. Thank you.

2 The letter is from State Representative Barbara
3 Gervin-Hawkins, and it reads as follows:

4 "Please accept this letter of support for the
5 proposed new complex, Our Lady of Charity, on San
6 Antonio's East Side. We understand SAHA is planning to
7 transform the convent at Springview on Grimes Street into
8 a new 72-unit multifamily development which will include
9 renovations to B and C buildings and the former Miller
10 Child Development Center building.

11 "We know the City of San Antonio's East Side
12 neighborhood is in dire need of reinvestment with modern,
13 safe facilities to address the affordable housing needs in
14 the area and the proposed Our Lady of Charity development
15 is an important stepping stone to achieve these housing
16 needs. SAHA has indicated the following unit availability
17 for families: eight units at 30 percent AMI, 29 units at
18 50 percent AMI, and 35 units at 60 percent AMI. For a
19 family of four, this would mean 30 percent AMI is
20 approximately \$25,100 in annual household income.

21 "My office is appreciative of SAHA's innovative
22 strategies to serve the low income and affordable housing
23 needs of the community. I look forward to the Texas
24 Department of Housing and Community Affairs supporting
25 this worthwhile new development.

1 "Signed, Barbara Gervin-Hawkins, Texas State
2 Representative, District 120."

3 MR. GOODWIN: Thank you, Michael.

4 Now we'll have the speakers, and as I
5 understand it, you know, sign in, tell us your name, and
6 three minutes.

7 MR. WILSON: I've got three minutes. I'll make
8 it happen, Chairman. Thank you.

9 My name is Ryan Wilson. I'm with Franklin
10 Companies out of San Antonio, proud to be a housing
11 partner with San Antonio Housing Authority on our Lady of
12 Charity Apartments.

13 And I want to also thank you for your
14 consideration. We do have a councilman with us today, and
15 I really do appreciate the Board's time in helping us with
16 that. It's really, really appreciated from our
17 perspective, so thank you, Board, for that.

18 We want to start off, in light of your comments
19 earlier, as opposed to other things you've heard earlier,
20 we strongly believe there's ample evidence that actions
21 are already taking place such that there's material impact
22 to the economic indicators, and therefore, we think there
23 are certainly reasonable expectations and current proof
24 that you're going to hear that the poverty risk factor is
25 significantly improved.

1 And I just want to throw a couple of facts out
2 here. I'm not going to hopefully take the whole three
3 minutes here, but consider that over the last five years
4 the crime rate has decreased, over the last five years
5 employment has gone from 45 percent to over 50 percent,
6 the home values in this particular census tract have
7 actually increased faster than San Antonio as a whole. In
8 fact, in this census tract alone the home values have
9 increased over 23 percent in the last five years.
10 Household income in this census tract is increasing faster
11 than in San Antonio as a whole, and to us that is a
12 sustained action that we are seeing results on the ground
13 currently of an increased poverty rate.

14 And I think also we wanted to bring up a clear
15 and we think a very compelling reason of why we chose this
16 site. As you've heard, we're preserving what many of us
17 consider in San Antonio as a landmark. The convent was
18 built in 1899, it's a fixture in the Near East Side and
19 has been for whatever the math is, that's over 100 years,
20 it's a long time. This is a piece of history and the
21 adaptive reuse of this building not only provides the
22 affordable housing that we need, but allows a landmark to
23 be preserved.

24 And I think it at least bears a comment about
25 the poverty rate. I think while staff certainly didn't

1 say anything incorrect, we want to also point out that
2 since 2015 we are seeing a precipitous drop in the poverty
3 rate. In fact, it's been a 6 percent drop over the last
4 couple of years, and the latest data was from 2017. If
5 you run that same rate of change out to today, we're
6 actually going to be below 40 percent.

7 I think it's important to know that we're not
8 asking this Board -- and you're about to hear a bunch of
9 really cool capital improvements and job placement and job
10 creation, you're going to hear a lot of that in a second -
11 - but I think it's important to know we're not asking you
12 to look forward with what's going to happen, I think we're
13 hopefully proving what's already happening in this census
14 tract. We're going to show you evidence of that in a
15 second but we feel strongly that the risk factor is
16 obviously improving and we request to rule our site
17 eligible.

18 MR. GOODWIN: Thank you.

19 MR. WILSON: Three minutes, perfect.

20 MR. GOODWIN: Any questions?

21 MR. WILSON: I'll stick around for questions as
22 well.

23 MR. ALCOTT: I'm Tim Alcott with San Antonio
24 Housing Authority. I'm the real estate and legal officer,
25 and I'm asking the Board to approve the eligibility of Our

1 Lady of Charity.

2 I think this is an easier decision than you had
3 earlier with Alazan. We appreciate that, by the way. But
4 this one is barely above threshold. And also, the reason
5 I think that this site is very good and I think that
6 probably will go down is because we're a partner in this
7 development, and we're very unique in that regard because
8 we have the ability to transform communities. We're not a
9 developer that just puts in a development and walks away.

10 We actually have a people component and a housing
11 component whenever we put in one of our developments, and
12 this is one of them.

13 And so because Chairman Goodwin talked about
14 poverty, I can talk about the neighborhood, just because I
15 only have three minutes. So some of the revitalization
16 that we're putting in the area will be done with partners.

17 Some of our partners have been St. Philip's College,
18 Bexar County, VIA, SA ISD and the City of San Antonio.

19 Let me go through that list real quickly, and
20 this is all in the Board book, because I know that Beau is
21 concerned about that new evidence. But UIW Bowden Eye
22 Clinic is \$8 million; Good Samaritan Veterans Outreach
23 Center is \$7 million is in the neighborhood. And this is
24 something that's brand new, Terramark Homes has agreed to
25 put 12 brand new homes in the neighborhood. The Robert

1 Hilliard Health Care Clinic is \$8 million, 12,500 square
2 feet that's already built.

3 The business facade program, we put \$300,000 in
4 the business facade program. It's like a broken window
5 theory in reverse, and the people have received the grants
6 put in two times the amount, so it's a total of \$900,000
7 going to the neighborhood in the business facade program.

8 We put in the Biblioteca, and I think you probably have
9 heard of that, it's received some national awards, it's an
10 electronic library, we put that in the neighborhood as
11 well. The city gave us \$6 million for public improvement,
12 so we have sidewalks, curbs, driveways and lighting. We
13 have a three-acre urban farm, and the first planting is
14 actually now and so that's happening.

15 SA Corridors, we worked with VIA to make the
16 transportation better because you used to have to take
17 three different buses just to get to St. Philip's college
18 from where the development is, now we have a direct path
19 so students can potentially live in the area. The St.
20 Philip's Culinary Center for Excellence started
21 construction December 2018 and will finish in July 2020,
22 so hopefully they'll use my urban farm for all of their
23 food as they go through the class.

24 IDEA schools which is about a quarter mile,
25 less than that away, we've sold them some land, 12 acres.

1 They have 1,296 students that are going through 10th
2 grade but it's going to go to juniors and seniors next, so
3 it's growing.

4 And as Ryan said, by the time this project is
5 completed, we believe that the poverty rate will be low
6 enough where actually we will meet threshold. But what is
7 happening is the poverty change is trailing the
8 improvements, so we put all these improvements in but it
9 doesn't happen right away. What you have to have is you
10 put the improvements in and then people follow that
11 thereafter.

12 Thank you very much.

13 MR. GOODWIN: Thank you.

14 DR. DRENNON: Hello. Christine Drennon again,
15 blah-blah-blah, Trinity University.

16 Five years ago we stood here to request
17 consideration for 9 percent tax credits for our East Side
18 Choice project that today we call East Meadows in a
19 neighborhood just north of the site under consideration.
20 That neighborhood had a violent crime rate of three times
21 that of the city, narcotics crime ten times that of the
22 city, a poverty rate three times that of the city, and two
23 schools that failed to prepare their students for success.

24 Student mobility in that neighborhood was nearly 35
25 percent. A third of a classroom would leave and be

1 replaced in a school year. This was the population under
2 the severe stress of poverty.

3 When we applied for tax credits for that
4 project, you weren't sure. The neighborhood was too
5 tough. Was it capable of stabilizing and even changing?
6 Should we invest public dollars there? Will there be a
7 return? Is it responsible? Today after five years of
8 intense study of this project in real time, I can report
9 to you that you made a sound investment

10 East Meadows and Wheatley Senior Living have
11 been built, two houses have been renovated and ten more
12 have been done since then, 20 business facades have been
13 improved, there's a new digital library and a new health
14 clinic, streets have been paved, sidewalks recreated,
15 street lights have new efficient light bulbs, there's a
16 new linear park, real estate values are creeping up, and
17 property taxes are going up even further. Property crime
18 is down and neighbors feel safer than they did five years
19 ago. But the most important thing probably for today is
20 that the neighborhood poverty rate in that area when from
21 57 percent when we began to 45 percent today. Yes, it's
22 still high but 10 percent lower than it was in only five
23 years.

24 The tract is two above this site under
25 consideration today. I speak to share this experience of

1 nearby developments and the impact on our community.
2 Nearby investments illustrates a pattern that our
3 experience is beginning to show that investment sometimes
4 has to proceed improvement, like Mr. Alcott said. In some
5 cases such as these where poverty has been multi-
6 generational and the built environment and infrastructure
7 hasn't been invested in. And so our experience has shown
8 that with proper investment as a catalyst, community
9 development is following, and the neighborhood just to the
10 north of this one is the best example that we can offer of
11 that pattern in San Antonio.

12 Thank you.

13 MR. GOODWIN: Thank you.

14 Any questions?

15 (No response.)

16 MR. HALL: Good morning. My name is Art Hall.

17 I'm the current city councilman for District 2 in San
18 Antonio, and I understand I'm the second city council
19 member form San Antonio, and I appreciate you all's
20 support for Councilwoman Gonzales's project at Alazan
21 Courts, which I supported as well.

22 My name is Art Hall, as I mentioned, and my
23 district encompasses 19013 Our Lady of Charity Apartments,
24 which we affectionately call The Convent.

25 To briefly describe my district, it is often

1 referred to as the East Side, located just east of
2 downtown. It is the location of the Alamodome, the Spurs
3 arena, the Fort Sam Houston Army Base, and historically
4 black college, St. Philip's College. Previous mayor, and
5 now U.S. presidential candidate, Julian Castro, pushed
6 what was called the decade of downtown. This highly
7 concentrated and incented effort has now begun to impact
8 and spill over into District 2, such that the number one
9 issue in my district right now is gentrification. My own
10 property value has increased 100 percent in four years.

11 Just in the last five months the Texas Research
12 and Technology Foundation, TRTF, purchased an old
13 dilapidated property on the East Side called the Merchants
14 Icehouse, and will be investing \$227 million over ten
15 years, hiring 665 people and establishing an incubator
16 accelerator for emerging tech ventures right there on the
17 East Side in my district in District 2.

18 In December the city approved \$2.34 million as
19 part of an incentive package for a \$65 million
20 redevelopment package of an old refrigeration company
21 called the Friedrich Building. This development will
22 serve those who are 80 and 60 percent AMI.

23 The 85-acre Red Berry Estate is becoming the
24 home of a \$61.8-, 330-unit mixed income housing
25 development, with 50 percent of the units targeting those

1 at 80 percent AMI.

2 Echo East is a 20-acre mixed use development in
3 which 10 acres of previously city-owned property will be
4 dedicated to 100 percent affordable housing for those at
5 60 percent AMI.

6 In November H-E-B held a groundbreaking for its
7 regional warehouse on the East Side.

8 At St. Philip's College, located less than one
9 mile from The Convent, president Dr. Adena Loston
10 indicates that in her 12-year tenure she has either
11 renovated or newly constructed nearly 75 percent of the
12 campus's infrastructure, an investment of hundreds of
13 millions of dollars on the East Side by the Alamo
14 colleges. She's got a new welcome center, a new library,
15 a new science center, a new student center, and is
16 currently building a culinary arts and hotel management
17 and hospitality center on the East Side, less than a mile
18 away from The Convent.

19 I tell my constituents that rising property
20 values usually mean that good things are happening on the
21 East Side. It's hard to have good things happening and
22 prevent rising property values at the same time. My
23 challenge and the challenge for future city council
24 members is to continue the good while ensuring we place
25 opportunities for diversity, affordable housing and other

1 elements that build stronger cities and communities. As
2 such, in addition to our other investments and incentives,
3 council has approved freezing property tax values for our
4 seniors and we've also set aside a million dollars to
5 mitigate displacement from homes and to provide emergency
6 assistance.

7 We appreciate your consideration. Thank you.

8 MR. GOODWIN: Thank you.

9 In light of the other situation that we had, is
10 somebody ready to make a motion?

11 MS. BINGHAM ESCAREÑO: Yes, sir.

12 MR. GOODWIN: It doesn't mean we'll stop
13 discussion.

14 MS. BINGHAM ESCAREÑO: I'll move to accept the
15 mitigation that has been presented per QAP mitigation for
16 this neighborhood risk factor of poverty mainly through
17 the evidence that the poverty rate within the census tract
18 over the five-year period preceding the date of the
19 application, evidence of gentrification in the area,
20 including an increase in property values, as referenced by
21 the councilman. I would add that I do believe that we see
22 leading indicators of a decrease in the poverty rate, even
23 though the poverty rate looked like it was lower earlier,
24 like in 2012, and then our tables are showing the poverty
25 rate actually crept back up a little bit and now it's

1 trending back down, but that there is stable increase in
2 median income and an improvement in the employment rate.

3 So I would recommend those as acceptable
4 mitigation for the poverty rate not meeting the threshold
5 and would move to find the development eligible.

6 MR. GOODWIN: Okay Do we have a second?

7 MR. VASQUEZ: Second.

8 MR. GOODWIN: Do you want her to repeat the
9 motion before you second?

10 MR. VASQUEZ: What she said.

11 (General laughter.)

12 MR. GOODWIN: Do you still want to speak?

13 MS. ZATARAIN-FLOURNOY: Just 30 seconds?

14 Josefa Zatarain-Flournoy, the Regional Aging
15 and Disability Resource Center housing policy navigation
16 service professional.

17 So I just wanted to say two things. Number
18 one, that I pointed out earlier to you that the Jobs Plus
19 initiative had been expanded into the East Side of San
20 Antonio, and that has shown some results and so that is
21 something that is contributing and will continue to
22 contribute to that.

23 You've already heard a lot about the other
24 investments but one point that I wanted to add was that
25 the San Antonio Independent School District has in very

1 recent years expanded the magnet programs and even into
2 the high school in that area to include a STEM magnet
3 program. As you know with magnet programs, students that
4 choose to stay and families that choose to stay in their
5 communities in their homes have a commitment by the school
6 district to be bused to other schools where the magnet
7 program and choices are of their preference. And so we
8 have more and more school district students being bused
9 into the magnet programs, as we also have opportunities
10 for students that live in this community to choose other
11 professions at other school district magnet programs.

12 So one way or another the school district is
13 committed, the community is committed, the county, the
14 city and all of its residents are committed to making sure
15 that this community does not stay behind and we will
16 improve all the areas that we have been making commitments
17 to in the past years and will continue to do so.

18 Thank you so much.

19 MR. GOODWIN: Any other comments?

20 (No response.)

21 MR. GOODWIN: If not, I'll entertain a vote.

22 All those in favor of the motion signify by saying aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MR. GOODWIN: Okay.

2 Now we're going to go to a bathroom break. We
3 will be back here in ten minutes.

4 (Whereupon, at 9:48 a.m., a brief recess was
5 taken.)

6 MR. GOODWIN: We are going to reconvene the
7 meeting and we're going to start with item number 4.

8 Raul.

9 MR. GONZALES: Yes, sir. Good morning,
10 Chairman Goodwin and Board members. My name is Raul
11 Gonzales and I'm the director of Colonia Initiatives,
12 Housing Trust Fund, and Neighborhood Stabilization
13 Program.

14 The colonia self-help center program was
15 created in 1995 by the 74th Texas Legislature. The
16 purpose of the program is to assist individuals and
17 families of low income and very low income to finance,
18 refinance, construct, improve or maintain a safe, suitable
19 home in the designated colonias.

20 Pursuant to Texas Government Code Chapter 2306,
21 Subchapter Z, the Department has established colonia
22 self-help centers in Cameron, El Paso, Hidalgo, Starr, and
23 Webb counties. The Government Code also allows for
24 colonia self-help centers to be established in any other
25 county if the Department deems it necessary and

1 appropriate and if the county is designated as an economic
2 distressed area under Chapter 17 of the Water Code. In
3 2001, the Department established additional centers in
4 Maverick and Val Verde counties.

5 The colonia self-help centers are funded
6 through a 2.5 percent set-aside, approximately \$1.5
7 million per year, of the annual Texas Community
8 Development Block Grant non-entitlement allocation to the
9 State of Texas. The Texas Department of Agriculture
10 receives the allocation from the U.S. Department of
11 Housing and Urban Development, and the Texas Department of
12 Ag and the Department together manage these funds and
13 implement the colonia self-help center through a
14 memorandum of understanding.

15 The colonia self-help center contracts have a
16 term of four years. The Department may allocate up to a
17 million dollars per contract in accordance with program
18 rules. The subrecipients, in conjunction with the Colonia
19 Residential Advisory Committee and the Department,
20 designate five colonias in each county service area to
21 receive concentrated attention from the respective colonia
22 self-help centers.

23 Up to 2015, Maverick County had administered
24 the colonia self-help center program, however, due to
25 concerns from HUD and delinquent single audits, Maverick

1 County became unable to continue contract administration,
2 so the City of Eagle Pass agreed to administer the
3 Maverick County self-help center. The Department has
4 worked with the City of Eagle Pass since August of 2015 to
5 administer the program. The current four-year contract
6 ends on August 17, 2019. The City of Eagle Pass was
7 awarded a million dollars in August of 2015, and as of
8 today approximately \$121,000 has been expended.

9 In order to have an eligible subrecipient under
10 contract after August 17 to serve Maverick County colonia
11 residents through the colonia self-help center program,
12 staff is recommending to publish a request for
13 administrator for the Maverick County colonia self-help
14 center program for the next contract term and accept
15 applications from eligible units of general local
16 government to utilize the Community Development Block
17 Grant funding to serve Maverick County colonias and hopes
18 to identify a provider for the Maverick County colonia
19 self-help center who will have the capacity to fully
20 expend funds on eligible activities.

21 MR. GOODWIN: So your request for us is to go
22 out and seek someone that possibly can handle these funds
23 and get them out to people in the community.

24 MR. GONZALES: That's correct, sir.

25 MR. GOODWIN: And would anything exclude Eagle

1 Pass from applying to be one of those people?

2 MR. GONZALES: No, sir. The City of Eagle Pass
3 would still be eligible to apply, and the county has
4 approached us as well that they're interested. Both units
5 of local government have passed resolutions; the
6 commissioners court for Maverick County and the council
7 for the city of Eagle Pass have both passed resolutions.

8 MR. GOODWIN: Okay. Any questions?

9 MR. VASQUEZ: So is Eagle Pass doing anything
10 right now to distribute funds?

11 MR. GONZALES: Yes, sir. They have expended
12 funds. This project originally started as an
13 infrastructure for drainage, and I will go out and say
14 that the City of Eagle Pass, the colonias that are being
15 served are outside the city limits. In 2015 the county
16 did approach the City of Eagle Pass to take over this
17 contract, so they switched from a drainage project over to
18 a rehab project now and they have identified approximately
19 20 households that they could assist and currently six are
20 in the process of trying to get the rehabilitation
21 completed prior to the expiration.

