

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING**

**A G E N D A
9:00 AM
DECEMBER 12, 2019**

**Texas Capitol Extension, E2.026
1100 Congress Ave
Austin, Texas 78701**

CALL TO ORDER

ROLL CALL

J.B. Goodwin, Chair

CERTIFICATION OF QUORUM

Pledge of Allegiance - I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Texas Allegiance - Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

Resolution Commemorating and Recognizing December 21, 2019, as Homeless Persons' Memorial Day in Texas

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Tex. Gov't Code, Texas Open Meetings Act. Action may be taken on any item on this agenda, regardless of how designated.

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

EXECUTIVE

- a) Presentation, discussion, and possible action on Board meeting minutes summary for September 5, 2019

J. Beau Eccles
General Counsel

ASSET MANAGEMENT

- b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application
- | | | |
|-------|--------------------------------|-------------|
| 95093 | Paseo Plaza Apartments | Brownsville |
| 17390 | Las Palomas | McAllen |
| 17445 | Nightingale at Goodnight Ranch | Austin |
- c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement
- | | | |
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| 00078 | Cypress Ridge | Nacogdoches |
| 01166 | Churchill Place | La Porte |
| 02020 | Kings Row Apartments | Houston |
- d) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Multifamily Direct Loan Application
- | | | |
|---------------|----------------------------|---------|
| 12269/1001750 | Stonebridge of Kelsey Park | Lubbock |
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Rosalio Banuelos
Director of
Asset Management

- e) Presentation, discussion, and possible action regarding approval of a Multifamily Direct Loan subordination
1002050 Emma Finke Villas Beeville

COMPLIANCE

- f) Presentation, discussion, and possible action on a Dispute of the Compliance Division's assessment of the Applicant's compliance history to be reported to the Executive Award Review Advisory Committee regarding Fish Pond at Corpus Christi (19610)

Patricia Murphy
Director of Compliance

COMMUNITY AFFAIRS

- g) Presentation, discussion, and possible action on an increase in the annual expenditures for the use of the U.S. Citizenship and Immigration Services' Systematic Alien Verification for Entitlements program from \$8,000 to \$15,000 pursuant to Tex. Gov't Code §2155.088(b)(2)

Gavin Reid
Manager of
Planning and Training

HOME AND HOMELESSNESS PROGRAMS

- h) Presentation, discussion, and possible action on an amendment to the 2018 Emergency Solutions Grants Program Contract for Randy Sams' Outreach Shelter, Inc. and approval of a Contract Term for the City of Texarkana's Ending Homelessness Fund Contract

Abigail Versyp
Director of HOME and
Homelessness Programs

LEGAL

- i) Presentation, discussion, and possible action regarding the adoption of four Agreed Final Orders concerning properties owned by Center for Housing and Economic Opportunities Corporation, including Milam Creek Senior Village (HOME 1000555 / CMTS 4313), Milam Creek Senior Village II (HOME 1001214 / CMTS 4722), Alta Vista Village Retirement Community (HOME 531300 / CMTS 4006), and Floresville Senior Housing (HOME 1000969 / CMTS 4515)
- j) Presentation and Discussion on Report to Board regarding administrative penalties and initiation of a contested case hearing, and the adoption of an Agreed Final Order as a final settlement offer for Cottonwood and Westway Apartments (HTC 70111 / CMTS 2298)

Jeffrey T. Pender
Deputy General Counsel

BOND FINANCE

- k) Presentation, discussion, and possible action on Resolution No. 20-008 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds and containing other provisions relating to the subject

John Tomme
Senior Financial Analyst

MULTIFAMILY FINANCE

- l) Presentation, discussion, and possible action regarding a waiver of certain requirements in 10 TAC §13.11 for Sierra Royale Apartments (TCAP RF Contract #13150019503)
- m) Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2020-3 Multifamily Direct Loan Special Purpose Notice of Funding Availability

Andrew Sinnott
Multifamily Loans Program
Administrator

SECTION 811

- n) Presentation, discussion, and possible action authorizing the Department to submit an application for FY 2019 Project Rental Assistance of Section 811 Supportive Housing for Persons with Disabilities Notice of Funding Availability released by the U.S. Department of Housing and Urban Development, and if successfully awarded to operate such program

Spencer Duran
Section 811 Program
Manager

RULES

- o) Presentation, discussion, and possible action on the draft 2020 State of Texas Low Income Housing Plan and Annual Report; proposed repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; and directing their publication for public comment in the *Texas Register*
- p) Presentation, discussion, and possible action on an order proposing amendments to 10 TAC §8.7, Tenant Selection and Screening; an order proposing amendments to 10 TAC §23.61, Tenant-Based Rental Assistance (TBRA) General Requirements; and directing their publication in the *Texas Register*

Elizabeth Yevich
Director of Housing
Resource Center

Brooke Boston
Director of Programs

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) Outreach and Activities Report (Nov-Dec)
- b) Quarterly Report on Texas Homeownership Division Activity
- c) Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund
- d) Report of the 2021 and 2022 QAP Planning Process

Michael Lyttle
Director of
External Affairs

Cathy Gutierrez
Director of
Texas Homeownership

Ernie Palacios
Director of
Financial Administration

Marni Holloway
Director of
Multifamily Finance

ACTION ITEMS

ITEM 3: INTERNAL AUDIT

- a) Report on the meeting of the Internal Audit and Finance Committee
- b) Presentation, discussion, and possible approval of the Annual Internal Audit Plan for Fiscal Year 2020

