



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1032

Agenda Date: 6/12/2025

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment for Sunset Ridge formerly Green Manor Apartments (HTC #24261)

RECOMMENDED ACTION

WHEREAS, Sunset Ridge (Development) received an award of 9% Housing Tax Credits (HTCs) in 2024 for the new construction of 36 multifamily units for the general population in Burnet, Burnet County;

WHEREAS, the HTC Application received two points for agreeing to include a certified Historically Underutilized Business (HUB) in the ownership structure of the General Partner and materially participating in the development and operation of the Development throughout the Compliance Period;

WHEREAS, due to challenges encountered in renewing the HUB certification with the Texas Comptroller, HVM 2024 PT Burnet, LLC (the Applicant) is requesting the removal of the two points previously awarded for the participation of HVM Housing LLC, the proposed HUB, in the Application;

WHEREAS, the ownership structure or involvement of HVM Housing LLC is not changing, and HVM Housing LLC will continue to serve as the Managing Member but not as a HUB; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment for Sunset Ridge is approved as presented to this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Sunset Ridge originally Green Manor Apartments was approved for a 9% HTC award in 2024 for the construction of 36 units, all of which are designated as low-income units, of multifamily housing for the general population in Burnet, Burnet County. The HTC Application for the Development received two points because the Development was structured to include a Historically Underutilized Business (HUB) in the ownership structure that would have some

combination of ownership interest in the General Partner of the Owner, cash flow from operations, and Developer Fee. The HUB is also required to materially participate in the development and operation of the Development throughout the Compliance Period.

In a letter dated April 25, 2025, Carol Hoover, Managing Member of HVM Housing LLC, the originally proposed HUB, and representative for the Development Owner, requested approval for the removal of the two points previously awarded for the participation of a HUB in their application.

The Owner indicated that they encountered challenges in renewing their HUB certification with the Texas Comptroller. Because all but one of the women members of the HUB are also employed by the related party management company, the Comptroller has raised a potential conflict of interest. The Applicant is currently addressing this concern and actively reapplying for certification.

There is no change in the ownership structure or involvement of HVM Housing LLC as it will still serve as the Managing Member but not as a HUB. There are no new members being added. The Applicant indicated that the syndicator has advised them that they cannot proceed with closing until this matter is resolved.

Staff confirmed that the loss of the Sponsor Characteristics points would not have affected the award because there was no other Application that would have scored higher in Rural Region 7. The requested change does not materially alter the Development in a negative manner or impact the viability of the transaction.

Staff recommends approval of the material amendment as presented herein.

**HVM 2024 BURNET, LLC
PO BOX 190
BURNET, TX.78611**

April 25, 2025

To: Texas Department of Housing and Community Affairs

RE: Sunset Ridge (formerly Green Manor)
TDHCA #24261

Amendment Request – HUB Points

We respectfully request the removal of the two points previously awarded for the participation of a Historically Underutilized Business (HUB) in our application.

Sunset Ridge was awarded 9% housing tax credits in 2024 and received two points based on the inclusion of HVM Housing LLC, a certified HUB, as the Managing Member. However, we have encountered challenges in renewing our HUB certification with the Texas Comptroller. Because all but one of the women members of the HUB are also employed by our management company, the Comptroller has raised a potential conflict of interest. We are currently addressing this concern and actively reapplying for certification. We fully expect to be recertified in the near future.

Since two other applicants in Rural Region 7 have withdrawn, Sunset Ridge remains the only application in the region. Therefore, the removal of these two points will not impact our award status.

Importantly, we are not changing the structure or involvement of our HUB. HVM Housing LLC will continue to serve as the Managing Member, and no new members are being added. Our organizational chart remains unchanged.

Our syndicator has advised that we cannot proceed with closing until this matter is resolved.

We respectfully request your approval of this amendment.

Sincerely,
Carol Hoover
Managing Member
HVM Housing LLC