22 MR. GOODWIN: Okay. Any other questions?

23 (No response.)

24 MR. GOODWIN: Michael, do you have a record to
25 read into the record?

1 MR. LYTTLE: As a matter of fact, I do. The
2 letter is addressed to Raul Gonzales, director of the
3 Office of Colonia Initiatives, Housing Trust Fund,
4 Neighborhood Stabilization Program.

5 "Dear Mr. Gonzales,

6 "On behalf of the City of Eagle Pass, our mayor
7 and city council, we would like to share our regret for
8 not being able to attend the meeting in person.

9 "This self-help center colonia program is a
10 great service to our community. We are grateful for the
11 opportunity to partner with you and serve the residents of
12 our colonias. With the outstanding assistance of Juan
13 Palacios and Albert Evitras, we have navigated through a
14 steep learning curve on this program. Staff turnover
15 within our organization resulted in some bumps in the road
16 but we now have a great team of people working on this
17 project.

18 "Our staff cares deeply for the community we
19 serve, especially the residents who are part of the
20 housing rehabilitation program. Our main goal is to
21 ensure the colonia residents continue to receive the best
22 service possible under this program. The City of Eagle
23 Pass is here to do everything possible to assist your
24 agency with that goal.

25 "Thank you, Placido Madera, Assistant Finance

1 Director, City of Eagle Pass."

2 MR. GOODWIN: Okay. Do I hear a motion to
3 approve staff's recommendation?

4 MR. BRADEN: So moved.

5 MR. GOODWIN: Second?

6 MS. RESÉNDIZ: Second.

7 MR. GOODWIN: Any speakers that want to speak?

8 JUDGE SAUCEDO: Good morning, Chairman, members
9 of the Board. I'm David R. Saucedo; I'm the Maverick
10 County judge. I'm actually the individual who went before
11 the City of Eagle Pass to, unfortunately, at that juncture
12 relinquish our program.

13 I would like to take the opportunity to thank
14 the City of Eagle Pass for the support that they gave
15 Maverick County during difficult times. Maverick County
16 was mired in scandal when I asked the City of Eagle Pass
17 to take over the project. We were under federal
18 investigation; four members of the court were actually
19 removed, unfortunately, indicted and incarcerated. Me,
20 myself, as the county judge saw it prudent and wanted to
21 make sure that Maverick County didn't lose this project.

22 I was the county commissioner who actually
23 brought the project to Maverick County in 1999 and 2000
24 when it was actually funded. We were having trouble
25 meeting thresholds and we were also having trouble with

1 our audits at the time, actually, and we were in non-
2 compliance and we didn't want to lose the funding for the
3 community so we went and asked the City of Eagle Pass to
4 take over the project.

5 At that juncture, Maverick County got in a
6 situation where we were finally able to work through some
7 of the problems that we had. I have a new administration,
8 I appointed all new county commissioners, and fortunately,
9 we have a court that's working very well. Maverick County
10 is now in compliance. We have had four years straight
11 with audits turned in on time, the last two with
12 unmodified opinions which is the best that you can
13 possibly get.

14 As mentioned by Mr. Gonzales, the area that is
15 served is actually outside the city limits, it's outside
16 of the City of Eagle Pass, it's in a colonia called Loma
17 Juanita serves five different colonias within our
18 community. They are all under the guise of Maverick
19 County and they all belong to Maverick County.

20 At the juncture when we relinquished the
21 program to the City of Eagle Pass, we actually supplied
22 not only facilities but made sure that they had some staff
23 available from Maverick County. Since then,
24 unfortunately, it has become a program that only has
25 availability to the public 24 hours a week, so it's really

1 turned into a part-time program for the city, hence, I
2 think when Mr. Gonzales mentioned that you've only
3 expended a little over \$100,000 out of a million.

4 Now we have adequate staff, as I mentioned
5 before. Maverick County is in the black for the first
6 time in many years. We've got approximately \$6- to \$7
7 million that we operate on a monthly basis that we have in
8 reserves in case we have any issues. So I would like
9 y'all to take into consideration to please give back the
10 program that was rightfully part of Maverick County and
11 allow Maverick County to give the services to its
12 citizens, which is what we should be doing, and to make
13 sure that they get the services that they deserve on a
14 timely basis.

15 I don't know if any of you have any questions.

16 MR. GOODWIN: Thank you, Judge. I don't know
17 that we have that power in today's agenda. Today's agenda
18 is strictly the issue of looking for somebody.

19 JUDGE SAUCEDO: I understand that.

20 MR. GOODWIN: I assume nothing would prevent,
21 Raul, Maverick County from being one of those entities
22 that asks to administer this program. Right?

23 MR. GONZALES: That's correct. We would have
24 to contract with a unit of local government.

25 MR. GOODWIN: Thank you for your comments.

1 JUDGE SAUCEDO: And I'm just asking that you
2 take Maverick County back into consideration. Thank you,
3 gentlemen, thank you, ma'am.

4 MR. GOODWIN: Any other discussion?

5 (No response.)

6 MR. GOODWIN: We have a motion and a second.

7 All those in favor say aye.

8 (A chorus of ayes.)

9 MR. GOODWIN: Opposed?

10 (No response.)

11 MR. GOODWIN: We're moving on to item 5.

12 MS. VERSYP: Good morning. I'm Abigail Versyp.

13 I'm the director of HOME and Homelessness programs here
14 at TDHCA. I'm here to present item 5. This is a new HOME
15 program rule for a new HOME program activity. It's a
16 mouthful: Homebuyer Assistance with New Construction or
17 Rehabilitation, and as Elizabeth has duly pointed out, we
18 like our acronyms, so we're calling this one HANC.

19 This is the first new single family HOME
20 program activity that's been proposed since the colonia
21 model subdivision program which is now known as single
22 family development. We're proposing to expand the
23 offerings available under the single family HOME program
24 by offering up to a million dollars under this new program
25 as a pilot project.

1 HANC is designed to address two major housing
2 issues that low income housing families are faced with.
3 Primarily, the activity is designed to address the lack of
4 availability of high quality affordable housing stock in
5 rural communities. For example, the latest data from the
6 Texas A&M Real Estate Center shows that on average Texans
7 have to make 113 percent of median income to be able to
8 afford the average house in the State of Texas. That's a
9 conglomeration of different areas, but let's take Kerr
10 County, they have to have 83 percent of AMI to afford a
11 home, but in Wichita Falls it's up to 193 percent of
12 median income to be able to afford the average house in
13 that area.

14 This program allows HOME administrators, which
15 is going to be cities, counties, nonprofit organizations
16 and COGs, to identify eligible low income buyers who'd
17 like to obtain a HOME program loan in order to purchase
18 land with either no unit or an existing unit on it, and
19 the loan could also pay to either build a home on the site
20 or rehabilitate the existing housing. These homes would
21 all have to be affordable to those at or below 80 percent
22 AMFI, and in the study none of the homes, on average,
23 there are no homes affordable to that income group.

24 HANC would also address another need that was
25 seen in particular focus after Hurricane Harvey. Many

1 households owned and lived on land but they didn't meet
2 HUD's stringent definition of homeownership, so we could
3 not assist these households under HRA. So these are
4 families that are living on land they own in a
5 recreational vehicle or in a unit of manufactured housing
6 that is so old that it could not be titled. They fell
7 into a gap and were not able to be assisted by our
8 programs. This would allow those families to borrow money
9 from TDHCA under the HOME program to build a home on the
10 site that they already own or purchase a new unit of
11 manufactured housing to place on that site which would be
12 properly titled.

13 In addition to expanding the number of
14 households that could be qualified to be assisted with
15 their particular housing need, HANC was written to allow
16 great flexibility in the type of housing options that may
17 be provided, greater than our legacy HRA program. The
18 reasoning is that since everybody assisted under HANC is a
19 homebuyer and they're taking out a mortgage loan, just as
20 anybody else would when they go to a bank or financial
21 institution to purchase a home, they would be in a unique
22 position to select what best suits them. We recommended
23 it intentionally so that administrators could either build
24 traditional homes, purchase new units of manufactured
25 housing, or even some more innovative housing solutions.

1 For example, one proposed to us was the Mi Casita program
2 by CDC of Brownsville.

3 Prior to bringing this draft rule to the Board,
4 we did conduct some roundtables throughout the State of
5 Texas. We went to El Paso, we went to Brownsville, and we
6 had one here in Austin. The proposed draft rule was
7 really well received and the feedback from the roundtables
8 that we got was incorporated into the draft that's before
9 you today.

10 I'm happy to answer any questions that you
11 might have.

12 MR. GOODWIN: Thank you, Abigail. And the
13 request is to put this in the *Texas Register* and get
14 public comment and then you'll come back to us for
15 approval of the program as amended.

16 MS. VERSYP: That's correct. And we anticipate
17 bringing the NOFA at the same time as the rule adoption.

18 MR. GOODWIN: Okay. Do I hear a motion to
19 approve staff's recommendation?

20 MS. BINGHAM ESCAREÑO: So moved.

21 MR. GOODWIN: Second?

22 MR. VASQUEZ: Second. And I have a question.
23 So is this new HANC program going to be more streamlined
24 and make it faster to get funds to these people needing
25 assistance.

1 MS. VERSYP: Unfortunately, it is a federal
2 program so we still have to go through a lot of the steps,
3 like environmental review. The idea is to capture folks
4 that we were not able to capture before. We'll streamline
5 the best we can, but we're kind of between a rock and a
6 hard place a lot of times. You know, we won't have some
7 of the pitfalls we've had with HRA with providing evidence
8 of homeownership. That's something that before we even
9 see people they may spend years getting their
10 homeownership straight. You know, in Starr County they
11 have undivided portions, that takes forever in court
12 hearings. This way a family would be just purchasing a
13 lot that has clear title already, and we hear that is
14 honestly the biggest hurdle more than even environmental
15 review.

16 MR. VASQUEZ: Sounds like a positive step.
17 That's good.

18 MS. VERSYP: We're trying.

19 MR. GOODWIN: Any other questions?

20 (No response.)

21 MR. GOODWIN: If not, all those in favor say
22 aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MR. GOODWIN: Okay.

2 MS. VERSYP: Thank you.

3 MR. GOODWIN: Thank you, Abigail.

4 MR. VASQUEZ: Mr. Chairman, if I may just
5 quickly interject. We had the HANC program that you
6 talked about, and earlier I held back from asking the way
7 that we state out loud the acronym for State Housing Trust
8 Fund, H-S-T-F. I was going to ask Elizabeth what's the
9 proper way to say that one out loud. I was just curious, I
10 saw that.

11 (General talking and laughter.)

12 MR. GOODWIN: Andrew, I'm going to ask you to
13 be brief. I understand you are going to present 7(a),
14 7(b), as amended without 18137, which has been pulled.

15 MR. SINNOTT: Correct.

16 MR. GOODWIN: And I understand you're also
17 going to present 7(c).

18 MR. SINNOTT: Yes.

19 MR. GOODWIN: All of which staff is
20 recommending approval. We have a couple of Board members
21 trying to catch a two o'clock plane, so if you will be
22 brief.

23 MR. SINNOTT: I will attempt to be brief.

24 Good morning, Chairman Goodwin, members of the
25 Board. And just to give you an overview of all these

1 items that I'm presenting, they're all kind of dealing
2 with increased costs. You'll see that's kind of a common
3 theme among all of these items.

4 So the first one up is presentation,
5 discussion, and possible action regarding changes to the
6 capital structure for Highlander Senior Village. So this
7 deal received an allocation of 9 percent credits at the
8 Board meeting of July 26, 2018. After the 9 percent
9 award, the applicant submitted an application for
10 \$3,090,000 in HOME funds which was approved at the Board
11 meeting of December 6, 2018. The \$3,090,000 HOME loan was
12 underwritten and approved to be subordinate to a
13 \$3,095,000 USDA 538 loan.

14 Last month, as part of the loan closing
15 process, the applicant submitted a revised budget and
16 revised financing documentation which reflected
17 approximately \$668,000 in increased costs since December
18 2018, primarily as a result of increased site work costs
19 that were primarily due to increased fill needed to
20 elevate the development out of the flood plain.

21 According to the applicant, it was assumed at
22 application that only the building pads would need to be
23 out of the flood plain, however, additional due diligence
24 by the civil engineer revealed that the entirety of the
25 site is subject to a conditional letter of map revision,

1 which is a FEMA term, and would be required to be elevated
2 above the flood plain in order to receive a letter of map
3 revision from FEMA which is required in order to obtain
4 environmental clearance for the HOME funds.

5 In addition to that primary reason for
6 increased costs, three other things drove the increasing
7 costs. First, preliminary plans assumed the building pads
8 would only have to be one foot above base flood elevation.

9 Further due diligence on the City of Bulverde's flood
10 plain construction requirements revealed that the lowest
11 floor must be two feet above base flood. elevation.

12 Secondly, the applicant switched from asphalt paving to
13 concrete paving in order to respond to the soil conditions
14 on the site and achieve better durability. And thirdly,
15 the applicant switched from a low pressure grinder pump
16 system to a lift station to meet sewage and wastewater
17 needs since the low pressure grinder pump system was not
18 sufficient.

19 So all this leads us to why this deal is back
20 before the Board today which is because the applicant
21 secured an additional \$580,000 in first lien loan proceeds
22 on the USDA 538 loan to absorb the bulk of the increased
23 costs, while additional deferred developer fee and
24 slightly improved credit pricing are anticipated to absorb
25 the other \$88,000 in increased costs.

1 The multifamily direct loan rule states that
2 increases in the principal or payment amount of any
3 superior loans after the initial underwriting report must
4 be approved by the Board, so we are now looking at a
5 \$3.675 million first lien loan instead of the previously
6 underwritten and approved \$3,095,000 first lien loan.
7 Despite the 18.7 percent increase to the first lien loan,
8 annual repayment increased only 11 percent, or \$21,511,
9 due to the fact that the interest rate dropped from 4.85
10 percent to 4.35 percent.

11 Additionally, as a result of using recently
12 released 2019 tax credit rents, the debt coverage ratio on
13 all debt has remained fairly steady at 1.15 which is only
14 slightly lower than the previously underwritten 1.16.

15 For these reasons, staff recommends approving
16 the increased principal and annual repayment amounts on
17 the first lien loan for this transaction.

18 MR. GOODWIN: Do I hear a motion to approve?

19 MS. THOMASON: So moved.

20 MS. BINGHAM ESCAREÑO: So moved.

21 MR. GOODWIN: Second?

22 MR. VASQUEZ: Second.

23 MR. GOODWIN: It's been moved and seconded.

24 Any discussion, questions?

25 MR. VASQUEZ: We're not putting in any more

1 money?

2 MR. SINNOTT: No, no more money. This is just
3 approving the increased first lien loan amount and
4 slightly increased annual repayment amount ahead of us.

5 MR. GOODWIN: Any other questions?

6 (No response.)

7 MR. GOODWIN: All those in favor say aye.

8 (A chorus of ayes.)

9 MR. GOODWIN: Opposed?

10 (No response.)

11 MR. GOODWIN: 7(b).

12 MR. SINNOTT: Okay. So these next three,
13 actually, are instances in which costs have increased and
14 we are providing additional direct loan funds.

15 So 7(b), the first one, is an award
16 recommendation for application 18506 Golden Trails in the
17 City of West.

18 This development received awards of 9 percent
19 credits and \$2,055,000 in HOME funds in July 2017.
20 Closing on their financing occurred in July of 2018, and
21 construction commenced soon thereafter. In November of
22 last year they submitted an application for direct loan
23 funds under the 2018-1 multifamily direct loan NOFA
24 requesting an additional \$445,000 in direct loan funds at
25 a 1.75 percent interest rate, as well as a decrease in the

1 interest rate on the previously approved \$2,055,000 from
2 2.0 to 1.75 as well.

3 There are several sections of the multifamily
4 direct loan rule and 2018-1 NOFA that are particularly
5 relevant to this application given the facts that it
6 previously received Department funding in the form of 9
7 percent credits and HOME funds and the fact that
8 construction is nearing 50 percent completion.

9 First, applications for developments previously
10 awarded funds by the Department must be found eligible by
11 the Board. To that end, this application has provided
12 evidence of adverse factors, including increased
13 foundation costs as a result of having to mitigate the
14 impact of the highly expansive soils on the site beyond
15 the applicant's control that could materially impact their
16 ability to provide affordable housing as a criteria for
17 the Board to consider in affirming their eligibility.

18 Some background on the site conditions that led
19 to the applicant requesting these additional funds. So
20 invasive subsurface explorations were conducted post-award
21 in October 2017 that revealed highly expansive soils which
22 necessitated a structural slab foundation constructed over
23 a void space and supported by drilled piers 35 feet deep
24 rather than a standard concrete slab foundation. Most of
25 the costs associated with these construction elements were

1 known in July 2018 when the loan closed and when
2 construction started, however, the final costs associated
3 with these construction elements, compounded with weather-
4 related delays as a result of having to give the soil time
5 to stabilize after rain events, ended up greatly exceeding
6 what had been budgeted.

7 Second, the second relevant section of the rule
8 was costs that have been allocated to or paid for by
9 another fund source and deferred developer fee as
10 ineligible costs for reimbursement with direct loan funds.

11 Finally, the NOFA states that awards to
12 refinance or of supplemental financing will not exceed an
13 amount necessary to replace lost funding or maintain
14 original anticipated levels of feasibility as determined
15 by staff.

16 To meet these last two requirements, staff has
17 determined that reducing the request from \$445,000 to
18 \$245,000 is the amount necessary to maintain original
19 anticipated levels of feasibility and to ensure that
20 direct loan funds do not pay for costs allocated to
21 another fund source, such as deferred fee.

22 With regard to the requested 1.75 percent
23 interest rate on the direct loan funds, as well as the
24 previously awarded HOME funds, staff has found that the
25 deal can continue to support a 2.0 percent interest rate

1 on the previously awarded HOME funds as well as these
2 additional \$245,000 in HOME funds.

3 As a result of the additional \$245,000 in HOME
4 funds, an additional six units will be restricted under
5 the HOME land use restriction agreement to households at
6 50 percent AMI for a total of 23 HOME units layered among
7 the 45 housing tax credit restricted units.

8 With that, staff recommends \$245,000 in HOME
9 funds with a 2.0 interest rate and 30-year amortization
10 term consistent with the previously awarded \$2,055,000
11 HOME loan.

12 MR. GOODWIN: Motion to approve staff's
13 recommendation?

14 MS. BINGHAM ESCAREÑO: Move to approve.

15 MR. GOODWIN: Second?

16 MR. VASQUEZ: Second.

17 MR. GOODWIN: It's been moved and seconded.

18 Any questions?

19 MR. VASQUEZ: Just a question. So is the
20 developer good with this?

21 MR. SINNOTT: Yes. We're kind of sharing in
22 the increase in costs, so the developer is deferring more
23 fee and we're providing just a little bit more in HOME
24 loan proceeds.

25 MR. GOODWIN: Any other questions?

1 (No response.)

2 MR. GOODWIN: All those in favor say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MR. GOODWIN: Okay.

7 MR. SINNOTT: So the second award

8 recommendation under 7(b) is application 18369 Residence
9 at Canyon Lake in the City of Canyon Lake.

10 This development received awards of 9 percent
11 credits and \$1,060,000 in HOME funds last July. In
12 November they submitted an additional request for direct
13 loan funds under the 2018-1 NOFA requesting an additional
14 \$1.44 million in direct loan funds with an interest rate
15 of 1.5 percent to match the interest rate on the
16 previously approved \$1,060,000 HOME loan. The same
17 sections of the multifamily direct loan rule and NOFA
18 mentioned earlier are relevant to this deal as well.

19 With regard that this application must be found
20 eligible by the Board, the applicant presented increased
21 site work costs due to limestone rock at shallow depths
22 below the surface that were not discovered until invasive
23 subsurface explorations were conducted in October 2018.
24 The costs associated with the removal of limestone rock by
25 heavy equipment with the excavated rock material needing

1 to be processed onsite in order to be used as site fill
2 were not fully accounted for until submission of the
3 additional direct loan request in November.

4 With regard to ensuring ineligible costs are
5 not being reimbursed and maintaining original anticipated
6 levels of feasibility, staff has determined that the
7 additional \$1.44 million in direct loan funds replace the
8 previously proposed \$1.1 million first lien loan, combined
9 with approximately \$1 million increase in development
10 costs would result in original anticipated level of
11 feasibility being maintained with no direct loan funds
12 reimbursing deferred fee or costs allocated to another
13 source.

14 As a result of the additional \$1.44 million
15 HOME investment, 18 additional units of the 35 units will
16 be restricted by HOME rent and income restrictions under
17 the HOME LURA.

18 With that, staff recommends the additional
19 \$1.44 million in HOME funds at a 2.15 percent interest
20 rate, with the interest rate on the previously approved
21 \$1,060,000 increasing from 1.5 to 2.15 percent interest
22 rate as well, all with a 30-year amortization term.

23 MR. GOODWIN: Do I hear a motion to approve
24 staff's recommendation?

25 MR. VASQUEZ: Can I ask some questions?

1 MR. GOODWIN: We'll have a motion and then
2 we'll have questions.

3 MS. BINGHAM ESCAREÑO: I'll move to approve
4 staff's recommendation.

5 MR. GOODWIN: Second?

6 MS. THOMASON: Second.

7 MR. GOODWIN: Okay. Questions.

8 MR. VASQUEZ: So this developer was surprised
9 to find limestone?

10 MR. SINNOTT: That's what they provided to us.

11 MR. GOODWIN: That thought crossed my mind,
12 having dug a one-foot hole there when I was about ten
13 years old.

14 (General laughter.)

15 MR. SINNOTT: Also worth mentioning, so in
16 August of last year, after the 9 percent awards had been
17 made, staff reached out to some 9 percent applicants to
18 let them know about available funds under the 2018 NOFA
19 because we were at that point trying to decrease our
20 uncommitted balances at the Department, so we let this
21 applicant know about HOME funds that were available. They
22 went ahead and applied for these additional funds. And
23 with these additional funds, we'll become the first lien
24 lender so we're taking out the previous \$1.1 million first
25 lien.

1 MR. VASQUEZ: You're getting to my next
2 question. I'm very pleased with the answer I think you're
3 about to give. So this \$1.44 million additional loans --

4 MR. SINNOTT: To get up to \$2.5 million total.

5 MR. VASQUEZ: Okay. But we're taking out other
6 debt in the project.

7 MR. SINNOTT: Correct.

8 MR. VASQUEZ: So the net increase in debt and
9 we're getting a first lien position.

10 MR. SINNOTT: Correct. So the previous total
11 debt on the project was \$2.16 million, it's now \$2.5
12 million, all of which TDHCA will be the first lien lender
13 for.

14 MR. VASQUEZ: Okay. So it's a \$400,000
15 increase?

16 MR. SINNOTT: Right. So that's absorbing some
17 of those cost increases from the time of application till
18 now. The other source that's absorbing some of that
19 increase is additional deferred fee.

20 MR. VASQUEZ: And they're probably getting a
21 better interest rate with us doing the whole \$2.5-.

22 MR. SINNOTT: Yeah. I think before they were
23 at a 3.03 effective interest rate between the first lien
24 and ours and now it's 2.15.

25 MR. VASQUEZ: Okay. So it wasn't \$1.44

1 million, this is a \$400- increase.

2 MR. SINNOTT: Right, exactly.

3 MR. VASQUEZ: All right. I'm satisfied.

4 MS. BINGHAM ESCAREÑO: I have one more question
5 too. And then the agreement to have the 18 additional
6 units that would be restricted HOME rent, is that like a
7 wheeler-dealer kind of thing, or is that a calculation?
8 Like how does that happen?

9 MR. SINNOTT: So there's a minimum amount of
10 direct loan units that they need to provide in connection
11 with however much they're requesting. The 18 that they're
12 providing in connection with this \$1.44- is beyond the
13 minimum. I think a minimum would be maybe 10 or 11 units,
14 so they're providing more. And so with that 18
15 additional, we'll have 29 total HOME-restricted units.

16 MS. BINGHAM ESCAREÑO: But Andrew, the fact
17 that they're kind of going above and beyond is just a good
18 faith gesture?

19 MR. SINNOTT: Right.

20 MR. GOODWIN: Other questions?

21 (No response.)

22 MR. GOODWIN: We have a motion and a second.

23 All in favor say aye.

24 (A chorus of ayes.)

25 MR. GOODWIN: Opposed?

1 (No response.)

2 MR. GOODWIN: Okay. Andrew, item (c).

3 MR. SINNOTT: All right. So this is, again, an
4 additional direct loan request post 9 percent award.

5 So similar to the other two direct loan award
6 applications, this application is also requesting direct
7 loan funds post 9 percent award, however, this application
8 was submitted under the 2019-1 multifamily direct loan
9 NOFA, the other two were under 2018, and is requesting
10 \$1.5 million in direct loan funds as a subordinate loan to
11 replace some of the originally anticipated \$4.6 million in
12 FHA financing. The remainder of the \$4.6 million is being
13 made up with a \$2.575 million loan from Community Bank of
14 Texas and additional deferred fee.

15 As a result of having previously received
16 Department funding, the applicant was required to provide
17 evidence of adverse factors beyond the applicant's
18 control. The applicant cited increased building and site
19 work costs, as well as general pricing increases and labor
20 shortages in the area as justification for a direct loan
21 funds request post 9 percent award. With \$1.65 million in
22 direct loan funds, 11 of the units will be restricted by
23 HOME rent and income restrictions under a TCAP repayment
24 funds LURA.

25 Staff recommends approval of \$1.65 million in

1 TCAP repayment funds, subject to the conditions placed on
2 the applicant by the Executive Award Review Advisory
3 Committee, with a 2.5 percent interest rate and 30-year
4 amortization and 18-year term to match the term of the
5 senior loan. So similar to Canyon Lake, the previous one,
6 this is just replacing some of the previous anticipated
7 permanent debt.

8 MR. GOODWIN: Do I hear a motion to approve
9 staff's recommendation?

10 MR. VASQUEZ: Move to approve.

11 MR. GOODWIN: Second?

12 MS. THOMASON: Second.

13 MR. GOODWIN: Okay. Questions?

14 (No response.)

15 MR. GOODWIN: If not, all those in favor say
16 aye.

17 (A chorus of ayes.)

18 MR. GOODWIN: Opposed?

19 (No response.)

20 MR. GOODWIN: Thank you, Andrew.

21 MR. SINNOTT: Thank you.

22 MR. GOODWIN: And if my scratched agenda is
23 correct, I think that moves us to 7(f), and on 7(f) we
24 have two applications that have been pulled, 19180 and
25 19185.

1 MS. HOLLOWAY: Correct. We are not presenting
2 those two today.

3 MR. GOODWIN: So we are going to deal with
4 19225.

5 MS. HOLLOWAY: This is presentation, discussion
6 and possible action on staff determinations regarding
7 application disclosures under our undesirable site
8 features rule for 19225 Rosewood Senior Villas.

9 There are two undesirable site features for
10 this development. One is the development site is located
11 less than 15 feet from a railroad track. The applicant
12 has certified that they have engaged a qualified third
13 party to perform a noise assessment and that the proposed
14 development will incorporate any necessary sound
15 mitigation according to HUD standards, as if these
16 standards apply directly to the development. This
17 proposed mitigation meets the requirements of the rule and
18 staff is recommending that the Board find the development
19 site eligible in regard to this issue.

20 The proposed development site is also located
21 approximately 310 feet from a concrete batch plant. In
22 looking at our rule, the heavy industry requirement says
23 the site will be found ineligible if it is located within
24 500 feet of heavy industry, and the concrete batch plant
25 may constitute heavy industry. Also, you'll recall the

1 last time we talked about concrete plants we discussed
2 TCEQ regulations which require a 440-yard separation
3 between permanent residences and a concrete batch plant
4 unless the municipality has zoning that allows it.

5 This does not clearly meet up with our rule
6 that after the last time we went through concrete plants,
7 we added: "If a state or federal cognizant agency would
8 require a new facility under its jurisdiction to have a
9 minimum separation from housing, the Department will defer
10 to that agency and require the same separation for a new
11 housing facility near an existing regulated or registered
12 facility." So applying that part of the rule, we would
13 require that it be 440 yards away, but the TCEQ rule does
14 not allow closer distances if it's allowed under the
15 municipal zoning, and it's not clear to us that there's a
16 connection there. One talks about distance between
17 features and the other talks about land use.

18 So the City of Taylor does allow multifamily
19 zoned land adjacent to industrially zoned land. The
20 proposed development site is across the train tracks from
21 the batch plant. It is currently zoned for multifamily
22 residential housing. In addition, Taylor's development
23 code requires buffer yards that will be provided on this
24 site to create like a vegetative separation between the
25 uses.

1 The batch plant is located on approximately 12
2 acres of land and it has two pieces of machinery. The
3 environmental site assessment did not observe excessive
4 noise resulting from the operation during their visit to
5 the development site. Trucks could not enter or exit the
6 facility, the batch plant, on the same road as traffic to
7 the development site, and another multifamily development
8 appears to have been established and is occupied in a
9 location considerably closer to the facility than the
10 proposed development site.

11 Staff is recommending that the Board find this
12 site eligible because we're not able to get to a very
13 clear yes, this is mitigation because of the difference
14 between the distance and land use ordinances.

15 MR. GOODWIN: But your recommendation is to
16 find the site eligible.

17 MS. HOLLOWAY: Yes.

18 MR. GOODWIN: Okay. Do I hear a motion to
19 approve staff's recommendation?

20 MR. BRADEN: So moved.

21 MR. GOODWIN: Second?

22 MS. THOMASON: Second.

23 MR. GOODWIN: It's been moved and seconded.

24 Do you want to speak? Are you in favor of
25 staff's recommendation or against?

1 SPEAKER: I am speaking against staff's
2 recommendations.

3 MR. GOODWIN: Against staff's recommendation.
4 Okay. We'll do the against and the in favor of.

5 MS. GONZALES: Good morning. My name is Julie
6 Gonzales with BETCO Consulting. We are consultants to the
7 applicants of Legacy Trails of Longview, a competing
8 application in the subregion. I'm here today to speak
9 against staff's recommendation to find application number
10 19225 eligible.

11 Section 11.101(a)(2)(F) of the QAP states: "A
12 development will be found ineligible if the site is
13 located within 500 feet of heavy industry." The
14 applicant of Rosewood Seniors acknowledges that they are
15 within 500 feet of a concrete plant and disclosed that
16 information at the time of application.

17 Now, the two exceptions to this rule, as Marni
18 stated, is if you include in your application the local
19 ordinance that specifically states a smaller distance is
20 allowable between a heavy industrial site and a
21 multifamily site. In that case, the smaller distance can
22 be used. If you have a state or federal agency
23 requirement that says a new concrete plant must be a
24 minimum distance away from housing, then in that case the
25 Department would defer to that agency.

1 The applicant has failed to provide
2 documentation under either of these exceptions. A zoning
3 map and development standards for a buffer yard were
4 included in the Rosewood Seniors disclosure. Neither of
5 these documents is a local ordinance that specifically
6 regulates an acceptable distance from the undesirable
7 feature to a multifamily development or housing. Section
8 11.101(a)(2) requires this.

9 By staff's concession in the Board's
10 supplemental writeup, zoning does not regulate the
11 proximity of an undesirable site feature to the zoned
12 property. I understand that upon review of other
13 applications, staff has found a 440-yard distance
14 requirement being applicable to concrete plants located in
15 areas without municipal zoning. The City of Tyler has
16 municipal zoning, so this TCEQ regulation would not be
17 applicable to the site. Staff's writeup agrees that the
18 applicant provided neither local ordinance nor a state or
19 federal requirement that would allow a smaller distance
20 between the undesirable site and their site.

21 Whether noise-generating operations are within
22 1,000 feet away is irrelevant because the rule states that
23 the boundary of the development site must be at least 500
24 feet away from the boundary of the undesirable site
25 feature. The Rosewood Seniors site is approximately 310

1 feet away from the boundary of the concrete plant, and the
2 applicant did not provide documentation showing a
3 regulation that requires less than a 500-foot separation.

4 So we're asking that you find this site
5 ineligible.

6 MR. GOODWIN: Any questions? Anybody that
7 wants to speak in favor of staff's recommendation?

8 Before you speak, Marni, just a point of
9 clarification. This really comes down to whether or not
10 we as a Board consider the fact that the land is zoned for
11 multifamily as tantamount to an ordinance saying that it
12 was okay to build multifamily this close?

13 MS. HOLLOWAY: Yes.

14 MR. GOODWIN: That's the interpretation here.

15 MS. HOLLOWAY: That's the question to be
16 answered.

17 MR. GOODWIN: That's the real question to be
18 answered. Okay.

19 MR. KROCHTENGEL: Zach Krochtengel,
20 representing Rosewood.

21 I think that the question to be answered is not
22 just that the zoning ordinance was submitted, however, we
23 also made the argument that the concrete batching facility
24 should not be considered a heavy industrial use and should
25 be considered a light industrial use. There is a

1 definition of heavy industrial in the QAP which is
2 extensive use of machinery, extensive use of land, high
3 levels of noise and maintaining a fuel storage facility.
4 Twelve acres is not an extensive use of land. Most of
5 that land is vacant. There's only two pieces of heavy
6 machinery on there but it is not heavy industrial use.

7 As our ESA stated, the noise level is
8 acceptable from this particular facility, and we 140
9 yards, we're further than that if you measure it from the
10 concrete bagging facility to our nearest unit, which is
11 actually the measurement that's used by TCEQ. So if we
12 took that TCEQ application and said the 440-yard
13 separation, that's not a separation from border to border,
14 that's a separation from the central bagging facility
15 which is over 440 yards away from our nearest unit which
16 is the TCEQ measurement.

17 Now, we submitted a zoning ordinance and that's
18 part of the City of Tyler ordinance, but we also submitted
19 the argument that we believe that this is not a heavy
20 industrial use, that this is a light industrial use, and
21 that's also consistent with previous TDHCA Board actions
22 that found that a concrete batching facility was a light
23 industrial use and not a heavy industrial use.

24 Those buffer yards that we were discussing,
25 those are specifically in the Tyler zoning ordinance to

1 separate pieces of land that have a greater intensity of
2 use from pieces of land that have a lesser intensity of
3 use. Now, when you look at this concrete batching
4 facility, to the north there's a self storage facility and
5 a church bordering it, there's also the existing
6 multifamily land, and to the south there's a hospital
7 administrative building.

8 Now, this is an entirely developed out piece of
9 property. The only vacant land is the land that's zoned
10 multifamily. That land that's zoned multifamily is in
11 between existing multifamily and higher end single family
12 residential. So when you look at this and you also
13 compare it to a lot of other decisions that are being made
14 about heavy industrial, there's no more land in the area
15 that can be expanded, they can't add another concrete
16 batching facility, they can't add more manufacturing.

17 There's no heavy industrial use in this
18 immediate vicinity. This should not be considered heavy
19 industrial use because it does not use an extensive amount
20 of land or machinery, nor do any of the surrounding land
21 uses, and there is no vacant land available to increased
22 the use in light industrial in that area.

23 Thank you.

24 MR. GOODWIN: Thank you for correcting me.

25 Any further questions?

1 (No response.)

2 MR. GOODWIN: I've got a question for you.
3 What actually happens at a concrete batching facility?
4 I'm not sure I'm a concrete expert.

5 MR. KROCHTENGE: So they bring in dry goods,
6 aggregate, and they mix them and put them in trucks and
7 the trucks take them away. There's no manufacturing of
8 anything, there's specifically mixing of the raw materials
9 and then they're taken away by trucks.

10 MR. GOODWIN: You're talking about the big
11 concrete trucks?

12 MR. KROCHTENGE: Yes, but as another note --

13 MR. GOODWIN: That go round and round and
14 round?

15 MR. KROCHTENGE: -- they go to one specific
16 place and then they leave and that area is over 2,000 feet
17 away, and as noted in the staff writeup, it's on a totally
18 separate road from where our ingress and egress would be,
19 so we're very well separated from where a concrete truck
20 would be as well. And the concrete batching facility
21 itself, that bagging plant, is on that very far road,
22 furthest away from our site as possible, and if you go as
23 the bird flies, that entire other multifamily site is
24 actually for the most part between our proposed units and
25 the concrete batching facility as well.

1 MR. GOODWIN: Any other questions?

2 (No response.)

3 MR. GOODWIN: Kent, I assume you're going to
4 speak in favor. Do we have anybody who wants to speak
5 against?

6 MR. GARRETT: I'm Kelly Garrett, the competitor
7 in the region, and I've been in the construction business
8 30 years, I can answer your concrete question.

9 This is a photo that's similar to what's in
10 your Board book, and if I could step up here so I could
11 show you what I'm talking about.

12 (Not speaking directly into microphone.)

13 This is the concrete facility there, this is
14 where they bring the dry goods in on the railcars, these
15 are silos -- you can see how large they are by the size of
16 the railcars. Everything you see that's white, including
17 the roads and the surrounding railroad track and
18 everything, that's cement dust that's put off by this
19 batching facility because they bring in chemicals, they
20 bring in sand, they bring in rock. It all unloads here
21 which is 500 feet from this site which this is the
22 concrete site, and like I said, it's all white. You can
23 see where they drive the trucks in here and load this, and
24 this part up here, this is where your chemicals are. This
25 is where they actually load the round trucks that go round

1 and round and round, but the heavier duty trucks come
2 here, and like I said, you can see that.

3 And anything that's white, you can go to Google
4 Earth and look at any cement mixing plant in Texas and
5 everything around it is white. That is cement dust. It's
6 on everything out there, it bounces around and comes off
7 of every vehicle. Like I say, you can see in this photo.

8 This road up here is supposed to be black, definitely
9 white, the railroad is white, everything here is white and
10 that's cement dust.

11 And I lost a deal here one time because I was
12 told the rules are the rules, and I understand that, and
13 the rule here is 500 feet and the only way to mitigate
14 distance is distance, in my opinion.