Sharon Thomason
Chair of Audit and
Finance Committee

Mark Scott
Director of
Internal Audit

ITEM 4: OCI, HTF, AND NSP

- a) Presentation, discussion, and possible action on a proposed amendment to the 2020-2021 State Housing Trust Fund Biennial Plan and authorization for staff to submit the amended plan to all appropriate offices

Raul Gonzales
Director of
OCI, HTF, and NSP

ITEM 5: COMMUNITY AFFAIRS

- a) Presentation, discussion, and possible action on the Federal Fiscal Year 2020 Low Income Home Energy Assistance Program Community Energy Assistance Program award for Galveston County Community Action Council, Inc.
- b) Presentation, discussion, and possible action authorizing the Department to submit an application for Community Services Block Grant disaster supplemental funding in response to an action transmittal released by the U.S. Department of Health and Human Services, and if successfully awarded to administer such funds

Gavin Reid
Manager of Planning
and Training

ITEM 6: BOND FINANCE

- a) Presentation, discussion, and possible action regarding Resolution No. 20-009 authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 94, approving the form and substance of the program manual and the program summary, authorizing the execution of

John Tomme
Senior Financial Analyst

documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 94, and containing other provisions relating to the subject

ITEM 7: MULTIFAMILY FINANCE

Teresa Morales
Director of
Multifamily Bonds

- a) Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications
- | | | |
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| 19443 | Spanish Park | Arlington |
| 19473 | Flora Lofts | Dallas |
| 19470 | Jackie Robinson | El Paso |
| 19400 | Villas del San Xavier | San Marcos |
| 19467 | Auro Crossing | Austin ETJ |
- b) Presentation, discussion, and possible action on a waiver of 10 TAC §11.3 of the Qualified Allocation Plan related to Housing De-Concentration Factors for Austin Manor Apartment Homes (#19471) in the extraterritorial jurisdiction of Austin
- c) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits and an Award of Direct Loan Funds for The Walzem (#19468) in San Antonio ETJ

Marni Holloway
Director of
Multifamily Finance

- d) Presentation, discussion and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events
- | | | |
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| 17239 | Abbingtion Ranch | Boerne |
| 17736 | Providence at Ted Trout Drive | Hudson |
| 18376 | Lakeview Point Apartments | Garland |
| 17700 | The Terraces at Arboretum | Houston |
- e) Presentation, discussion, and possible action to adopt the 2020 Multifamily Programs Application Procedures Manual
- f) Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2020-1 Multifamily Direct Loan Annual Notice of Funding Availability
- g) Presentation, discussion, and possible action regarding awards of Direct Loan funds from the 2019-1 Multifamily Direct Loan Notice of Funding Availability
- | | | |
|-------|-------------------------|--------|
| 19053 | Laurel Creek Apartments | Austin |
| 19508 | Roosevelt Gardens | Austin |

Andrew Sinnott
Multifamily Loans Program
Administrator

ITEM 8: RULES

Andrew Sinnott
Multifamily Loans Program
Administrator

- a) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, and an order adopting the new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing both its publication in the *Texas Register* and adoption of its Substantial Amendment to the One Year Action Plan (OYAP)
- b) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC, Subchapter A, Administration, §1.7, Appeals Process; an order adopting new 10 TAC, Subchapter A, Administration, §1.7, Appeals Process; and directing that they be published in the *Texas Register*
- c) Presentation, discussion, and possible action on an order proposing new 10 TAC, Chapter 10, Subchapter G, Affirmative Marketing Requirements and Written Policies and Procedures, and directing its publication for public comment in the *Texas Register*
- d) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 6, Community Affairs Programs; an order adopting new 10 TAC Chapter 6, Community Affairs Programs; and directing that they be published for adoption in

Brooke Boston
Director of Programs

Gavin Reid
Manager of Planning
and Training

the *Texas Register*

- e) Presentation, discussion, and possible action on amendments to Title 10, Part 1, Chapter 10, Subchapter F of the Texas Administrative Code, in particular 10 TAC §10.602 Notice to Owners and Corrective Action Periods; §10.605 Elections under IRC §42(g); §10.607 Reporting Requirements; §10.609 Notices to the Department; §10.610 Written Policies and Procedures, §10.611 Determination, Documentation and Certification of Annual Income; §10.612 Tenant File Requirements; §10.613 Lease Requirements; §10.614 Utility Allowances; §10.615 Elections under IRC §42(g); Additional Income and Rent Restrictions for HTC, Exchange, and TCAP Developments; §10.616 Household Unit Transfer Requirements for All Programs; §10.617 Affirmative Marketing Requirements, §10.618 Onsite Monitoring; §10.622 Special Rules Regarding Rents and Rent Limit Violations; §10.623 Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period; §10.624 Compliance Requirements for Developments with 811 PRA Units; and Figure §10.625; and directing that they be published for public comment in the *Texas Register*
- f) Presentation, discussion, and possible action on an order approving the repeal of 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and an order adopting new 10 TAC Chapter 10 Subchapter E, Post Award and Asset Management Requirements, and directing their publication in the *Texas Register*

Patricia Murphy
Director of Compliance

Rosalio Banuelos
Director of
Asset Management

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public):

J.B. Goodwin
Chair

The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer;

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or

Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session.

ADJOURN

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact MeLissa Nemecek, ADA Responsible Employee, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made. Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado, al siguiente número 512-475-3814 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

THIS RESTRICTION IS APPLICABLE TO THE IDENTIFIED MEETING ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS