



2013 Competitive Housing Tax Credit (HTC) Challenges

The following tables constitute the staff determinations for 2013 Competitive Housing Tax Credit (HTC) challenges received the deadline of May 15, 2013 and all determinations made as of **June 21, 2013**. All challenges referenced herein were received and reviewed in accordance with §11.10 of the 2013 Qualified Allocation Plan (“QAP”). Representatives for each of the challenged applications was provided the opportunity to respond to the submitted challenge and staff has applied a “preponderance of the evidence” standard in its review and determination on each challenge.

Challenges received without the corresponding non-refundable challenge processing fee as described in §10.901 of the Uniform Multifamily Rules, are included on the following log as a matter of transparency. Challenges received without the corresponding fee were deemed to have not been submitted.

Each entry identifies the HTC development/application identification number (TDHCA ID#), the name of the development, city, region, fee status, and the name and organization of the challenger. A brief summary of the challenge has been included, followed by Department staff’s analysis of the challenge, and finally the resolution to the challenge. The Department has posted each challenge and supporting documentation received to its website which can be found at the following link: <http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm> .

Where a scoring adjustment or other staff action was required based on staff’s determinations, the applicants have already been notified of such action and have been provided the opportunity to appeal the staff determination. The Department’s Governing Board has final decision making authority on any of the issues reflected herein and thus these determinations are subject to change. However, a challenger may not formally appeal any staff determination.

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TDHCA ID#	13106	Development Name:	Playa Lake Apartments		
City:	Lubbock	Region:	1	Fee Received:	Yes
Challenger:	Ronette Hodges, Big Sky Plains LP				

Nature and Basis of Challenge: The challenger asserts that two (2) points should not be awarded under §11.9(d)(2) of the QAP, Input other than Quantifiable Community Participation. The challenger stated that the letter of support did not meet the requirements of the rule because it states general support of low-income housing and does not specifically identify the development.

The challenger also asserts that the development should not qualify for the additional one (1) point claimed under §11.9(d)(3) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG). The additional one point is reserved for applicants that have received a firm commitment of funding from an UGLG. The challenger claims that the resolution from the Lubbock Housing Finance Corporation conditions their award of funds on availability of such funds from the City of Lubbock and therefore is not sufficient for the Application to qualify for the additional point.

Analysis: The above referenced application has not been deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will address the challenge should the application become competitive in the region.

Resolution: No action at this time.

TDHCA ID#	13106	Development Name:	Playa Lake Apartments		
City:	Lubbock	Region:	1	Fee Received:	Yes
Challenger:	Brett Johnson, Overland Group, LLC				

Nature and Basis of Challenge: The challenger asserts that two (2) points should not be awarded under §11.9(d)(2) of the QAP, Input other than Quantifiable Community Participation. The challenger states that the letter of support did not meet the requirements of the rule because it states general support of low-income housing and does not specifically identify the development.

Analysis: The above referenced application has not been deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will address the challenge should the application become competitive in the region.

Resolution: No action at this time.

TDHCA ID#	13245	Development Name:	The Reserves at Sawgrass		
City:	Pampa	Region:	1	Fee Received:	Yes
Challenger:	Victoria Spicer, GS Plainview Housing LP				

Nature and Basis of Challenge: The challenger asserts that the Application does not qualify for the six (6) points selected under §11.9(d)(6)(c) of the QAP related to Community Revitalization Plan (CRP) for developments located in a rural area. The challenger argues that the “seal coating project” and the “inspection and repair of corroded and damaged water valves, piping, hydrants and meters” referenced in the letter from the Pampa Director of Public Works is a matter of preventative maintenance and not expansion of basic infrastructure.

The challenger is also questioning the validity of both letters used for a total of four (4) points (two points per letter) under §11.9(d)(2) of the QAP related to Community Input other than Quantifiable Community Participation. The challenge states that the first letter from the Panhandle Community Services was executed by an administrative assistant without the authority to sign on behalf of the entity. The challenge also states that the second letter from The Refuge should not be counted for points because the facility is located in Dumas and does not serve the city of Pampa.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is eligible for only four (4) of the six (6) points selected for CRP in a rural area. This was addressed in the supervisory application review as well. While the infrastructure project involving the upgrade to the fire hydrants and water pressure improvements qualifies for points, the seal coating of the road is considered maintenance and does not qualify. Regarding the letters of support submitted for Community Input other than QCP, staff found that three (3) letters were submitted in the Application. While one letter may be questionable because it is not on letterhead, the other two qualify for points.

Resolution: Staff issued a scoring notice to the Applicant which reflects the analysis above. No further action at this time.

TDHCA ID#	13247	Development Name:	Reserves at South Plains		
City:	Lubbock	Region:	1	Fee Received:	Yes
Challenger:	Tim Lang, Big Sky Plains, LP				

Nature and Basis of Challenge: The challenger asserts that the applicant for the Reserves at South Plains did not provide valid site control documentation as described in §10.204(9) of the Uniform Multifamily Rules. The challenger states that the development site is owned by Texico Conference Association of Seventh-Day Adventists, but the sales contract identifies Tigris Development, LLC as the seller of the land. The challenger claims that the Applicant does not demonstrate the ability to compel legal title to a developable interest in the Development site.

Analysis: Department staff identified this discrepancy during the application review, and requested, through the Administrative Deficiency process, that the applicant provide the sales contract between Texico Conference Association of Seventh Day Adventist and Tigris Development, LLC. Sufficient documentation was provided to clarify the site control issue.

Resolution: None at this time.

TDHCA ID#	13023	Development Name:	Patriot's Crossing		
City:	Dallas	Region:	3	Fee Received:	Yes
Challenger:	Kecia Boulware, AMTEX				

Nature and Basis of Challenge: The challenger asserts that the Application should not be eligible for points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government because the Application as originally submitted did not contain the required resolution to substantiate a commitment of funds from the City of Dallas. The challenger further asserts that the Applicant did not provide enough evidence that the funding amount needed for the points (\$2,250,000) was awarded by the City of Dallas. This, again, was based on the assertion that the Applicant did not include a required resolution with the Application. The challenge also states that the Applicant is not eligible for two (2) points under §11.9(d)(6) Community Revitalization Plan because no resolution was submitted with the Application.

Analysis: Staff reviewed the challenge as well as the Applicant's response. The Application did include a resolution from the City of Dallas indicating a funding award of \$4.4 million. However, the Application also indicated that this award was for a larger site and was prorated to an amount of \$1.9 million. This was confirmed with information in the originally submitted Application as well as a letter from the City of Dallas submitted as part of an Administrative Deficiency response. Staff determined that there is no inconsistency between the resolution and the supporting documentation. In addition, staff arranged, prior to March 1 and in coordination with the City, delivery of the resolution directly from the City of Dallas. The Application itself included a statement in the Application regarding the resolution having been passed but not yet available in hard copy from the City. The resolution was passed before the Full Application Delivery Date, was delivered to the Department before the deadline, and included each of the elements required by the rule. This resolution included information that was consistent with what was submitted in the original Application and confirmed eligibility for both the UGLG and CRP points.

Resolution: None at this time.

TDHCA ID#	13032	Development Name:	StoneLeaf at Eustace		
City:	Eustace	Region:	4	Fee Received:	Yes
Challenger:	Jay Collins, Rusk Pines LP				

Nature and Basis of Challenge: The challenger claims that the Application is not eligible for nine (9) points elected under §11.9(c)(2) of the QAP, related to Rent Levels of Tenants and should also be assessed a one (1) point penalty pursuant to §11.9(f)(1) of the QAP related to Point Deductions. The challenger states that the Application as originally submitted does not reflect the appropriate number of units restricted at 30% AMI in order to be eligible for the points.

Analysis: Staff has reviewed the challenge as well as the Applicant's response, and, in addition, noted the discrepancy during the initial application review. Staff issued an Administrative Deficiency, which was cured in a timely manner.

Resolution: No action at this time.

TDHCA ID#	13173	Development Name:	Canton Village Homes		
City:	Canton	Region:	4	Fee Received:	Yes
Challenger:	Lora Myrick, BETCO Consulting, LLC				

Nature and Basis of Challenge: The challenger asserts that the Application is not eligible for twelve (12) points under §11.9(d)(3) of the QAP, related to Commitment of Development Funding from a Unit of General Local Government (UGLG) or two (2) points under §11.9(d)(6) of the QAP related to Community Revitalization Plan (CRP) for developments located in a Rural Area. First, the challenge states that, because the development site was not located in the city limits of Canton at the time of Application submission, the Applicant should not have assumed that funding from the city’s economic development corporation (EDC) will be allowed as a substitute source of funding come the time of commitment.

Second, the challenger indicates that the new water line and storage tank, one of the two infrastructure projects submitted for CRP points, is not eligible because it was not approved by city council and was not completed within the required timeframe, namely between December 17, 2011 and December 17, 2013. The challenger points to the city’s letter which state that only a portion of the project will be completed by December 15, 2013 and to city council meeting minutes as evidence.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that, at the time of Application, the site was indeed located outside the city limits of Canton. Therefore, funding from the county would be considered an eligible source under the scoring item. Staff will also review commitments from UGLGs for all applications that claimed these points at the time of tax credit commitment to ensure compliance with the rules.

With respect to the CRP points, staff determined that, based on a resolution passed by the city as well as the letter submitted with the Application, that the water line and storage tank were both approved by city council and completed within the required timeframe.

Resolution: No action at this time.

TDHCA ID#	13053	Development Name:	Heritage Plaza		
City:	Montgomery	Region:	6	Fee Received:	Yes
Challenger:	Justin Hartz, LDG Development, LLC				

Nature and Basis of Challenge: The challenger asserts that the Applicant failed to notify the appropriate state senator and state representative by the time of Application submission. The challenger also states that the Applicant represented the development as a senior development throughout the Application and to the community, stating that this should either result in either an adjustment in scoring or possibly termination due to misrepresentation and could be construed as a violation of fair housing. The challenger states that there is a related party issue in the ownership structure that should disqualify the application with respect to sponsorship characteristics points. Finally, the challenger asserts that there is some overlap between the source of funds being used for points under §11.9(d)(3) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG) and infrastructure projects being used for points under §11.9(d)(6) of the QAP related to Community Revitalization Plan. This overlap, as well as some of the details surrounding the location of one of the infrastructure projects, should result in a loss of points.

Analysis: Staff has reviewed the challenge as well as the Applicant’s response and determined that the Applicant failed to notify the appropriate elected officials by the March 1, 2013 deadline. Therefore, the Application is ineligible. In addition, the notifications that were later sent to the state representative referenced a “senior” development and staff will address this issue should the Applicant appeal this decision. Staff has postponed the review surrounding eligibility for points under §§11.9(d)(6), 11.9(d)(3), and 11.9(b)(2) of the QAP related to Community Revitalization Plan, Commitment of Development Funding from an UGLG, and Sponsor Characteristics.

Resolution: Staff terminated the Application due to failure to notify the appropriate elected officials by the time of Application submission. The termination is subject to appeal, and, should the Application be reinstated, staff will evaluate the remainder of the challenge with respect to scoring items.

TDHCA ID#	13022	Development Name:	Liberty Manor		
City:	Liberty Hill	Region:	7	Fee Received:	Yes
Challenger:	Mark Feaster, Development Services				

Nature and Basis of Challenge: The challenger states that the infrastructure projects submitted as evidence of community revitalization in a rural area are not within ¼ mile of the development site as required for an Application to be eligible for points under 11.9(d)(6)(C) of the QAP, Community Revitalization Plan.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is not eligible for points under §11.9(d)(6)(C) Community Revitalization Plan. Although, as the Applicant states, the proposed development does benefit from the improvements to the infrastructure by way of connecting to it, both the new water wells and the new sewer pumping station are not within ¼ mile of the site and serve the entire city.

Resolution: Staff issued a revised scoring notice, which is subject to appeal. The revised score is also reflected in the Application log.

TDHCA ID#	13022	Development Name:	Liberty Manor		
City:	Liberty Hill	Region:	7	Fee Received:	Yes
Challenger:	Janine Sisak, DMA Development Company, LLC				

Nature and Basis of Challenge: The challenger states that the infrastructure projects submitted as evidence of community revitalization in a rural area are not within ¼ mile of the development site as required in order for an Application to be eligible for points under §11.9(d)(6)(C) of the QAP related to Community Revitalization Plan. In addition, this challenger contends that the Application is not eligible for points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government (UGLG) based on the location of the development site at the time of Application. The challenger points out that the site was located, at the time of Application submission on March 1, 2013, outside the city limits of Liberty Hill. Therefore, pursuant to the QAP, the City of Liberty Hill is not a qualifying source for funding from an UGLG. Because the Application included evidence of funding from the City of Liberty Hill, it should not be eligible for the points.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the Application is not eligible for points under either §11.9(d)(6)(C) Community Revitalization Plan or §11.9(d)(3) Commitment of Development Funding from Unit of General Local Government. Although, as the Applicant states, the proposed development does benefit from the improvements to the infrastructure by way of connecting to them, both the new water wells and the new sewer pumping station are not within ¼ mile of the site and serve the entire city. Also, while now within the City’s boundaries, the site at the time of Application was not located inside the boundaries of the City of Liberty Hill, and therefore the City is not a qualifying source for funding from an UGLG.

Resolution: Staff issued a revised scoring notice which is subject to appeal. The revised score is also reflected in the Application log.

TDHCA ID#	13108 & 13109	Development Name:	Skyway Studios & Homestead Apartments		
City:	Austin	Region:	7	Fee Received:	Yes
Challenger:	Barry Palmer, Coats Rose, on behalf of J. Steve Ford of Resolution Inc.				

Nature and Basis of Challenge: The challenger asserts that the two applications should be terminated pursuant to §10.202(1)(M) of the Uniform Multifamily Rules, related to ineligible Applicants. The challenger claims that Walter Moreau, on behalf of Foundation Communities, worked to create opposition to other applications in the region by criticizing its proposed financing in a public forum. The challenger points out that the result of Mr. Moreau’s statements are yet to be determined and could still potentially affect, not only the individual application submitted in the 2013 9% HTC cycle, but also the ability for the developer to obtain other financing. The challenger goes on to request that staff, by terminating the applications, set a precedent regarding similar statements in the future.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the actions of the Applicant did not rise to a level that violates the rule.

Resolution: No action at this time.

TDHCA ID#	13108 and 13109	Development Name:	Skyway Studios and Homestead Apartments		
City:	Austin	Region:	7	Fee Received:	Yes
Challenger:	Cynthia Bast, Locke Lord Attorneys & Counselors on behalf of Adrian Iglesias of GTC Properties & Rick Deyoe of Realtex Development				

Nature and Basis of Challenge: The challenger asserts that the two applications be terminated pursuant to §10.202(1)(M) of the Uniform Multifamily Rules, related to ineligible Applicants. The challenger claims that Walter Moreau, on behalf of Foundation Communities, worked to create opposition to Windy Ridge Apartments, another proposed development in Austin, by criticizing its proposed financing in a public forum. The challenger points out that Mr. Moreau's statements were made to gain competitive advantage and that the competing applicant suffered damage as a result of inflammatory remarks. The challenger goes on to state that, regardless of any damage suffered, that the Applicant violated the rule.

Analysis: Staff reviewed the challenge as well as the Applicant's response and determined that the actions of the Applicant did not rise to a level that violates the rule.

Resolution: No action at this time.

TDHCA ID#	13118	Development Name:	Oak Ridge Apartments		
City:	Nolanville	Region:	8	Fee Received:	Yes
Challenger:	Lisa M. Stephens, Saigebrook Development				

Nature and Basis of Challenge: The challenger asserts that the Application is not eligible for any points under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government (UGLG) because the development site is not located within the city limits of Nolanville, but the Applicant is using the city as its source of funding. Although staff provided guidance to the Applicant regarding this issue, the challenger believes that the Applicant did not provide all of the relevant information necessary for staff to make such a determination. The challenger states that, although the Applicant is acquiring a tract of land that is partially within the city limits, that they have no intention of using that portion of the site as part of the development. Instead, that part of the site that is within the city limits will be dedicated to the city as park space. In addition, the challenger claims that this dedication is essentially a quid pro quo for the city's support in the form of a loan and that even if staff should find the city an eligible source of funding that the funds are first begin provided by the Applicant and therefore should be disqualified.

Analysis: Staff reviewed the challenge as well as the Applicant's response and determined that the City of Nolanville is an eligible source of UGLG funding because part of the development site is located within the city limits. In addition, it appears that the final decision regarding the location of the dedicated park space (if any at all) is yet to be made by both the developer and the city and that such dedication (or fee-in-lieu) is a requirement of the city for all proposed residential development. Staff has no evidence that the possible dedication of park land relates in any way to the City's provision of financing for the development.

Resolution: No action at this time.

TDHCA ID#	13147	Development Name:	Eagles Crossing		
City:	Hillsboro	Region:	8	Fee Received:	Yes
Challenger:	Mark Feaster, Development Services				

Nature and Basis of Challenge: The challenger asserts that the Applicant is not eligible for points under §11.9(d)(6)(C) of the QAP, related to Community Revitalization Plan for developments located in a rural area, because one of the infrastructure improvements used for points, namely the expansion and resurfacing of a road, was not significant enough to qualify for points. In addition, it does not appear from photographic evidence that the resurfacing took place within the last year. The challenger also asserts that the other project used to qualify for points, the hospital expansion, should not be counted for points since it was completed and received certificates of occupancy in April 2011, which is outside the required timeframe.

Analysis: Staff reviewed the challenge as well as the Applicant's response. With respect to the road expansion and resurfacing, staff determined that the Applicant submitted evidence both in the Application and in the challenge response that the project meets the requirements of the rule and therefore qualifies the Application for four (4) points. Regarding the hospital expansion, staff reviewed evidence including 1) the certificates of occupancy issued in April 2011, 2) the grand opening in May 2011, and 3) information on the hospital's website referencing actual use of the new facilities prior to December 2011. Staff was able to determine that the project does not meet the requirements of the QAP because the hospital expansion was completed outside of the timeframe required by the QAP. Therefore, the hospital expansion project does not qualify under §11.9(d)(6)(C).

Resolution: Staff deducted from the Application score two (2) points of the requested six (6) points for Community Revitalization Plan. A scoring notice has been issued and is subject to appeal, and the score is reflected on the log.

TDHCA ID#	13013	Development Name:	Ana's Cove		
City:	Pleasanton	Region:	9	Fee Received:	Yes
Challenger:	Don Paxton, Communities for Veterans				

Nature and Basis of Challenge: The challenger asserts that the Applicant is not eligible for points under a number of scoring criteria in the QAP including §§11.9(d)(5) Declared Disaster Area, 11.9(c)(4) Opportunity Index, 11.9(e)(7) Development Size, 11.9(e)(3) Pre-Application Participation. In total, the challenger claims that the Application is not eligible for a total of fifteen (15) points.

Analysis: Staff reviewed the challenge documentation. The Applicant provided no response to the challenge. However, staff had already completed a review of the application and issued a scoring notice which accounted for each of the elements of the challenge. Staff believes that the score reflects the appropriate adjustments.

Resolution: No action at this time.

TDHCA ID#	13020	Development Name:	The Manor at Currey Creek		
City:	Boerne	Region:	9	Fee Received:	Yes
Challenger:	Don Paxton, Communities for Veterans				

Nature and Basis of Challenge: The challenger asserts that the Application is not eligible for two (2) of the six (6) points claimed under §11.9(d)(6)(C) of the QAP related to Community Revitalization Plan for developments located in a rural area because the letter submitted as evidence of one of the infrastructure projects did not include enough information. In addition, the challenger claims that the Application is not eligible for points under §11.9(b)(2) of the QAP related to Sponsor Characteristics because the HUB does not have an adequate ownership interest in the development. The challenger also states that the Application is not eligible for points selected under §11.9(d)(3) Commitment of Development Funding by a Unit of General Local Government because the Applicant used the wrong population figure in determining the amount of funding needed to qualify for points. Finally, the challenger states that the Application should lose points under §11.9(e)(3) of the QAP related to Pre-Application Participation because the Application’s final score should be determined to be more than six (6) points lower than that reflected on the Applicant’s self score form.

Analysis: The above referenced application was not deemed by staff to be competitive in the region based on the applicant’s own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will save a memo into the application file should the application become competitive in the region

Resolution: No action at this time.

TDHCA ID#	13262	Development Name:	Paso Fino Apartments		
City:	San Antonio	Region:	9	Fee Received:	Yes
Challenger:	Tamea Dula, Coats Rose, on behalf of Debra Guerrero of the NRP Group, LLC				

Nature and Basis of Challenge: The challenger asserts that the Application should not be eligible for thirteen (13) points under §11.9(d)(3) of the QAP related to Commitment of Development Funding by a Unit of General Local Government. The Application included a resolution from the Housing Authority of Bexar County which indicated that they committed to a loan with an interest rate of no higher than 3 percent but that also indicated that the Housing Authority would receive a portion of the development’s cash flow. This constitutes either an interest rate higher than the maximum allowed by the rules or a share in the profits which would equate to ownership and a related party relationship. The challenger asserts that either is not allowable under the rules.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the committed loan structure, with the inclusion of required cash flow payments, is not in compliance with the rules. However, the documentation suggests both that the Applicant applied for an eligible form of funding and that there is intent to modify the loan terms to meet the requirements of the QAP. Therefore, the staff has deducted one point due to the resolution not meeting the requirements of §11.9(d)(3)(B) of the QAP. Staff has determined, based on the complete record, that the Application is eligible for twelve (12) points under §11.9(d)(3)(A) of the QAP.