15 So I won't take up any more of your time, but
16 this is a photo, like is said, this is 500 feet from here.

17 The mixing where they actually load the truck is here,
18 but it starts here and it's moved all the way down the
19 line here until it gets in a concrete truck that goes
20 round and round and leaves the site.

21 Thank you for your time.

22 MR. GOODWIN: Any other questions?

23 (No response.)

24 MR. GOODWIN: We're not going to have debate
25 back and forth. Let Kent talk about it.

1 MR. HANCE: Mr. Chairman and members. I'm Kent
2 Hance, and this is my family's development firm.

3 A couple of things. One, the rail issue is
4 really not much of an issue. I mean, we have a barrier
5 there, there's a forest there. If you look out our front
6 door, the multifamily is to our left and the residential,
7 those houses are \$350,000 that are to the right that we're
8 immediately close to. Any of that property up there that
9 you grate it's going to have a chalky look, you know, if
10 you grate anyplace like that.

11 In talking to the Tyler officials, they
12 consider it light industrial because it does not have a
13 rock crusher with it, and a rock crusher does create noise
14 and would be heavy industrial.

15 We're over three football fields away from
16 where the mixing takes place, and what they do, they bring
17 in the mixing, you bring in cement and sand and mix it
18 into concrete. The trucks, as they said, they go out a
19 different way, they don't even come down our street.

20 And we feel like, also on the railroad, there's
21 only two trains a day and so we're in good shape on that.

22 And the city officials, they've looked at it
23 and they approved it, and we felt like we're in good shape
24 and that they fully support us and the state
25 representative supports us. We feel like we have a good

1 project, and we would ask that you approve the staff's
2 recommendation.

3 Thank you.

4 MR. GOODWIN: Thank you, sir.

5 Any questions for the Honorable Mr. Hance?

6 (No response.)

7 MS. THOMASON: I do have a question for our
8 legal counsel. What is the rule regarding the 500 feet?
9 How does that read?

10 MR. ECCLES: It is under 11.101(a)(2)(F)
11 development sites, it's an undesirable site feature if a
12 development site is located within 500 feet of heavy
13 industry, i.e., facilities that require extensive of land
14 and machinery, produce high levels of external noise, such
15 as manufacturing plants, or maintains fuel storage
16 facilities, excluding gas stations.

17 MR. GOODWIN: Any other questions?

18 (No response.)

19 MR. GOODWIN: Is there anybody that wants to
20 speak against this that hasn't already spoken? We're not
21 going to get into a debate.

22 MR. GARRETT: I was just going to answer her
23 question.

24 MR. GOODWIN: Okay. Any other questions?

25 MS. RESÉNDIZ: I'd like for him to answer my

1 question, Mr. Chairman.

2 MR. GOODWIN: Okay. Can you come to the
3 microphone and announce who you are.

4 MR. GARRETT: Kelly Garrett, Salem Clark
5 Development.

6 The 500-foot rule is as simple as Beau just
7 said, it's 500 foot from heavy industry, and that includes
8 fuel storage, which is also on this facility too. They
9 have a fuel storage tank, it's 12,000 gallons of diesel
10 fuel above ground. So I hope that helps to answer your
11 question.

12 MR. GOODWIN: Anybody else that wants to speak
13 in favor or against that hasn't already spoken?

14 MR. ECCLES: Well, just on that point, is a
15 fuel storage facility within 500 feet?

16 MR. GARRETT: A fuel storage facility, I don't
17 know how far it is. It's on that site and the site is
18 border to border.

19 MR. ECCLES: Mr. Krochtengel?

20 MR. GARRETT: There's a picture of it right
21 here I can show you. It's right there, 12,000 gallons of
22 diesel fuel.

23 MR. KROCHTENGENEL: There is a fuel storage
24 facility right there, it's in our ESA. There is
25 regulation for that as well through HUD which is called an

1 acceptable separation distance. In our ESA we calculated
2 the acceptable separation distance which takes into
3 account if a person is in a building or if a person is in
4 a parking lot. The acceptable separation distance is a
5 circle that they've drawn out that you're not allowed to
6 build in one circle and you're also not allowed to have
7 public communal gathering in a much larger circle. They
8 drew those two circles around the diesel plant and it
9 doesn't even touch our site. So the fuel storage facility
10 in no way impacts our site based on HUD rulings and HUD
11 requirements of acceptable separation distance from a fuel
12 storage facility.

13 So when you look at that -- and we understand
14 the 500-foot rule. That is not what we're trying to say.
15 We're saying that this is not a heavy industrial use,
16 this is a light industrial use, and we're also saying if
17 you did find it a heavy industrial use that the local
18 ordinance allows us, using this zoning, to create a buffer
19 yard on our site and our site alone to ease the intensity
20 of the use of this site under the Tyler development code
21 to allow for the development of multifamily housing. We
22 did not get this rezoned, this has been zoned multifamily
23 housing as long as this has been there as well.

24 MR. GOODWIN: Any other questions?

25 (No response.)

1 MR. GOODWIN: Any other speakers?

2 (No response.)

3 MR. GOODWIN: Okay. We have a motion and a
4 second. Any further discussion?

5 (No response.)

6 MR. GOODWIN: If not, we'll take a vote. All
7 those in favor of staff's recommendation signify by saying
8 aye.

9 (A chorus of ayes.)

10 MR. GOODWIN: Opposed?

11 (No response.)

12 MR. GOODWIN: Okay. Thank you.

13 We're moving on to item 7(g).

14 MS. HOLLOWAY: That is correct.

15 MR. GOODWIN: We have pulled 19050.

16 MS. HOLLOWAY: Right. And then we've already
17 addressed 19013 and 19133.

18 MR. GOODWIN: Okay. So we're on 19125. Right?

19 MS. HOLLOWAY: Correct.

20 So this neighborhood risk factors item that
21 we've already taken up a couple of them, these are all
22 applications that staff was not able to get to a
23 recommendation of eligibility. Any of them that were
24 presented to us that provided sufficient mitigation to
25 meet the requirements and rule, you actually approved last

1 month on the consent agenda.

2 As a brief refresher, applicants are required
3 to disclose neighborhood risk factors and provide
4 sufficient information regarding mitigation of the factors
5 that leads to a conclusion that they will be sufficiently
6 improved by the time the development is placed in service
7 in order for the Board to arrive at a decision regarding
8 eligibility of the site. In some instances staff is
9 recommending eligibility for one risk factor and makes the
10 opposite recommendation for another. Should you make the
11 determination that a site is ineligible under any of these
12 risk factors, the resulting termination is final and not
13 subject to appeal.

14 The first one we're taking up is 19125 Alice
15 Lofts. This is the adaptive reuse of the Physicians and
16 Surgeons Hospital in Alice. In addition to 9 percent
17 credits, the applicant will be using historic tax credits.

18 The development will consist of 44 residential units, 39
19 will be housing tax credit units and five will be market
20 rate. As a historic adaptive reuse, this proposed
21 development has the highest per unit cost in this cycle at
22 \$327,000 a unit.

23 The applicant has disclosed five instances of
24 property neglect or deferred maintenance that were
25 disclosure to TDHCA for blight. The instances of blight

1 disclosed by the applicant are relatively minor. Staff
2 believes that the blight is not of such a nature as to
3 render the site ineligible. Staff is recommending that
4 the Board find the site eligible in regard to this issue.

5 The proposed development site falls within the
6 attendance zone of Schallert Elementary School which was
7 rated Improvement Required in 2018. The school did
8 achieve a Met Standard in 2015 through 2017 and the Alice
9 Independent School District has implemented a 2018-2019
10 campus improvement plan. So there are four paths to
11 mitigation for schools that have Improvement Required
12 ratings, and I think that we've talked about all of them
13 over the years so we're aware of what those are. The
14 applicant has not presented evidence of mitigation that
15 meets any of the requirements in the rule. While the
16 applicant has described past achievements of the
17 elementary school and has commented on the school's
18 improvement plan, that alone and by itself is not
19 sufficient mitigation per the requirements of the rules.

20 These materials that are being presented to
21 you, these graphs, the package of information, staff has
22 not seen, we have not evaluated. Staff is recommending
23 that the Board find the site ineligible in regard to this
24 issue.

25 I'll be happy to answer any questions.

1 MR. GOODWIN: Any questions?

2 MR. VASQUEZ: So just to clarify, it doesn't
3 qualify due to the school needing improvement?

4 MS. HOLLOWAY: Yes.

5 MR. VASQUEZ: But the blight is okay, it's
6 mitigated?

7 MS. HOLLOWAY: We're recommending eligibility
8 under the blight issue. Yes.

9 MR. GOODWIN: And just so you realize, just to
10 make sure everybody is aware, if we decide it is
11 ineligible, that is a non-appealable. Right, Beau? In
12 fact, that basically terminates the application.

13 MS. HOLLOWAY: Correct.

14 MR. GOODWIN: Beau, a question for you. Marni,
15 before you leave. This material has not been presented
16 before.

17 MR. ECCLES: Well, that would be my question
18 for whoever put these things up. Is this evidence that
19 was submitted in the application?

20 MR. GOODWIN: Who is responsible for putting
21 these things up?

22 MS. BURCHETT: Good morning. My name is Sallie
23 Burchett.

24 The representatives here will elaborate on
25 these graphs and read into record. So we apologize for

1 bringing it to the table late but we will read it into the
2 record, and yes, staff has not evaluated or seen it yet.

3 MR. GOODWIN: So this was not a part of the
4 original application, correct, these two plaques that are
5 up?

6 MS. BURCHETT: Yeah. This is new data.
7 Correct.

8 MR. ECCLES: I have to tell you this Board
9 cannot use that information if it's not part of the
10 application.

11 MS. BURCHETT: I'm sorry. What?

12 MR. ECCLES: This Board cannot use information
13 not contained in the application as part of its
14 determination.

15 MS. BURCHETT: Okay. So we will -- I realize
16 now I should have asked permission and I will withdraw the
17 visuals.

18 MR. ECCLES: Thank you.

19 MR. GOODWIN: Thank you.

20 And we have people I know that are going to
21 speak against. Do we have anybody that's speaking in
22 favor of staff's recommendation? We have one that's
23 speaking in favor of staff's recommendation? I was just
24 asking the question, I wasn't asking you to come up?
25 Sorry. So are you the only one that's going to speak in

1 favor of staff's recommendation, everybody else is going
2 to speak against?

3 SPEAKER: We're all for it, we're pro.

4 MR. GOODWIN: For staff's recommendation.

5 SPEAKER: We're for approving the project so
6 that we can move forward.

7 MR. GOODWIN: Staff has made the motion to us
8 that we not approve, so anybody going to speak in favor of
9 staff's recommendation?

10 (No response.)

11 MR. GOODWIN: No. Okay. Then you're welcome
12 to come up. Three minutes.

13 MR. RACKLEFF: Thank you, Mr. Chair and members
14 of the Board. It's a pleasure to be able to visit with
15 you this afternoon.

16 We recognize that we had submitted a fair
17 amount of information regarding Schallert Elementary
18 School but we want to add to that because we clearly
19 needed to make a better case in the fact that this really
20 was an anomaly.

21 MR. ECCLES: Neal, if I could ask you to
22 identify yourself.

23 MR. RACKLEFF: Sorry. Neal Rackleff with Locke
24 Lord, representing applicant number 19125 on Alice Lofts.
25 Thanks.

1 So we think that this was very much an anomaly.

2 So all of the schools hit the Met Standard rating, this
3 school has hit Met Standard rating in the past, there was
4 only one year where we had a blip. And so in response to
5 staff's request for recognition that we needed to provide
6 additional evidence of the mitigating factors here, we
7 have brought the superintendent of the school district,
8 Mr. Carl Scarbrough, along with Erica Vasquez who is the
9 district director of School improvement, and Mr. David
10 Flores who is the CFO of the school district, all to
11 clearly demonstrate that this school is on the path to
12 improvement.

13 This was an anomaly, this is not indicative of
14 a trend. There has already been significant progress with
15 the student body in this school just this year. There's
16 been a significant change in instructional leadership.
17 They've added a full-time instructional facilitator to
18 help the students, and they've seen, as I mentioned,
19 significant progress across all grade levels. So this is
20 not a situation where we have a bunch of bad schools, this
21 is a situation where we had an anomaly with one school,
22 and therefore, we do disagree with the recommendation of
23 the staff and hope that this additional information that
24 we present to you will help you to come to that conclusion
25 as well.

1 So I would introduce Ms. Erica Vasquez.

2 MS. VASQUEZ: Good morning, Chairman Goodwin,
3 members of the Board. My name is Erica Vasquez, and I am
4 the district director of school improvement for Alice ISD.

5 I have a letter that I will read to you for the record
6 that was submitted on behalf of our superintendent of
7 schools.

8 "As superintendent of schools for Alice
9 Independent School District, it is my honor to speak on
10 behalf of one of our finest schools, Schallert Elementary.

11 Although Schallert Elementary was given an accountability
12 rating of Improvement Required by the Texas Education
13 Agency, I feel it is important to share the progress the
14 school has already made this academic school year.

15 "In August of 2018, the campus leadership team
16 for Schallert Elementary developed a targeted improvement
17 plan, along with the district coordinator of school
18 improvement, Erica Vasquez, and the professional service
19 provider provided by Texas Education Agency. This
20 targeted improvement plan is in addition to the campus
21 improvement plan that has been provided. The strategies
22 on both plans are aligned and are designed to ensure
23 student progress. Due to the implementation of this plan,
24 the students at Schallert Elementary have access to
25 quality educational and engaging experiences.

1 "Recently Schallert Elementary had a change in
2 instructional leadership. This decision was made to
3 ensure that the leadership on this campus had a primary
4 focus on instruction for all grade levels. This change
5 has resulted in a coordinated concentration on
6 instructional best practices including data-driven
7 professional learning communities, student engagement
8 strategies, standard space planning, depth of knowledge,
9 rigor and targeted professional development. These
10 strategies are grounded and effective school turnaround
11 plans that have yielded positive results, including bring
12 Dubose Intermediate, which is Schallert's feeder campus,
13 to a Met Standard status this year.

14 "Additionally, we have added a full-time
15 instructional facilitator to help guide embedded teacher
16 learning. The district also added a professional
17 development project coordinator to align student and staff
18 needs to prescriptive learning opportunities provided by
19 the district and service center. At Schallert the school
20 culture is inviting, enthusiastic about learning and
21 committed to student success. A positive behavior support
22 system is in place and is evident in the decrease of
23 student incidents regarding discipline.

24 "In 2020 all elementary schools will be trained
25 in Capturing Kids' Hearts which is the program that is

1 designed to help teachers and staff build positive
2 relationships for students and parents. Schallert
3 actually has the highest parent involvement rate and
4 community support as opposed to our other elementaries in
5 our district. There are numerous activities that parents
6 and kids can participate and they're all with a focus on
7 academics.

8 "Academically, we've seen improvements in the
9 data across all grade levels. The district benchmark
10 administered in the spring has shown that Schallert has
11 made significant gains in both third and fourth grade.
12 This benchmark is a STAAR simulated assessment that is
13 used to compare and gauge student achievement and academic
14 growth. Scores in third grade reading and mathematics
15 have already had an increase of 30 percent, while fourth
16 grade had an increase of 20 percent. The writing scores
17 have also increased as well.

18 "This school year Schallert has also received a
19 grant that will allow them to recruit and hire teacher
20 leaders that will help build capacity in teachers. These
21 leaders are for job embedded support as well as mentors,
22 coaches, facilitators."

23 And I have Dr. Scarbrough who will come up and
24 talk a little bit about some other changes.

25 Thank you.

1 MR. GOODWIN: Questions?

2 MR. ECCLES: Who was that letter from?

3 MS. VASQUEZ: Dr. Scarbrough.

4 MR. ECCLES: And when was that dated?

5 MS. VASQUEZ: May 23.

6 MR. ECCLES: May 23. Okay. So not submitted
7 with the original application.

8 MS. VASQUEZ: No, sir. Thank you.

9 DR. SCARBROUGH: Good morning, Chairman Goodwin
10 and members of the board. I'm Carl Scarbrough. I'm the
11 superintendent, the honored superintendent of Alice ISD.
12 I've spent the last 31 years of my career in San Antonio
13 and listening to the first session was a number of my
14 schools that did come out of school improvement.

15 But what I'd like to do is just summarize and
16 conclude that, you know, when we look at Schallert
17 Elementary it is a vibrant school. The community supports
18 it. We just recently passed a bond in our community that
19 hasn't been passed, there hasn't been a bond passed in the
20 last 12 years. And so the community came out, 73.5
21 percent in favor that's going to make significant changes
22 to our facilities, to add additional classrooms, enclose
23 gymnasiums and realign grade levels, and this will be
24 completed by 2021, and Schallert will be part of that.
25 Fifth grade will go back to the elementary schools in our

1 district.

2 The reconfiguration of grade levels, along with
3 the improvement of learning experiences for our kids will
4 help significantly with the student mobility rate. Our
5 teacher turnover rate is already beginning to decline.
6 We are highly optimistic and confident that Schallert will
7 come out of Improvement Required status, and when it does,
8 the implementation of the effective school framework will
9 serve as a progress monitoring tool to ensure that they
10 continue to make growth.

11 This continuous improvement model will ensure
12 that the best practices are being implemented by all
13 stakeholders. District-wide we are committed to the four
14 pillars: quality customer service, stakeholder
15 accountability, building efficacy, and a focus on the
16 instructional core. Our moto is Our Kids Are Our Future,
17 and to experience excellence with Alice ISD, and we are
18 100 percent confident that our school will show great
19 progress this year and for years to continue.

20 Thank you.

21 MR. GOODWIN: Any questions?

22 (No response.)

23 MR. GOODWIN: I have a question. How many
24 elementary schools are there in Alice ISD?

25 DR. SCARBROUGH: We have five of them, sir.

1 MR. GOODWIN: Five. Okay.

2 Any additional questions? Any other speakers?

3 (No response.)

4 MR. GOODWIN: Beau, do you want to comment on
5 what we've heard here that wasn't in the application?

6 MR. ECCLES: Actually, I'll ask Marni this
7 question.

8 MS. HOLLOWAY: Yes.

9 MR. ECCLES: Of the information that we've just
10 heard from the last two speakers, how much of that was
11 contained in the neighborhood risk factors report as it
12 relates to school performance?

13 MS. HOLLOWAY: It was not.

14 MR. GOODWIN: So any advice from counsel you
15 have?

16 MR. ECCLES: I'm not going to give advice of
17 counsel, but I will read a couple of rules.

18 10 TAC 11.101(a)(3)(C)(vii), when you're
19 talking about should any of the neighborhood risk factors
20 described which includes that has not met Met Standard,
21 the applicant must submit a neighborhood risk factors
22 report that contains the information described in clauses
23 (i) through (vii) of this subparagraph. (vii) is the
24 assessment of performance for each of the schools in the
25 attendance zone and it includes this phrase at the bottom

1 of that subsection: "This is not just the submission of
2 the campus improvement plan but an update to the plan, or
3 if such update is not available, information from a school
4 official that speaks to the progress made under the plan
5 as further indicated under subparagraph (d)(4) of this
6 paragraph, and that includes documentation from a person
7 authorized to speak on behalf of the school district with
8 oversight of the school in question that indicates the
9 specific plans in place and current progress toward
10 meeting the goals and performance objectives identified in
11 the campus improvement plan and in restoring the schools
12 to an acceptable rating status."

13 So essentially, the things that are being
14 presented now needed to have been included in the
15 neighborhood risk factors report submitted with the
16 application.

17 MS. BURCHETT: Sallie Burchett with Structure
18 Development.

19 So when we prepared the neighborhood risk
20 factor report, we gathered information from the school
21 district and included the campus improvement plan. Today
22 we heard more about the improvement plan that the school
23 district is implementing and the recent benchmarks from
24 test scores that hadn't happened at the time of
25 application. So we are connecting the dots, and yes,

1 giving you new information. We gave you everything we
2 were able to extract from the school district at that
3 time. You know, it is a difficult process. They are
4 busy, they are testing kids, teaching, and we are doing
5 something else.

6 And I'd like to ask you to also consider the
7 intent of the rule, that the kids who live at Alice Lofts
8 have a good education and go to good schools, and I think
9 by the commitment of the folks here today, that they're
10 confident that the schools are adequate and where the kids
11 can excel.

12 Thank you.

13 MR. GOODWIN: Thank you.

14 Any questions? Did you have a question?

15 MR. VASQUEZ: I was just going to remind us.
16 So did we have a staff recommendation on this?

17 MR. GOODWIN: Staff recommendation, right,
18 Marni, is to find the site ineligible because of the
19 school.

20 MS. HOLLOWAY: Ineligible because we did not
21 receive the information regarding mitigation.

22 MR. GOODWIN: In the original application.

23 MS. HOLLOWAY: Yes, in the original
24 application.

25 MR. VASQUEZ: Okay. But the improvement plan,

1 the original improvement plan was still in our materials
2 here.

3 MS. HOLLOWAY: Yes.

4 MR. VASQUEZ: It was submitted with the
5 application.

6 MS. HOLLOWAY: And the part that Beau read
7 about the letter that goes with it and all of that is
8 because when we first started dealing with IR schools,
9 everyone would just send us the plans and we'd have to
10 sort through them, so what we need is assistance from the
11 school districts in understanding what's going on with
12 those plans and what the progress has been since the plan
13 was first implemented.

14 MR. VASQUEZ: Okay. And given that we have the
15 leadership of Alice ISD here reinforcing to us, the Board,
16 their commitment to this, if we don't accept that kind of
17 input, we should make it clear to everyone just don't show
18 up -- I mean, don't bother showing up. So again, from my
19 perspective, I think we have the school district and the
20 applicant have met the burden of proof that, again, this
21 is not a way off, hopefully they'll get there someday,
22 it's close to begin with. So again, unless there's
23 something specifically or counsel says we don't have that
24 leeway to interpret as a Board.

25 MR. GOODWIN: Well, I'm not sure that we don't

1 have the leeway, and I'll let Beau answer in just a
2 second, but also, feel like we've got to get in a position
3 where we don't continue these applications because for
4 every applicant that we're evaluating, there's one
5 standing behind them that did everything right. It may
6 sound nitpicky but somebody else included that kind of
7 stuff, and otherwise, we will be approving amended
8 applications right up until the date of eligibility which
9 creates a bigger realm, in my opinion, of uncertainty.

10 I have every confidence that the people in
11 Alice are heartfelt and well intended with this, but it
12 didn't come in in the time that it should have. And I
13 realize from a development perspective they may have had
14 trouble getting it, but that's what our rules require.

15 MS. BINGHAM ESCAREÑO: Mr. Chair, if I could
16 just ask Leo, what I hear you saying is they did submit a
17 campus improvement plan. What they might have been
18 planning to do today was share some great news about their
19 progress, which they can't really do because they didn't
20 submit it within time, but we still have a campus
21 improvement plan, and our rules do say that the campus
22 improvement plan can be acceptable mitigation if -- no?
23 Okay.

24 MR. ECCLES: The rule specifically says this is
25 not just the submission of the campus improvement plan but

1 an update to the plan, or if such update is not available,
2 information from a school official that speaks to the
3 progress made under the plan as further indicated in a
4 subsequent rule that is discussing documentation from a
5 person authorized to speak on behalf of the school
6 district about the progress toward meeting those goals and
7 the performance objectives identified in the campus
8 improvement plan.

9 MS. BINGHAM ESCAREÑO: Okay. Because I think
10 our Board book may have abbreviated that a little bit.
11 Give me a second.

12 Remember, Marni, where it said there are like
13 five ways that you can mitigate, one of which is,
14 something like that.

15 MS. HOLLOWAY: There are --

16 MS. BINGHAM ESCAREÑO: I found it, I think I
17 found it. Okay. Permits four paths to mitigation for
18 schools that have Improvement Required ratings, including
19 but not limited to documentation from a person authorized
20 to speak on behalf of the school district with oversight,
21 and performance objectives. Oh, I see what you're saying.
22 So it's the documentation of the person that can speak to
23 the progress toward the campus improvement plan, not just
24 the campus improvement plan.

25 MR. ECCLES: That's correct.

1 MS. BINGHAM ESCAREÑO: Additional paths to
2 mitigation include confirmation from the school district
3 that they can choose another school, which doesn't sound
4 like that's an option; commitment from the applicant to
5 offer a minimum of 15 hours weekly, which doesn't sound
6 like that was in the plan; or that the applicant has
7 partnered with the school district or a Head Start
8 provider or something like that. Okay. So noted.

9 MR. GOODWIN: Did that answer your question?

10 MS. BINGHAM ESCAREÑO: Yes, sir.

11 MR. GOODWIN: Leo, do you have another
12 question?

13 MR. VASQUEZ: Again, if we're not accepting the
14 input of the speakers here at this appeal hearing,
15 effectively, then what's the point of having speakers at a
16 hearing like this? From my perspective, the additional
17 documentation that has been presented today verbally and
18 by a clearly authorized representative of the school
19 district meets the requirements that you laid out in the
20 rules.

21 MS. THOMASON: I think my question would be why
22 was the letter not submitted from the superintendent with
23 the application.

24 MR. VASQUEZ: Or we need to make clear that a
25 campus improvement plan is not sufficient, you have to

1 attach a letter from the superintendent.

2 MR. GOODWIN: I think the rule, as read by the
3 legal counsel, is clear. It surely seems clear to me that
4 the campus improvement plan, it says point blank, in
5 itself is not sufficient, so I think that is. I'm sorry
6 if we've inconvenienced anybody by coming, but at the same
7 time, I'm not sure how you would suggest in the future we
8 handle telling people that they're not invited here to say
9 your piece, et cetera, et cetera, et cetera, and who we
10 determine that can come and do that. I would be open to
11 any suggestions about that because we surely don't want to
12 waste people's time that come, and we appreciate you
13 coming.

14 And our rules are pretty technical, but they're
15 not technical to try to get you, but they're technical so
16 that the universe of people doing these projects will be
17 treated in a fair basis, and sometimes the littlest things
18 feel like, as Leo likes to say, oh, we gotcha. And that's
19 not our intent here, our intent is to provide housing
20 across the state of Texas for people who need it.

21 Sharon, you were going to say something? I'm
22 sorry. I kind of walked all over your conversation.

23 MS. THOMASON: No, no, no.

24 MR. GOODWIN: You're okay?

25 MS. THOMASON: Uh-huh.

1 MR. GOODWIN: Okay.

2 MS. ATKINSON: Good morning. My name is
3 Isabell Atkinson. I'm with Structure Development, and I
4 just wanted to provide clarification that in our
5 neighborhood risk factor report we did include an
6 introductory letter that included feedback from Anna
7 Holmgreen who is the assistant superintendent of
8 curriculum, and so there was feedback from someone who was
9 qualified to provide that information that was submitted
10 at application prior to March 1.

11 MR. GOODWIN: Okay. Thank you.

12 MR. RACKLEFF: Neal Rackleff, Locke Lord.

13 And just to amplify that, I very much
14 appreciate that you're not trying to play gotcha here.
15 It's very clear that substantively we're in a good place.
16 Right? And I understand the rule that the general
17 counsel referred to, but as was just mentioned by Isabell,
18 we did have additional documentation over and above the
19 campus improvement plan which did quote Anna Holmgreen.
20 We had a provision in here that says based on
21 conversations with Assistant Superintendent of Curriculum
22 Anna Holmgreen and a copy of the '18-19 campus improvement
23 plan that she provided. "Schallert Elementary is on track
24 to achieve the goals laid out in its plan and to return to
25 its established practice of receiving a Met Standard

1 rating from the Texas Education Agency in 2019."

2 So we did include that additional information,
3 and so I would offer that as a solution to get us out of
4 the gotcha game and allow you to be able to rule on the
5 substance here which is that we do have a good situation,
6 we've got all these folks that came down here, and I think
7 you make a great point, it's appropriate to let them have
8 their say and consider that.

9 MR. GOODWIN: Marni, can you address that?

10 MS. HOLLOWAY: So I just checked real quickly
11 with staff who reviewed all of the reports. It was our
12 understanding that the comments that are being relayed to
13 you right now were part of a letter, a summary that did
14 not come from that person. There wasn't a letter signed
15 by that individual saying I have the authority to say this
16 and this is what I'm saying.

17 MR. GOODWIN: Okay.

18 MR. ECCLES: I'll note just in the Board packet
19 of materials there is a letter from Sallie Burchett,
20 consultant to the project, that contains the line: "Based
21 on conversations with Assistant Superintendent of
22 Curriculum Anna Holmgreen and a copy of the 2018-19 campus
23 improvement plan that she provided, Schallert Elementary
24 is on track to achieve the goals laid out in its plan." I
25 don't know if that could be said to satisfy the rule

1 requirement of documentation from a person authorized to
2 speak on behalf of the school district with oversight of
3 the school in question that indicates the specific plans
4 in place and current progress toward meeting the goals and
5 performance objectives identified in the campus
6 improvement plan.

7 MR. RACKLEFF: And I would respond that we
8 provided the very best documentation we could at the time,
9 and that it clearly --

10 MR. GOODWIN: I think all the facts have been
11 brought up, so thank you.

12 Any other questions?

13 (No response.)

14 MR. GOODWIN: We have a motion to accept
15 staff's recommendation and a second. Any other discussion
16 before we call for the vote?

17 (No response.)

18 MR. GOODWIN: All in favor say aye.

19 (A chorus of ayes: Board Members Braden,
20 Bingham, Thomason.)

21 MR. GOODWIN: All opposed?

22 MR. VASQUEZ: Nay.

23 MS. RESÉNDIZ: Nay.

24 MR. GOODWIN: One nay, two nays, and three
25 ayes. Aye. So upholding staff's recommendation four to

1 two.

2 Moving to the next 19227, Fort Worth.

3 MS. HOLLOWAY: Application 19227 Reserve at
4 Risinger -- I apologize if I'm mispronouncing that -- will
5 be a new construction, general population development with
6 a total of 96 units. Eighty-five units will be designated
7 for low income residents and 11 will be market rate.

8 The proposed development site falls within the
9 attendance zone of J.A. Hargrave Elementary School which
10 was rated Improvement Required in 2018, 2017 and 2016.
11 The applicant provided a letter from the deputy
12 superintendent of school improvement that recounts how the
13 district and the school are committed to moving to a Met
14 Standard rating. She explains the central importance of
15 the school's campus turnaround plan. Students will receive
16 additional support through the 21st Century Community
17 Learning Center program. The program provides a variety
18 of after-school enrichment programs with the aim of
19 improving academic performance, attendance, behavior,
20 promotion rates and graduation rates. School
21 administrators hope that the program will help the school
22 to achieve a Met Standard rating before the proposed
23 development is placed in service.

24 According to the applicant, the development
25 will include an education center space in the clubhouse

1 that will be utilized for educational programming above
2 and beyond the typical services required by TDHCA. It is
3 not clear from the application how many hours per week the
4 applicant will provide educational programming, so we are
5 unable to evaluate this as mitigation under the rule which
6 allows after-school programming of 15 hours per week to
7 count as mitigation.

8 Staff requests that the Board determine for
9 19227 Reserve at Risinger whether the information
10 regarding mitigation of the neighborhood risk factor is
11 sufficient and if it supports site eligibility under the
12 neighborhood risk factors rule.

13 MR. GOODWIN: So as this relates to what we
14 just addressed, all of this information was provided in
15 the original application.

16 MS. HOLLOWAY: Yes.

17 MR. GOODWIN: And it was provided by a person
18 authorized to speak for the school district.

19 MS. HOLLOWAY: Yes. That's the difference
20 between the two applications.

21 MR. GOODWIN: Between the two. And what's
22 missing is how many hours?

23 MS. HOLLOWAY: We're not able to evaluate
24 whether or not providing the education center space will
25 count as mitigation because the number of hours per week

1 of after-school programming was not described in the
2 application, but the education center was.

3 I'll be happy to answer any questions.

4 MR. GOODWIN: Okay. Anybody have any
5 questions?

6 (No response.)

7 MR. GOODWIN: Before we take the next step will
8 be a motion to either accept this site as eligible or, and
9 then we'll have discussion, realizing that no matter what
10 the motion is, after the discussion somebody might want to
11 change the motion. So do I hear a motion to make the site
12 eligible on the school eligibility site or ineligible, one
13 of the two, so we can get to discussion.

14 MS. BINGHAM ESCAREÑO: Mr. Chair, since staff
15 are asking the Board to do that, would it be acceptable to
16 move to hear comment?

17 MR. GOODWIN: Absolutely.

18 MS. BINGHAM ESCAREÑO: I'll motion to hear
19 comment.

20 MR. GOODWIN: Second?

21 MR. BRADEN: Second.

22 MR. GOODWIN: Okay. Thank you, Marni.

23 Tamea, are you going to speak first?

24 MS. DULA: I would be happy to but I'm for the
25 project and requesting eligibility. I don't want us to go

1 first.

2 MR. GOODWIN: I don't know which way, whether
3 we can be for or against.

4 MS. DULA: Tamea Dula with Coats Rose Law Firm,
5 appearing for the developer in favor of the project's
6 eligibility.

7 The application and the disclosure that was
8 made with regard to the educational situation does
9 disclose that the J.A. Hargrave Elementary School was
10 found not to meet standard for three years running which
11 is the point at which it becomes a site issue. However,
12 in 2013, 2014 and 2015 this school did meet standard, so
13 it has just recently fallen off the straight and narrow
14 path. And after the 2018 no meeting standard situation,
15 on December 20 of 2018, the Crowley ISD adopted a campus
16 improvement plan and turnaround plan for the school, which
17 was included in the disclosure package.

18 Additionally, we have a letter in there from an
19 authorized agent of Crowley ISD that pointed out that this
20 school is also going to benefit from the 21st Century
21 Community Learning Center program and reference was made
22 to the potential for an Accelerating Campus Excellence
23 program which they were able to announce this week on
24 Monday, and so that is available for the school also and
25 that provides enhanced services after school, tutoring,

1 and things of that nature to help students advance
2 properly.

3 And finally, in the application it was pointed
4 out that there was an education center contemplated for
5 the project, and that was going to be located in the
6 clubhouse community space and it would provide onsite
7 educational programming each week through a qualified
8 coordinator of the educational center.

9 The question was asked how many hours per week
10 would be provided. Now, the applicant never got a chance
11 to answer that question because it only appeared in the
12 Board book and they only found out about this on Monday
13 when the Board book supplement was published. We never
14 heard that it was going to be in the Board book. But the
15 applicant has committed, by a letter that I believe you
16 have been provided -- is that correct, Sallie? -- has
17 committed to at least 15 hours of programming for each
18 week.

19 MR. GOODWIN: Thank you.

20 MS. DULA: So that was the only thing missing.

21 And now I'd like you to hear from Darren Smith, who put
22 this project together, and he's going to tell you about
23 this ACE improvement program in particular.

24 MR. GOODWIN: Any questions before Tamea steps
25 down?

1 (No response.)

2 MR. GOODWIN: Thank you.

3 MR. SMITH: Hi, Councilman -- excuse me --
4 Chairman. I've been in front of a bunch of city councils.
5 Chairman Goodwin and Board.

6 Crowley ISD is a unique situation. The letter
7 on the 20th included the ACE program and that was a big
8 step for them because if you're familiar with the ACE
9 program, it was created by Dallas Independent School
10 District and it really goes through a rigorous staff
11 screening process. It's been adopted by not only Dallas
12 but Richardson, Garland ISD and Fort Worth ISD. And
13 essentially their meeting yesterday to continue to educate
14 the neighborhood and the school in general, last night was
15 to introduce the new principal. So they've already
16 changed the principal of the school, and all the staff
17 will have to go through a new interviewing process that
18 includes the ACE criteria and interview process, and there
19 may be a complete change in staff.

20 So they've taken a very aggressive stance at
21 this and they've gotten the funding and support through
22 the ACE program to do incentive-based compensation for the
23 staff, and the principal will choose each staff and
24 instructor for that school. So this program is focused on
25 underachieving schools, whether it be by income, race, or

1 location, that's the virtue of the program, and they've
2 seen double digit metrics and percentage growths for math
3 and reading since DSID introduced it in 2015.

4 MR. GOODWIN: Okay. Any questions?

5 MR. SMITH: In the sake of the flight schedule,
6 I abbreviated.

7 MR. GOODWIN: Thank you, thank you.

8 MR. SMITH: You're welcome.

9 MR. GOODWIN: Anybody want to speak against
10 this application?

11 MS. ANDERSON: This isn't against or for, this
12 is just a I really don't care one way or the other but I
13 think -- anyway, my name is Sarah Anderson and I think
14 that there's a mix-up between what can be done when you
15 have one year of IR and when you have three years of IR.
16 And three years of IR says there is no mitigation, it's
17 only if you have one year that you can mitigate. And so I
18 just wanted to bring that up as a rule clarification that
19 I want to make sure that this is on your side done
20 correctly, otherwise, there may be additional challenges
21 and legal issues.

22 MR. GOODWIN: Beau, any insight on that, or
23 Marni?

24 MS. HOLLOWAY: IT's more complicated than that.

25 MR. ECCLES: It is more complicated.

1 MS. ANDERSON: it is but it specifically says
2 it can't be mitigated, basically they have to be able to
3 prove -- it's a different level, a different thing has to
4 be proven as opposed to a specific mitigation. So I just
5 wanted to point that out before a decision was made.

6 MR. GOODWIN: Thank you.

7 MS. HOLLOWAY: The actual language in the rule
8 is: "Any school in the attendance zone that has not
9 achieved Met Standard for three consecutive years, and has
10 failed by at least one point in the most recent year,
11 unless there is a clear trend indicating imminent
12 compliance, shall be unable to mitigate due to the
13 potential for school closure as an administrative remedy
14 pursuant to Chapter 39 of the Texas Education Code."

15 So it's not three years and you can't mitigate,
16 it's actually four years and then you can't mitigate. At
17 four years there's a potential for TEA to close the
18 school.

19 MR. GOODWIN: Beau?

20 MR. ECCLES: So this school that we're talking
21 about here has failed to hit Met Standard for three
22 consecutive years but we're not talking about the failed
23 by at least one point in the most recent year?

24 MS. HOLLOWAY: Correct.

25 MR. ECCLES: So you're saying that's a fourth

1 year?

2 MS. HOLLOWAY: Yes.

3 MR. ECCLES: Has this school in its third year
4 failed by more than one point?

5 MS. HOLLOWAY: I don't know off the top of my
6 head.

7 MR. GOODWIN: Do you know the answer to that
8 question by chance? Anybody from the school district that
9 might know the answer to that question?

10 (Pause.)

11 MR. GOODWIN: We're going to table this while
12 we're trying to get this information, and Beau wants to
13 talk to the program people as well. So let's take a five-
14 minute recess. Is that enough time, Beau?

15 MR. ECCLES: Yes.

16 MR. GOODWIN: Okay. We'll recess the meeting
17 for five minutes.

18 (Whereupon, at 11:36 a.m., a brief recess was
19 taken.)

20 MR. GOODWIN: We've returned from our 30-second
21 recess.

22 Marni, you're going to give us a little
23 clarification?

24 MS. HOLLOWAY: I'm going to fall on my sword
25 and admit that I was wrong. Happens every once in a

1 while; everybody write down the date.

2 MR. ECCLES: It's in the transcript.

3 MS. HOLLOWAY: Don't you dare; you won't be
4 cool anymore if you do that.

5 (General laughter.)

6 MR. GOODWIN: So at the end of this, and for
7 the sake and brevity of time, the parties have agreed that
8 we're going to table this.

9 MS. HOLLOWAY: I would like to read to you what
10 I left out of my presentation, so that it's clear. As I
11 was going through and summarizing from my notes, I skipped
12 over this part.

13 So it discusses the rule with the three years,
14 and then it says, "The rule clearly states that a
15 development should be found ineligible if a school to
16 which its residents are zoned has been rated Improvement
17 Required for three consecutive years. While an exception
18 could possibly be reached if a trend is indicating
19 imminent compliance, staff does not believe it is able to
20 reach such a conclusion, and thus, no mitigation is
21 allowed. However, staff has included a summary of what
22 the applicant proposed as mitigation."

23 So that's the part that I didn't say. I would
24 also say that this is a question about the rule and the
25 rule interpretation, it's not a question about what was

1 submitted in the application.

2 MR. GOODWIN: And do I understand that the
3 parties want to table this to next month's Board meeting?
4 I see a yes over there, and that's okay with staff. Any
5 Board member have a problem with that?

6 (No response.)

7 MR. GOODWIN: If not, I'll take a motion to
8 table.

9 MR. BRADEN: So moved.

10 MR. GOODWIN: Second?

11 MS. THOMASON: Second.

12 MS. RESÉNDIZ: Second.

13 MR. GOODWIN: Okay. No further discussion on
14 the motion to table. All in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MR. GOODWIN: Okay. Moving to 19299.

19 MS. HOLLOWAY: 19299, application for 2222
20 Pierce. We're still talking about neighborhood risk
21 factors.

22 The applicant disclosed that the proposed
23 development site is in a census tract with an annual Part
24 I violent crime rate that is above 18 per 1,0001,
25 according to Neighborhood Scout.

1 One path to mitigation allowed by the rule is
2 if the data and evidence reveal that the data reported on
3 NeighborhoodScout.com does not accurately reflect the true
4 nature of what is occurring and what is actually occurring
5 does not rise to the level to cause a concern to the Board
6 over the level of Part I violent crimes for the location.

7 So there are some others that we've discussed today that
8 when we went to the actual data, their crime rates were
9 lower than what was in Neighborhood Scout.

10 In order to make that determination, an
11 applicant must present crime data as a ratio of crime for
12 the census tract per 1,000 individuals who live within
13 those same boundaries. The applicant has not
14 satisfactorily demonstrated mitigation for the crime rate.

15 The applicant did share the number of crimes for 2017 and
16 2018 for the police beat that contains the proposed
17 development site, however, round numbers alone do not
18 allow staff to determine if that crime rate is actually 18
19 instances per 1,000 persons, and therefore, the crime rate
20 is actually decreasing.

21 We issued a deficiency to the applicant
22 requesting the total number of crimes be converted to a
23 rate so that staff could determine that acceptable
24 mitigation had been provided. In their response the
25 applicant discusses difficulties with matching police

1 beats to census tracts and states that their calculation
2 indicated the rate is over the threshold in rule. They
3 point to a decrease between 2017 and 2018.

4 Crime statistics expressed as rates normalize
5 them across geographic areas with differing populations.
6 Because the applicant did not provide the rate, we
7 performed our own calculations with two reasonable but
8 differing methods. One of them goes back to the 2010
9 census, the other uses the 2017 American Community Survey
10 is an estimate based on a number of factors. So the ACS
11 overestimates the geographic size of the police beat and
12 therefore probably overestimates the population.

13 With these two population counts and with the
14 violent crime statistics reported by the applicant, the
15 staff has calculated the following violent crime rates for
16 this police beat. In 2017, using the 2010 census data,
17 the rate was 37.13 per 1,000 persons; using the 2017 ACS,
18 it's 27.44 per 1,000 persons. In 2018, using the 2010
19 census, it is 31.52 which is a drop per 1,000 persons;
20 using the ACS, it's 23.29 per 1,000 persons, again that is
21 a drop.

22 While there is certainly a decrease in the
23 crime rate, the rule requires that a decreasing crime rate
24 must already be under the 18 per 1,000 requirement,
25 according to the data, or must be of such a nature that it

1 would yield a crime rate below the threshold indicated in
2 this section by the time the development is placed into
3 service. We've been unable to reach a conclusion that the
4 decrease between 2017 and 2018 is indicative of a trend
5 that will continue.

6 Staff is asking that the Board make the final
7 determination regarding the site's eligibility regarding
8 this issue.

9 The next one, applicant stated that the
10 proposed development site has instances of blight within
11 1,000 feet. The applicant points to several initiatives
12 within the Greater Third Ward, including the activities of
13 a tax increment reinvestment zone, Main Street efforts,
14 pop-up neighborhood markets, and continued private
15 investment in the area.

16 While the exact locations and pictures were not
17 provided of these instances of blight, both staff's visit
18 to the site and the investment programs available in the
19 Third Ward lead staff to believe that acceptable
20 mitigation has been provided. Staff is recommending that
21 the Board find the site eligible in regard to blight.

22 So to summarize, staff is requesting that the
23 Board determine for 19299 2222 Pierce whether the
24 information regarding mitigation of the neighborhood risk
25 factors is sufficient and supports site eligibility under

1 the rule.

2 MR. GOODWIN: Do I have a motion to hear
3 comments?

4 MS. BINGHAM ESCAREÑO: So moved.

5 MR. GOODWIN: Second?

6 MS. THOMASON: Second.

7 MR. GOODWIN: All in favor say aye.

8 (A chorus of ayes.)

9 MR. GOODWIN: Okay. We will hear comments.

10 MR. AKBARI: Mr. Chairman and Board members,
11 I'm Chris Akbari. I'm the CEO of ITEX. And I know we're
12 trying to catch planes so I'll try to be as brief as
13 possible.

14 I'm the lead developer, or my company is the
15 lead developer for 2222 Pierce. It's in the Upper Third
16 Ward of Houston. It's immediately adjacent to downtown
17 and immediately adjacent to the midtown area. The Third
18 Ward is a very instrumental part of a redevelopment plan
19 by the City of Houston called the Complete Communities
20 Program. We are seeking to build 166 units. It will be
21 comprised of mixed income, with 88 of the units as low
22 income, 38 as workforce housing, and 40 with market rate,
23 with the units staggered in incomes from 30 percent AMI,
24 50 percent AMI, 60 percent AMI, 80 percent AMI and market
25 rate.

1 We also plan to have both a six-story tower as
2 well as some two- and three-story townhomes. The project
3 has been designed with controlled access, cameras, and we
4 plan to have security and controls by off-duty officers.

5 So I'd like to key in a little more on the
6 community revitalization effort in this area. It's part
7 of the mayor's 2017 initiative which is called the
8 Complete Communities Program. It's intended to help
9 develop affordable housing, redevelop these census tracts
10 and these areas, and provide additional job opportunities,
11 quality retail, quality of life, improvements for schools,
12 and along with the mayor's plan, one of the highest
13 priorities is to provide affordable housing in areas where
14 the census tracts are being gentrified. In this
15 particular census tract, that's going on right now.

16 Immediately adjacent and all to the south and
17 to the east of this particular site, there are \$285,000 to
18 \$375,000 townhomes being constructed, so we believe that
19 this is a great opportunity for us to be able to embed
20 affordable housing into this neighborhood before it's
21 completely gentrified.

22 As Marni said, there is a trajectory but the
23 problem is that they can't be able to project that it's
24 below 18, so we're here today to talk more in detail about
25 some of the crime stats, and also we have an officer here

1 who is going to talk to you about some of the initiatives
2 in the Complete Communities that they have that they're
3 working on.

4 Thank you.

5 MR. GOODWIN: I think maybe staff, if anybody
6 has any questions. I think the only issue our staff has
7 with it is crime, so if you want to be brief, bring up
8 people that are going to talk about the crime.

9 SPEAKER: Well, that's me.

10 MR. GOODWIN: I thought it would have been him.

11 (General laughter.)

12 MS. MARTIN: I'm Audrey Martin with Purple
13 Martin Real Estate. I'm representing the applicant team,
14 and I am going to specifically address the crime issue in
15 the census tract and also the police beat which is a
16 little bit of a larger area that contains the development
17 site.

18 So as Marni summarized, the census tract that
19 includes the development site is above TDHCA's threshold
20 for disclosure of violent crime and that threshold is a
21 NeighborhoodScout.com rating of 18 or above. This
22 development site has a rating of 19.39, so when that
23 happens we make a disclosure and we look at police
24 department data for calendar years 2017 and 2018 and do an
25 analysis. In Houston they have their data publicly

1 available for their police beats, so what we did is looked
2 at the calendar year 2017 and calendar year 2018 data, and
3 what we ere able to see is that there's been a 15.1
4 percent decrease in violent crimes in the police beat in
5 the one year between calendar year '17 and '18.

6 What also is interesting is that Neighborhood
7 Scout uses data from 2017, so we have a report that was
8 submitted with the application that has a 19.39 rate based
9 on 2017 data, and then when we're able to look at the
10 police department data, we can see that there was a 15
11 percent decrease in one year. And we looked at what would
12 be an adjusted Neighborhood Scout rate if we brought it up
13 to 2018 data and applied that 15 percent decrease, and if
14 the Neighborhood Scout data were to bear out that 15
15 percent decrease we've seen in actual crime data, we would
16 be under 18 today, we'd be at 16.34, I think was the
17 number.

18 So the other thing that's interesting is that
19 Neighborhood Scout itself within its reports provides a
20 trend line for both violent and property crimes, and they
21 take historical data from 2014 up to the current date and
22 then they continue a projection forward to 2024, and so
23 Neighborhood Scout also shows a decrease in violent crime
24 within this particular census tract. So we think that
25 there can be a reasonable conclusion that by the time this

1 development places in service, which would be 2021, that
2 we can achieve a violent crime rate that would be below 18
3 per 1,000 persons.

4 We also very much appreciate staff's work to
5 come up with a crime rate. It is kind of difficult
6 because police beat boundaries do not match census tracts.

7 We tried it ourselves, we got sort of close to the rates
8 that Marni cited based on 2017 ACS -- almost finished --
9 but if we also applied the decrease, the 15.1 percent, and
10 extended that out until placement in service in 2021, we
11 also could be below 18. In fact, it would only take about
12 maybe an 8 percent decrease in crime over that time to get
13 to the threshold we're required to meet.

14 So thank you.

15 MR. GOODWIN: So you're saying the Scout report
16 does project out that by the time this property would be
17 in service, it would be below the 18.

18 MS. MARTIN: It does. It provides a trend
19 line, it doesn't give raw numbers, it doesn't give it to
20 you in the ratio that the rules do.

21 MR. GOODWIN: Is that sufficient, Beau, to meet
22 our standards for making a decision?

23 MR. ECCLES: Was that evidence provided either
24 in the application or in response to the administrative
25 deficiency request?

1 MS. HOLLOWAY: I'm not aware that it was
2 provided in the application and it was not provided in
3 response to the deficiency request.

4 I would remind the Board that Neighborhood
5 Scout is used as a trigger for reporting, for looking
6 further at the crime rates at this development site,
7 that's all it is. So yes, there are a number of issues
8 and problems with Neighborhood Scout data and we've
9 discussed that before, but this is the only trigger that
10 we have.

11 MR. GOODWIN: But if the Neighborhood Scout
12 rating was 17.9, we wouldn't be doing this.

13 MS. HOLLOWAY: They would not have had to
14 report.

15 MR. GOODWIN: Okay. Next speaker. And by the
16 way, for any Board member, any time you feel like you've
17 heard enough and you want to make a motion, just signify
18 by telling the chair.

19 SPEAKER: I'm all for that now.

20 (General laughter.)

21 MR. FLORES: Good afternoon. My name is Eric
22 Flores. I'm a sergeant with the Houston Police
23 Department. I literally just got this less than 12 hours
24 ago, so on behalf of Chief Art Acevedo, I'm here
25 representing him.

1 So I reviewed everything that was submitted to
2 me and I want to talk about what he spoke about earlier,
3 the Complete Communities package. That's basically what
4 my team does. We're with community service and the DRT
5 team known as the Differential Response Team. Our team is
6 basically a Swiss Army Knife for policing and we handle
7 problem-oriented policing, community-oriented policing,
8 and Chief Acevedo's new relational policing. So what we
9 have brought to our community in Third Ward is a ton of
10 enforcement but community relations as well.

11 I'll go through the list of what we are doing
12 at this time and what we started when I came to this
13 division. So currently literally which is across the
14 street from 2222 Pierce we worked with TxDOT to get an
15 encampment shut down, and that encampment we got everybody
16 housed, into housing, and then we had TxDOT come in, we
17 had them spend their assets to clean up the area. That
18 cost like \$45,000 just in one day.

19 With the Complete Communities also we developed
20 a program for officers to come in to ride their bicycles
21 on the Columbia Hike and Bike Trail which goes through
22 actually Third Ward the entire way. The trail actually
23 goes between the University of Houston and TSU which is
24 the Texas Southern University.

25 We work with the Department of Neighborhoods

1 and solid waste to address issues on the right of way and
2 also abatement issues that come up in our area. The team
3 also works with the Harris County Precinct 7 who has a
4 contract with Third Ward to patrol the area, and they also
5 work with Harris County Precinct 1 to address illegal
6 dumping by hiding cameras in the neighborhood to address
7 that so we can catch the criminals. We also work with the
8 Southeast Management District which also is part of the
9 Complete Communities package, so we all work together at
10 the same time every day.

11 We also collaborate recently, starting next
12 week, with the HISD police department and all the local
13 law enforcement agencies for the summer vacation program
14 that's called Safe Start, and basically for the whole week
15 we get students into school and out of school to begin
16 their summer vacation safely. And so we're out there on
17 bicycles, we have mounted patrol, we have undercover so we
18 have my guys, we have our Explorers team, our TAPS team
19 and our Pals team, and those are all geared toward helping
20 the youth.

21 I can continue going on and on, but besides my
22 efforts, it's the efforts of my officers and the efforts
23 of the community that we've gained their trust to get this
24 job done and to help lower the crime at the end of the
25 day.

1 MR. GOODWIN: Thank you, Sergeant Flores, thank
2 you for your service. And tell my friend, Art, I said hi.

3 MR. FLORES: I will.

4 MR. GOODWIN: Anybody want to make a motion or
5 do we want to keep going?

6 MS. RESÉNDIZ: Motion to approve.

7 MR. GOODWIN: You want to make a motion to
8 approve the site?

9 MS. RESÉNDIZ: Yes.

10 MR. GOODWIN: Okay. Is there a second?

11 MR. VASQUEZ: Second.

12 MR. GOODWIN: Any further discussion?

13 (No response.)

14 MR. GOODWIN: All those in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MR. GOODWIN: Okay. We're moving down to item
19 (h) and we have items 19368 and 19229 have been pulled.

20 MS. HOLLOWAY: Yes, they have.

21 MR. GOODWIN: So we're at 19189.

22 MS. HOLLOWAY: Yes. This is presentation,
23 discussion, and possible action on timely filed appeal
24 regarding application 19189 Lakewood Crossing under the
25 Department's multifamily program rules. This application

1 proposes the new construction of 48 units for a general
2 population in Granbury.

3 One of the ways that applicants are able to
4 meet threshold requirements in order to gain opportunity
5 index points is if the proposed development site is
6 located entirely within a census tract that has a poverty
7 rate of less than the greater of 20 percent or the median
8 poverty rate for the region, with the median household
9 income in the third quartile within the region, and is
10 contiguous to a census tract in the first or second
11 quartile without physical barriers such as highways or
12 rivers between and the development site is no more than
13 two miles from the boundary between the census tracts.

14 The proposed site meets these criteria except
15 for the without physical barriers such as highways or
16 rivers between part. This census tract is separated from
17 the higher income census tract by the Brazos River. The
18 applicant claims that the body of water between the
19 tracts, because it is called Lake Granbury, is not a
20 river. Lake Granbury was created when the De Cordova Dam
21 was constructed on the Brazos River in 1969. The river
22 flows into the lake on one end and out of it on the other.

23 Much of the appeal relies on this technicality
24 without consideration of how the requirement starts which
25 is without physical barrier. This language was used so

1 that if the separation is some other geographic feature
2 not listed in the rule, it still applies, so if it's a
3 canyon, it still applies, it's a physical barrier. The
4 highways or rivers part is provided as an easily
5 recognizable descriptor. This threshold to qualify for
6 opportunity index points acknowledges that without
7 barriers communities don't necessarily stop at census
8 tract boundaries.

9 The applicant also claims that the bridge
10 across the river serves to unite the two sides. The clear
11 income disparity, with large homes overlooking the river,
12 with farms beyond on the side opposite the proposed site,
13 indicates that these are clearly two separate communities.

14 Prior to application submission, the applicant
15 and one other group requested a predetermination regarding
16 this question. Staff determined that the Brazos River
17 acts as a barrier between the census tracts and informed
18 both requesters prior to application submission. The
19 other group that requested a predetermination did not
20 submit an application in this round.

21 Staff determined that the application does not
22 qualify for seven points under the opportunity index
23 because the census tract in which the development site is
24 located does not qualify. Staff also determined that
25 because the application final score varies by more than

1 four points from what was reflected in the pre-app self
2 score, they are also not eligible to receive six points
3 for pre-application participation.

4 Staff recommends that the appeal of scoring for
5 19189 be denied.

6 MR. GOODWIN: Do I hear a motion to approve
7 staff's recommendation?

8 MR. BRADEN: So moved.

9 MR. GOODWIN: Second?

10 MS. BINGHAM ESCAREÑO: Second.

11 MR. GOODWIN: Okay. Against staff's
12 recommendation, I assume?

13 And by the way, before we start, is there
14 anybody in favor of staff's recommendation? One person
15 back there, two people. Okay.

16 MR. RACKLEFF: Neal Rackleff with Locke Lord,
17 representing the appellant here.

18 We think that this is clearly a situation where
19 we meet both the spirit and the letter of the law, and I
20 do not agree with the characterization of our appeal as
21 being one that hinged on the technical definition of
22 whether this is a river or a lake. We brought that issue
23 up because there was a third party contention that this
24 was definitely a river and that that was a significant
25 problem for us.

1 The key here is not whether there is a river, a
2 lake, a marsh, a gutter, a wetland, it's whether there's
3 an actual barrier between these two communities, and here
4 there is not an actual barrier between those two
5 communities. The folks in the census tract that has the
6 higher opportunity characteristics move back and forth and
7 they shop at the same stores, they eat at the same
8 restaurants. The high school attendance zone for the
9 high-end homes that we were told a moment ago should be
10 indicative of the fact that that it's a separate place,
11 they're in the same high school attendance zone.

12 In this scenario we're not supposed to look at
13 only granting points if the census tract next door is
14 exactly the same as the census tract we're in. That's the
15 opposite of what we're looking at. We have a census tract
16 that has the higher level demographics and our census
17 tract has lower level demographics. The question is is
18 there an actual barrier that makes it an unfair
19 comparison. You know, and many times a river could be, or
20 a lake could be that kind of barrier. We talked earlier,
21 it was mentioned by one of the Board members that there
22 was a highway but there was an underpass for people to go
23 through, so in this situation barrier -- highways and
24 rivers are used as illustrative terms, not controlling.

25 As I mentioned, if that were the case, then how

1 finely do we cut river and why would you really
2 distinguish between a river or a stream or a creek or some
3 other body of water. We're trying to make sure that we
4 don't have segregated communities here. The intent of
5 being able to look at the adjoining census tract is to see
6 are those positive demographics that are happening in that
7 adjoining census tract going to positively influence the
8 census tract of our site, and that is clearly the case.

9 So we have invited the mayor of Granbury, Mayor
10 Nin Hulett, to come and address us, also the city manager,
11 Chris Coffman, and we also have a letter from the State
12 Rep Mike Lang that we would like to read into the record.

13 MR. GOODWIN: Okay. Someone in favor of
14 staff's recommendation speak next?

15 MR. FOGEL: Hello. I'm Michael Fogel with Four
16 Corners Development. I have a competing project in the
17 region. And before I get into that, I want to be clear
18 that this issue has nothing to do with whether or not the
19 city limits of Granbury span the river, and I'm certainly
20 not making an argument that this isn't a united
21 community, you know, on both sides of the river, but
22 really the fact that there is a river barrier here, as
23 written in the rules, between the two tracts.

24 We actually looked at this census tract way
25 back in October and at that time we were able to

1 definitively rule out its eligibility for opportunity
2 points after reading the QAP and confirming the same with
3 staff. So the rule states that the third quartile census
4 tract can qualify if it's contiguous to the second
5 quartile tract without physical barriers such as highways
6 or rivers. But just to be extra certain of this
7 distinction, we contacted the staff in October to ask if
8 the presence of a bridge over the river would mitigate the
9 presence of a physical barrier between the two tracts, and
10 Ms. Gamble wrote back promptly on October 17 and stated
11 that a bridge would not⁵ mitigate the presence of a river
12 or a highway between the tracts, so that's very clear.

13 The rules on the books, staff confirmed the
14 same in actually this exact same scenario, which is why we
15 were inquiring, they confirmed the scenario and they
16 continued to uphold it in a consistent manner as per the
17 recommendation in your Board book today. So with this
18 information confirmed, myself and many other developers
19 followed the rules and focused our efforts in the City of
20 Ennis where there was an eligible tract for points. And I
21 quickly point out that Ennis hasn't had a deal since '01
22 and Granbury did have one last year.

23 Secondly, the applicant did actually make an
24 inconsequential argument that the river, sometimes called
25 a lake, really doesn't matter. When you have a river

1 that's been dammed, you get to call it a lake or you can
2 call it a lake, it's still the same body of water, it's
3 actually been enlarged to create a larger barrier. This
4 section of the Brazos River is also referred to as Lake
5 Granbury but, you know, we can use either name.

6 And obviously, I'm in support of staff's
7 recommendation.

8 MR. GOODWIN: Thank you.

9 Somebody against staff's recommendation?

10 MR. COFFMAN: Thank you. I'm Chris Coffman,
11 city manager for the City of Granbury.

12 I just want to kind of appreciate what you guys
13 do. I was sitting here learning a lot today about the in-
14 depth knowledge that you've got to have to sit up there
15 and make a decision, and the staff for doing their job.

16 And I kind of reflected on my planning and
17 zoning and all the laws that go into simple planning for a
18 city and what-have-you. But back in 2015 we went through
19 a comprehensive plan, we did a new land use plan, we had
20 in mind exactly what we're talking about to prevent
21 segregation or anything like that. We zoned areas for
22 apartments in good neighborhoods. This neighborhood, for
23 instance, you can go through K through 12 in walking
24 distance from this location. This is for family housing,
25 it's not for senior housing like we were awarded last

1 year, this is for family housing, for workforce
2 development housing, and we need that in our town.

3 We were just awarded from USA Today, world
4 newspaper, that we are the number one historic small city
5 in America, and this neighborhood that we're talking about
6 is in the heart of our community in this historic
7 neighborhood. This is a highlighted area for us, and we
8 just can't understand how you can draw a line and say that
9 kills your application. What we have is the lake unifies
10 us, it pulls us together.

11 Sunday night we're having a lighted boat parade
12 that you can stand in this census tract and watch and
13 enjoy. We've got the only city beach on a body of water
14 in the entire Metroplex area and it's in walking distance
15 of this, it's in the same census tract. Our square, our
16 historic square is in this same census tract. We have our
17 largest employer in walking distance from this, the
18 hospital, the county offices, the school. Granbury
19 Independent School District was ranked the top ten school
20 in America in 2017. These kids need a place to go to
21 school, they need a place to live, and we're trying to
22 provide it for them, and we just want to ask you to make
23 this project eligible so we can make that happen for our
24 community. We're very excited about the opportunity.

25 Again, I understand lines and boundaries and

1 maps. We don't use them in our community, we are one
2 community, and I think when you read out letter from our
3 state rep, you'll understand that as well.

4 Thank you.

5 MR. ECCLES: If I could make a quick
6 clarification with Marni. This is not about termination
7 over a threshold issue, this is loss of opportunity index
8 points.

9 MS. HOLLOWAY: Loss of opportunity index and
10 pre-application participation points.

11 MR. ECCLES: Because it's more than a six-point
12 swing so you would lose your pre-app points.

13 MS. HOLLOWAY: It's more than a four-point
14 swing so you'll lose six points.

15 MR. ECCLES: Sorry. But again, this question
16 was asked pre-application or pre-determination.

17 MS. HOLLOWAY: Yes, by two parties.

18 MR. ECCLES: Okay.

19 MR. KROCHTENGEL: Zachary Krochtengel. I
20 represent a developer with an application in Ennis as
21 well.

22 I think a lot of evidence has been brought
23 before this Board and I look back at the initial
24 application which showed a census tract and then showed a
25 contiguous census tract separated by a river. In the RFAD

1 response from the applicants, the mayor submitted a
2 letter, the city manager submitted a letter. They both
3 asked that the Brazos River be removed as a physical
4 barrier. After staff denied that request, then they
5 started referring to it as Lake Granbury. I looked up the
6 description of Lake Granbury. Lake Granbury is a long
7 narrow lake. If it looks like a river and it separates
8 the two census tracts, it's a physical barrier.

9 The rule also states such as, and this Board
10 has actually dealt with such as before. Such as is not a
11 limiter, it's something to give an example to. Terming it
12 a lake and saying that two people on the opposite sides of
13 the lake are neighbors, they're not next door neighbors,
14 they have to drive all the way around.

15 You've already dealt with physical barriers
16 once today, however, when you were dealing with those, it
17 was in terms of an ineligible site feature that there is
18 mitigation allowed. This is a scoring item, there's no
19 mitigation allowed, there's nothing special about this
20 lake that you can get from one census tract to the other,
21 there's nothing that says that these two census tracts are
22 contiguous.

23 Mr. Rackleff brought up that they're in the
24 same high school attendance zone so that should show that
25 they're part of the same community. Granbury ISD only has

1 one high school attendance zone so everybody in Granbury
2 is in the same high school attendance zone. Now, if we're
3 going to start saying that a high school attendance zone
4 mitigates physical barriers, then we've got a lot of
5 bigger problems in how we evaluate scoring. And I think
6 that as a staff and as a Board we have to uphold
7 especially the scoring items that people need to know that
8 there's reliability and dependability, that when we all
9 look at the same census tract and we say, yeah, that did
10 score really well in the tiebreaker but it's got a river
11 running between that and the second quartile census tract,
12 we all know not to go there and we all move on to another
13 development site, and that's what we're all doing.

14 And I know that the City of Granbury has a lot
15 of great attributes, I've been there, visited, I think
16 it's a really nice place. The City of Ennis is also a
17 really nice place and everyone in Region 3 Rural needs
18 affordable housing, and I think that in the integrity of
19 the scoring items, we need to really stick to what a
20 physical barrier is, what a score is, and we need to be
21 able to rely on that and not have people come up and
22 decide that a river is now a lake and it's not a physical
23 barrier because of some sort of classification from a
24 river authority.

25 Thank you.

1 MR. GOODWIN: Thank you.

2 MS. THOMASON: Mr. Chair.

3 MR. GOODWIN: Yes.

4 MS. THOMASON: I'd like to make a motion.

5 MR. GOODWIN: Okay. I'd like to make a motion
6 to approve staff's recommendation and deny the appeal.

7 MR. BRADEN: I think we already have a motion.

8 MR. GOODWIN: We already have that motion when
9 we did the motion for comments.

10 MS. THOMASON: Oh, okay.

11 MR. GOODWIN: I think this comes down to the
12 Board making a decision whether or not this river is a
13 barrier or not, and in the sense of time, I would just
14 encourage you to keep your comments as short as you could
15 and address them strictly to that point. I think
16 everybody here is ready to make a decision.

17 MAYOR HULETT: It sounds like, Chair. Thank
18 you, Chair, and thank you, staff, for allowing me to
19 speak. I'm Nin Hulett, the mayor of Granbury, and I am
20 very proud of the City of Granbury, and I never really
21 recognized it as a river because it became a lake back in
22 the early '70s, we have a dam and it's dammed up, we put
23 several bridges there, so it has accessibility to all
24 these different places.

25 As a matter of fact, where this property is

1 that we're talking about, I drive by that every day going
2 to city hall, pick my laundry up there. There's so many
3 things right there and I have never really thought about
4 that as a barrier of any kind. This piece of property
5 there, I've had people come to me and ask me when are we
6 going to put something in here. It's surrounded by a
7 community there that has an HOA that's pretty active, and
8 they want something there because the grass grows up,
9 feral cats go in there, trash blows in there, and it's
10 just a field right in the middle of this area here that
11 really needs something in there, and affordable housing is
12 exactly what it needs right in that area there.

13 So to me there is no barrier there. The lake
14 is a lake, we call it Lake Granbury, and since they have
15 dammed it up there has been multiple homes, there's been
16 multiple businesses, our conference center, our hotel is
17 on there, and it all ties right into where this area is
18 at. You go from the downtown to that area, you don't even
19 cross the river. When you get into town you cross the
20 river, when you go out of town you cross the river, but
21 it's very little bridge and it's an accessible bridge that
22 everybody crosses and they look at it that way. The boats
23 go under the bridge. I mean, you have accessibility by
24 boat to all these areas also.

25 I mean, a barrier is something, to me, where

1 you have to spend some time to get around or spend extra
2 time. Actually, when they created these bridges, it
3 reduced the time going across the river when it was a
4 river. They demo'd the bridge that was there, put a nice
5 bridge across there, and put an additional bridge across
6 there, so it has made it accessible. And this area, like
7 the city manager pointed out, is basically in the middle
8 of the city boundaries now and it sits right in there, and
9 that's where everybody goes, that's where everybody is at
10 all the time and where the stores and shops and stuff are.

11 So I'd love to stand up here and invite
12 everybody to come to Granbury and spend money and spend my
13 three minutes doing that, but I will tell you that if
14 anybody has any doubt about that being a barrier, I'd
15 invite them come out and walk around Granbury with me
16 because it's definitely not a barrier there. And I would
17 love to see this project go forward because we are in need
18 of some homes and some housing there.

19 So once again, thank you for your time and I
20 hope you will consider that.

21 MR. GOODWIN: Thank you, Mr. Mayor. This won't
22 be an indictment against a vote one way or the other on
23 Granbury.

24 MAYOR HULETT: You can still come and visit and
25 spend money.

1 MR. GOODWIN: It's about a scoring item.

2 MAYOR HULETT: I know, I know.

3 MR. GOODWIN: We have a set of rules that says
4 here's how we score.

5 MAYOR HULETT: It's hard to talk about Granbury
6 without bragging.

7 MR. GOODWIN: I understand. I've spent a
8 little time in Granbury, so I'm very fond of it.

9 MAYOR HULETT: Thank you.

10 MR. McDONALD: I promise to be brief. My name
11 is James McDonald. I represent the developer, JMZ
12 Albatros.

13 As many developers in this room, I don't home
14 in this great state, but we do a lot of business in this
15 great state, and over the years we come and work within
16 this state is because you do have a good set of rules. I
17 will commend you for that. There's a lot of other states
18 that do not have a good set of rules. We formed a
19 partnership with Granbury last year, and they've been
20 wonderful to work with, and we all know what those
21 partnerships are like, they are few and far between, to be
22 true.

23 When I first looked at this site, it's zoned,
24 correct. It is an area that needs rehabilitation, it's
25 walking distance to the schools, it's all those boxes that

1 say, hey, this is a great place to invest tax credits and
2 provide good affordable housing. When I first looked at
3 the river, the only way to get to this site from the
4 direction we come in is crossing a bridge, it's a small
5 bridge, it is a pedestrian accessible bridge, there's a
6 bike trail. So when I crossed that river, I didn't dream
7 it was a barrier. And again, doing this you get excited
8 when you start looking at sites, when you start working
9 with communities that truly understand what we do within
10 the State of Texas in providing affordable housing.

11 And so what I find -- and I'm kind of old
12 school, I'm kind of not in the Millennial age, I'm kind of
13 a little older than that, but you know, common sense to me
14 would dictate when you drive across a bridge that's an
15 accessible bridge, you see bikes, you see people walking
16 the bridge, it's very short, there is no barrier across
17 this river. And I would like to compare it again today --
18 granted, it's under a different pretext, but the precedent
19 was set that there was a major highway with an underpass.

20 I didn't ask the speed limit, I didn't ask if it was
21 accessible for pedestrians or not, but ours is.

22 And as the mayor and the city manager both
23 stipulated this morning, we've formed a very good
24 partnership with the city and they understand their need
25 and they truly need affordable housing in this region. So

1 I'd ask you to please consider this, though it's a little
2 bit out of the box but it's maybe something that we need
3 to truly look at.

4 Thank you very much.

5 MR. GOODWIN: Thank you.

6 MS. WATSON: I'll be brief as well. Sandy
7 Watson with JMZ Albatross Development.

8 I'm just going to read the letter from the
9 state representative, Mike Lang, District 60.

10 "Dear Mr. Cervantes: As the state
11 representative for Hood County, I would like to express my
12 support in favor of the Texas Department of Housing and
13 Community Affairs determining that the Brazos River does
14 not constitute a barrier or impede movement between census
15 tract 48221160100 and census tract 48221160209.

16 "The rural community of Granbury operates
17 cohesively and as a unified community with consistent flow
18 by means of vehicle, as well as cycling and a pedestrian
19 lane. Granbury has one high school and the students
20 living in the adjacent census tract do not face any
21 barriers with parents and school buses transporting the
22 students. I am personally a resident of Granbury and it
23 operates as a united community.

24 "The 48 units that are proposed are greatly
25 needed for the families of Granbury. I encourage Chairman

1 Goodwin, as well as the TDHCA Board, to evaluate the
2 totality of the community and conclude that Lake Granbury
3 is not a barrier, and therefore, worth the points in
4 question to Lakewood Crossing.

5 "Thank you for your consideration.

6 "Respectfully, Mike Lang."

7 MR. GOODWIN: Thank you.

8 MS. WATSON: Thank you.

9 MR. GOODWIN: Any questions?

10 (No response.)

11 MR. GOODWIN: We have a motion on the floor and
12 a second. No further discussion. All those in favor say
13 aye.

14 (A chorus of ayes: Chair Goodwin, Members
15 Bingham, Braden, Reséndiz, and Thomason.)

16 MR. GOODWIN: Opposed?

17 MR. VASQUEZ: Can we count one abstention?

18 MR. GOODWIN: And one abstention.

19 So we're moving on to item (i). Okay, Sharon.

20 MS. GAMBLE: I would say I'm going to be brief,
21 but I don't know if this is going to be very brief.

22 7(i) is a report of third party requests for
23 administrative deficiency under the QAP that were received
24 prior to the deadline. Staff reviewed all the requests
25 and where staff determined that requests substantiated an

1 issuance of a notice of administrative deficiency the
2 applicant was provided an opportunity to respond to the
3 request. While we're recommending that an RFAD result in
4 the loss of points or other action, the applicants will be
5 sent a notification and have the opportunity to appeal
6 staff's determination. We'll also provide notice of the
7 result of the request to the requester.

8 This Board item is limited to a report on the
9 requests received and how staff has resolved just the
10 RFAD, not anything that might come from it. There's no
11 formal appeals here by the requester, but any party can
12 come up and make public comment. The Board can direct
13 staff to reconsider any issues that are taken up in this
14 response to any RFAD, or may accept the report as
15 presented.

16 I'll note that 19189 Lakewood Crossing, and
17 19304 Prince Hall are listed on this agenda because we did
18 receive RFADs for them, however, neither of those will be
19 discussed at this time. We just heard the appeal for
20 19189 Lakewood Crossing, and the Prince Hall issues will
21 be discussed at a future meeting.

22 So to do this, if you'd like I can just read
23 off the number and if someone wants to comment on that,
24 then we'll go through, but if no one wants to comment,
25 then we can just go to the next one. That way we can kind

1 of keep moving.

2 MR. GOODWIN: Okay.

3 MS. GAMBLE: Does that work?

4 MR. GOODWIN: Yes, ma'am.

5 MS. GAMBLE: The first one would be 19013 Our
6 Lady of Charity Apartments. Anyone want to make comment?
7 We do have someone here to make comment on that one.

8 MR. GOODWIN: Okay.

9 MS. GAMBLE: The request asked the Department
10 to review the application to determine whether the
11 application is eligible to receive points related to unit
12 sizes. Per the request, ten unit types failed to meet the
13 new construction threshold for scoring and three unit
14 types failed to meet it for threshold. Staff determined
15 that an administrative deficiency was necessary.

16 In response to the notice, the applicant
17 provided documentation from the project architect
18 explaining that the square footage was measured from the
19 load-bearing masonry walls and not to the outside of the
20 stud, as is required by the rule. Using the load-bearing
21 brick masonry, i.e., the exterior wall, as a measuring
22 point for the net rental area would necessarily include
23 the area within the walls which is excluded by the
24 definition of net rentable area. On two of the units in
25 the response they've submitted new plans that moved the

1 wall to meet the requirements.

2 Staff determined that the square footage of the
3 units does not meet threshold or scoring requirements.
4 The application will not be awarded the requested six
5 points for size of units, and consequently, will not be
6 awarded the requested six points for pre-application
7 participation. Because the application did not meet the
8 threshold requirements for unit sizes, the application
9 will be terminated, and again, the applicant will have the
10 opportunity to appeal this determination.

11 I can answer any questions if you have them.

12 MR. GOODWIN: Any questions?

13 (No response.)

14 MR. GOODWIN: You wanted to speak to that?

15 MR. WILSON: Thank you. Ryan Wilson with
16 Franklin Development.

17 We didn't know we would have an opportunity to
18 kind of speak on this, we thought this was just a report
19 being presented, but I do want to mention that we do
20 believe this is a technical issue. And we want to bring
21 up this project, as you heard from me before, as an
22 adaptive reuse of an old convent, so some of these walls
23 and how we're defining the walls that Sharon is referring
24 to, we don't really call them walls, they're fur outs and
25 very common with what we're doing with adaptive reuse. So

1 while we don't necessarily agree with staff's
2 recommendation, we'd like to come at a later time to
3 present some detailed information to you folks to make a
4 different determination.

5 MR. GOODWIN: You have the right to appeal
6 this.

7 MR. WILSON: I did believe so. Is that
8 correct?

9 MR. ECCLES: To be abundantly clear, this is a
10 report item only. This Board is not going to vote to
11 terminate anybody's application or to decrease points or
12 to do anything. All of that will follow its appeal route
13 that's the same as anything that would be like that. So
14 you have process remaining and I'm sure these arguments
15 will come back before this Board at the next meeting.

16 MR. WILSON: Sorry to waste the time, I just
17 wanted to make sure I had an opportunity.

18 MR. ECCLES: Not at all. I just want to be
19 clear to everybody.

20 MR. WILSON: Thank you much.

21 MR. GOODWIN: And that is true of all of these
22 that we're going to read from the list.

23 Sharon.

24 MS. GAMBLE: So the next one is 19063
25 Residences at Lake Waco. Any comment on that one?

1 (No response.)

2 MS. GAMBLE: Okay. We'll move on. The next
3 one is 19079 Provision at Patriot Parkway. No comment on
4 that one?

5 MR. GOODWIN: Everybody has a copy of the
6 agenda, and in the brevity of time, is there somebody
7 that's going to speak to one, why don't you stand up and
8 tell us what number.

9 SPEAKER FROM AUDIENCE: 19307.

10 MR. GOODWIN: 19307. Any other number?

11 SPEAKER FROM AUDIENCE: 19244 and 19250.

12 MR. GOODWIN: Okay. So we have three. Any
13 other number?

14 SPEAKER FROM AUDIENCE: 19315 and 19319.

15 MR. GOODWIN: Okay. If those of you that want
16 to speak to those would move up to the front.

17 So we'll assume that 19100, 19189 that was
18 pulled, 19225, -266, -277, -301 and -365 are without
19 objection -- or without comment -- I'm sorry -- not
20 objection.

21 So now we'll talk about 19244.

22 MS. GAMBLE: Yes. The request asked the
23 Department to review the application to determine to
24 determine whether the application is eligible for five
25 points under underserved area and whether the applicant

1 properly notified a newly elected county commissioner
2 sworn in on January 1, 2019.

3 Staff determined that an administrative
4 deficiency was appropriate, and in response to the
5 deficiency notice, the applicant revised its requested
6 points for underserved area from five to three, so that
7 issue is resolved. Regarding the notification, the
8 applicant states that the applicant listed the incumbent
9 commissioner in error but confirmed that the elected
10 commissioner's office received the notification.

11 Staff confirmed that the applicant is eligible
12 for the three points related to underserved area; staff
13 does not believe that the applicant correctly notified the
14 elected member in office at the time the pre-application
15 was submitted, as is required by the rule. Because the
16 application did not meet the threshold requirement for
17 notifications, the application will be terminated. The
18 applicant will have the opportunity to appeal the
19 determination.

20 MR. BUMP: Good afternoon. My name is Casey
21 Bump, president of Bonner Carrington.

22 And I would just like to ask for the Board to
23 ask staff to revisit this particular item. In the
24 application there was the name of the prior commissioner
25 on the notice, it said name of the commissioner or current

1 leader/commissioner of Precinct 2. It was sent out on
2 January 9. The new commissioner was in the same office,
3 confirmed they received the same notification, they were
4 notified. I just would like to see if you could give
5 staff direction so that we don't have to go through a
6 longer process at a Board meeting because the notification
7 was given and confirmed by the current new commissioner
8 that they received that notice.

9 We disclosed all of this in the application, in
10 the full application, notified staff. We just re-noticed
11 as a courtesy, at the direction of staff.

12 Thank you.

13 MR. GOODWIN: Okay. Anybody want to take that
14 up at this point so we can address this? Anybody have a
15 desire to redirect staff as requested?

16 (No response.)

17 MR. GOODWIN: No. Okay. Well, we'll move on.
18 19250.

19 MS. GAMBLE: The request asked the Department
20 to review the application to determine whether the
21 applicant provided evidence of an easement leasehold or
22 similar documented access, along with evidence that the
23 fee title owner of the property agrees that the land use
24 extension agreement may extend to the access easement.
25 The request also states that costs for such were not

1 included in the application.

2 We sent an administrative deficiency. In
3 response to it the applicant stated that the purchase
4 agreement included a provision for the seller to provide
5 access to the right of way via an easement or similar
6 documented access. According to the applicant, the seller
7 and the applicant plan to document the various agreements
8 at closing for the entry which may include the requirement
9 for the entry to be covered by the LURA. The applicant
10 also provided an amendment to the contract. The applicant
11 also states that costs for the easement is included in the
12 site work paving costs and the applicant would reclassify
13 those costs should the Department require it.

14 Staff believes that the application provided
15 for the access easements in the section of the purchase
16 contract titled "Description of the property." Staff does
17 not believe that the contract language provides clear
18 evidence of the seller's agreement to have the LURA extend
19 to the easement. The contract amendment submitted in the
20 deficiency response is dated May 10, 2019, so it did not
21 exist at the time the application was submitted.

22 Because the application did not meet the
23 threshold requirement for site control, the application
24 will be terminated and the applicant will have the
25 opportunity to appeal. Staff will contact the applicant

1 regarding reclassification of site work costs should staff
2 determine there is a need to do so.

3 MR. BUMP: Good afternoon. Casey Bump with
4 Bonner Carrington.

5 I'd just request that in light of other items
6 that I've seen in other applications where items like this
7 are handled as an administrative deficiency, I'd like you
8 to ask staff if they could look at it from that
9 perspective, but that's it for the time being. Thank you.

10 MR. GOODWIN: Is there an inclination from any
11 Board member to request staff to look at this?

12 (No response.)

13 MR. GOODWIN: Hearing none, we'll move on to
14 19307.

15 MR. COMBS: Ryan Combs with Gardner Capital.

16 I did not submit that against him but I do have
17 an application that's below his, and so it doesn't help me
18 to try to help him today, but I do think that it is
19 important as we're talking about setting precedent there
20 are things in applications that are material and there are
21 things that are administrative. And the basis of the rule
22 in this particular instance that Casey is dealing with is
23 does he have access to his site. He had that in his site
24 control document. And so if there's additional language
25 that the rules allow for people to clarify or correct

1 things, and the basis of the rule is do you have access to
2 the site.

3 So I think it's a dangerous precedent to say:
4 Hey, you didn't have exactly what we wanted that we were
5 looking for in the application and so we're just going to
6 throw everything out. And so I actually support Casey's
7 effort just because of the precedent it sets.

8 MR. GOODWIN: Thank you.

9 In light of those comments, in change in Board
10 members of making a motion?

11 (No response.)

12 MR. GOODWIN: Okay. We'll move on to 19307.

13 MS. GAMBLE: The request asked the Department
14 to review the application to determine whether the
15 applicant should have to disclose the development's
16 proximity to a high voltage transmission line.

17 Staff sent an administrative deficiency, and in
18 response the applicant stated that the developer was aware
19 of the electrical substation and transmission towers
20 adjacent to the development's western boundary but was not
21 sure whether the transmission lines were high voltage.
22 The applicant admits that per the site plans the buildings
23 were 15 feet too close to the lines and provided a revised
24 site plan that provides the appropriate distance between
25 applicable development features in the lines.

1 Staff reviewed the response and determined that
2 the application did not properly disclose the proximity of
3 the development site to high voltage power lines. Because
4 the application did not meet the threshold requirement for
5 disclosure, the application will be terminated and the
6 applicant will have the opportunity to appeal.

7 MR. GOODWIN: Okay.

8 MR. KELLY: Nathan Kelly with Blazer. Chairman
9 Goodwin and members of the Board, thank you for your time.

10 I'm here to speak on the item that Sharon just
11 referenced.

12 Our application is in Region 6. We were the
13 only development submitted in Houston City Council
14 District G, while there are other council districts that
15 have numerous application awards, some within close
16 proximity to one another, and if staff's determination is
17 upheld, this issue is going to be further exacerbated.

18 Region 6 includes readiness to proceed
19 requirements and because of that time is obviously of the
20 essence. Design and engineering dollars are being spent
21 much earlier in the process than in other regions in order
22 to meet the closing deadline for November 2019.

23 In the RFAD the requester called the distance
24 of our buildings to the 100-foot setback to the high
25 voltage transmission lines as noted in 11.101(a)(2)(D)

1 dealing with undesirable site features. The purpose of
2 this QAP provision really is to ensure that development
3 sites are located far enough from specific items, and item
4 (D) specifically deals with being 100 feet from the
5 nearest transmission line or structural element of a high
6 voltage facility. It's important to note that this is the
7 only provision, other than airplane crash zones, that
8 calls for buildings to be a certain distance away from an
9 undesirable site feature rather than a development site
10 overall.

11 It's important to note that when an undesirable
12 site feature is disclosed, the QAP allows applicants to
13 present mitigating factors for consideration as to why the
14 project should be eligible despite being within prohibited
15 distance, and the rule's purpose is to provide a framework
16 to try and work through site issues that exist when
17 there's no way to meet the distance requirements.

18 We laid out our site with a four-story
19 building, connected corridor design, which allowed us to
20 locate it in the center of the site. That was done to
21 ensure a significant buffer from the nearby power lines
22 and adjacent substation, and our intentions were to far
23 exceed national, state and local setback requirements from
24 any lines, high voltage or not. Submission of these
25 applications comes together quickly, we combed through all

1 the architectural plans and feasibility reports, compiled
2 the application in the days leading up to the deadline and
3 believed our building to be in compliance. That was our
4 intent.

5 When the lines and towers were ultimately
6 surveyed, we realized we were 15 feet too close. We
7 simply shifted the building to accommodate the distance
8 requirements. Nothing else changed, the number of units,
9 parking spaces, amenities, nothing else changed rather
10 than the building being shifted 15 feet and a recreational
11 area being changed as well. The change in the development
12 site plan, as Sharon pointed out, puts us into compliance
13 with 11.101(a)(2)(D) and keeps the buildings and
14 recreation areas out of the required distance.

15 And the point of this provision overall,
16 obviously, as we've talked about earlier today, is not to
17 act as a gotcha on these costly and onerous applications.

18 And so overall the change is immaterial, it remedies the
19 issue that the undesirable seeks to control since none of
20 the buildings or recreational areas are located within the
21 100-foot setback. The change is a minor type of change
22 that if it was made post-award that it would be handled by
23 staff internally, not through this type of a process.

24 And so given the critical timing associated
25 with readiness requirements, I would respectfully ask the

1 Board to take action today to oppose staff's
2 recommendation of termination and direct staff to accept
3 the revised site plan that we submitted addressing the
4 setback issue and let it be resolved through the
5 administrative deficiency process. And I appreciate your
6 consideration.

7 MR. GOODWIN: All right. Any inclination by a
8 Board member to ask staff to review this as opposed to
9 take staff's recommendation?

10 MR. BRADEN: For clarification, this is not
11 posted for action. Right? The Board can't take any
12 action with respect to this.

13 MR. GOODWIN: No. This is a report item.

14 MR. ECCLES: It's a report item. The most that
15 the rule would allow would be if the Board believes that
16 staff's conclusion should be revisited and they remand the
17 RFAD to staff for further consideration. So it's not that
18 you're taking action and saying this is dismissed, it's
19 remanding it to staff for reconsideration.

20 MR. BRADEN: And if we don't do anything, it's
21 still going to go through the appeal process and they can
22 bring it back up.

23 MR. ECCLES: That is correct.

24 MR. GOODWIN: Okay. Hearing no motion, we'll
25 move to 19315.

1 MS. GAMBLE: The request asked the Department
2 to review the application to determine whether the
3 applicant had appropriate site control and whether the
4 applicant provided the correct market study.

5 Staff previously identified the issue with site
6 control documentation and had sent a deficiency notice.
7 The applicant timely provided evidence of unbroken control
8 of the development site. Staff determined that as a
9 result of a mistake made by Department staff, the
10 incorrect market study had been posted to the Department's
11 website. The applicant had timely submitted the correct
12 market study for the application and the correct report
13 has been now posted to the Department's website.

14 Staff considers no further action is required
15 on this request.

16 MR. GOODWIN: And you're recommending that we
17 proceed?

18 MS. GAMBLE: Yes.

19 MR. GOODWIN: Somebody wanted to comment on
20 this one, assuming a competitor?

21 MS. SCHWIMMER: Good afternoon, Chairman and
22 the Board. My name is Kim Schwimmer, and I'm a Texas
23 certified HUB and participant in several applications in
24 this same region.

25 What I'm here to talk about is not the market

1 study but the site control documents, and I'm going to be
2 asking the Board to direct the staff to reconsider this
3 decision and review it again. You have to look at the
4 dates of some of these documents that were submitted.

5 So if we start with the pre-application, there
6 were two separate option contracts that were submitted
7 with two separate landowners. The effective date of the
8 option contracts were November 7 and they expired, both of
9 them, January 15, 2019 or December 1, 2018 if city council
10 approves a resolution of support. The City of Kennedale
11 approved a resolution of support on December 21, 2018, so
12 those option contracts would have expired.

13 The full application did not include the
14 purchase agreements for those option contracts. The
15 applicant subsequently provided purchase agreements after
16 the fact, I believe after they got an administrative
17 deficiency from staff. The dates of those purchase
18 agreements with the landowners are effective December 28,
19 '19. So there's clearly a gap in site control between the
20 dates that the option contracts expired and the purchase
21 agreements were effective. So to me, the applicant did
22 not have proper site control, and we respectfully ask that
23 you reconsider, that staff reconsiders this.

24 MR. GOODWIN: Yes, ma'am.

25 MS. BINGHAM ESCAREÑO: I would so instruct

1 staff.

2 MR. GOODWIN: Okay. A motion has been made to
3 instruct staff on this application.

4 Second?

5 MS. RESÉNDIZ: Second.

6 MR. GOODWIN: Okay. Any discussion?

7 (No response.)

8 MR. GOODWIN: All those in favor say aye.

9 (A chorus of ayes.)

10 MR. GOODWIN: Opposed?

11 (No response.)

12 MR. GOODWIN: Okay. 19319.

13 MS. GAMBLE: The request asked the Department
14 to review the application to determine whether the
15 applicant had appropriate site control. Staff determined
16 that an administrative deficiency was appropriate. The
17 application did not include conclusive site control
18 documents. Upon review, staff would have sent the
19 applicant a deficiency notice requesting the clarifying
20 documents, as was done here.

21 Staff reviewed the information submitted in
22 response to the deficiency notice and determined that the
23 response provided evidence that the applicant had
24 appropriate site control at the time of application
25 submission. Staff determined that the response

1 sufficiently resolved the deficiency and we're not
2 requesting any further action.

3 MR. GOODWIN: Okay.

4 MS. SCHWIMMER: Hi. Kim Schwimmer again. I
5 apologize, I didn't sign my name before.

6 Very similar situation to the case I was just
7 describing. In this instance, the full application did
8 not include any documentation or any evidence of site
9 control. It also didn't include a title commitment.

10 If you go to page 117 of the full application,
11 there's a cover page for site control, page 118 of the
12 full application has a cover page for a title commitment,
13 and then page 119 is a cover page for increase in eligible
14 basis. There's no evidence within the full application of
15 any kind of site control documents.

16 I realize the applicant submitted something
17 after the fact, but to try to be consistent with the rules
18 and apply what's been submitted at full application,
19 you're basically allowing somebody to amend it after the
20 fact.

21 And so I'm respectfully asking the Board to ask
22 staff to review this and reconsider their decision. This
23 is not appropriate site control.

24 MS. BINGHAM ESCAREÑO: And, Kim, you did not
25 see after the fact the documents that were submitted and

1 whether or not the dates were --

2 MS. SCHWIMMER: I did see those documents,
3 however, the fact that they weren't in the full
4 application at all, I mean, to me that's sloppy work.
5 Developers work very, very hard to follow the rules,
6 submit all the applications. What if architectural
7 drawings weren't included, would you allow those to be
8 submitted after the fact? So to me, this isn't sufficient
9 site control and should be reviewed again.

10 MS. BINGHAM ESCAREÑO: The only reason I'm
11 asking is I feel like the last one the intent was that
12 maybe if the staff took another look at the documents that
13 you're observing that the dates may not even be acceptable
14 on the documents after the fact. But you're not really
15 saying that. This time it's more form.

16 MS. SCHWIMMER: Correct. In this case I'm not
17 questioning the dates on anything.

18 MS. BINGHAM ESCAREÑO: I don't really need to
19 on this.

20 MR. GOODWIN: Okay. Thank you.

21 I think, Sharon, that concludes your report, so
22 we'll have a motion to accept 7(i) with the
23 recommendations on all applications as delivered by staff
24 other than application 19315.

25 MS. THOMASON: So moved.

1 MR. ECCLES: To be clear, that's not
2 recommendations on any applications, that's merely the
3 handling of the RFADs to this point, and on the motion
4 that was taken, it's actually just Board's remanding to
5 staff of 19315 for its consideration. It's not an
6 instruction even to staff to do anything different.

7 MR. GOODWIN: So an appropriate motion would be
8 to accept Sharon's report 7(i).

9 MR. ECCLES: Yes.

10 MS. THOMASON: Motion to approve Sharon's
11 report.

12 MR. GOODWIN: Second?

13 MS. RESÉNDIZ: Second.

14 MR. GOODWIN: All those in favor say aye.

15 (A chorus of ayes.)

16 MR. GOODWIN: Opposed?

17 (No response.)

18 MR. GOODWIN: Thank you, Sharon.

19 We're at a point in our agenda where we'll take
20 public comment for anybody that's brave enough to extend
21 the meeting.

22 (General laughter.)

23 MR. GOODWIN: Okay. Hearing no public comment,
24 we will accept a motion to adjourn.

25 MS. BINGHAM ESCAREÑO: So moved.

1 MR. GOODWIN: Second?

2 MR. VASQUEZ: Second.

3 MR. GOODWIN: All in favor?

4 (A chorus of ayes.)

5 MR. GOODWIN: We are adjourned.

6 (Whereupon, at 12:56 p.m., the meeting was
7 adjourned.)

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C E R T I F I C A T E

MEETING OF: TDHCA Board

LOCATION: Austin, Texas

DATE: May 23, 2019

I do hereby certify that the foregoing pages, numbers 1 through 217, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

DATE: May 29, 2019

(Transcriber)

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