Resolution: A revised scoring notice has been sent to the Applicant, which is subject to appeal. In addition, staff will review the terms of the loan again at the time of commitment to ensure eligibility.

TDHCA ID#	13273	Development Name:	Richland Meadows		
City:	San Antonio	Region:	9	Fee Received:	Yes
Challenger:	Debra Guerrero, NRP Group, LLC				

Nature and Basis of Challenge: The challenger states that the Application should be terminated because it did not meet the requirements of §2306.6705 of Texas Government Code, related to general application requirements, specifically those regarding zoning. The Applicant did not submit evidence that a zoning application had been made to the City of San Antonio, and as of May 6, 2013, according to the City of San Antonio, such application still had not been made.

Analysis: Staff reviewed the challenge as well as the Applicant's response and determined that the Application was deficient with respect to the zoning requirement. The original Application submission included a copy of a letter dated February 15, 2013 to the City of San Antonio that indicated that the Applicant was in process of requesting the zoning change. However, it did not include evidence in the form of a letter from the local jurisdiction acknowledging the pending request. Staff issued an Administrative Deficiency to the Applicant to clarify that the Applicant was engaged with the City prior to March 1 in accordance with the requirements in Chapter 2306, and the Applicant was provided a letter from the City of San Antonio confirming that the Applicant was in the process of seeking appropriate zoning and that the City had received the required hold harmless letter.

Resolution: No action at this time.

TDHCA ID#	13046	Development Name:	La Esperanza Del Rio		
City:	Rio Grande City (ETJ)	Region:	11	Fee Received:	Yes
Challenger:	Lora Myrick, BETCO Consulting, LLC				

Nature and Basis of Challenge: The challenger asserts that the Application should not be eligible for six (6) points claimed under §11.9(d)(6)(C) of the QAP, related to Community Revitalization Plan (CRP) for developments located in a rural area. First, the challenger asserts that the infrastructure project submitted for points is not eligible because it is located more than ¼ mile from the development site and that it also does not constitute revitalization but is economic development. Second, the challenger states that the newly constructed Texas Department of Public Safety (TxDPS) facility should not qualify for points as it should not be considered a police station.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the TxDPS facility does qualify for CRP points. However, staff also determined that the lift station and new wastewater infrastructure is located more than ¼ mile from the site. Although the Applicant states in their response that the sanitary sewer force main and the lift station easement are located within ¼ mile of the site and should be considered part of the infrastructure, staff disagrees. The Applicant also submitted evidence that another infrastructure project, new water lines and meter, was approved by the city within the required timeframe and within ¼ mile of the development site. However, this infrastructure project was entirely absent from the original Application submission and very little information was provided in the challenge response. Therefore, two (2) points have been deducted from the Application’s score.

Resolution: The Applicant has been sent a revised scoring notice which is subject to appeal, and the revised score is reflected on the most recent log.

TDHCA ID#	13100	Development Name:	Villages of Penitas		
City:	Penitas	Region:	11	Fee Received:	Yes
Challenger:	Sunny K. Phillip, South Texas Collaborative for Housing Development Inc.				

Nature and Basis of Challenge: The challenger asserts that the development site is located within 300 feet of an undesirable area feature, namely an active oil well and gas separation and compression facility, and that the Application should be terminated pursuant to §10.101(a)(3) of the Uniform Multifamily Rules.

Analysis: Staff reviewed the challenge as well as the Applicant’s response and determined that the site is located over 300 feet from the facility. The storage tanks are located approximately 389 feet from the site and 446 feet from the proposed buildings. Staff also determined that the tanks appear to be within the acceptable separation distance for thermal radiation as determined by the assessment tool on the HUD website. In addition, the facility is not considered heavy industrial use, manufacturing plant, or blast zone. Therefore, the site was determined to be eligible.

Resolution: No action at this time.

TDHCA ID#	13281	Development Name:	Sunquest Apartments		
City:	Primera	Region:	11	Fee Received:	Yes
Challenger:	Enrique Flores IV, Madhouse Development Services, Inc.				

Nature and Basis of Challenge: The challenger asserts that the Application is not eligible for the three (3) points claimed under §11.9(c)(5) of the QAP related to Educational Excellence because the development site is not located within the attendance boundaries of a middle school and high school that have ratings of recognized or exemplary. In addition, the challenger states that the Application is not eligible for points under §11.9(d)(2) Community Input other than Quantifiable Community Participation (QCP) because the organizations that submitted letters of support do not meet the requirements of the QAP. The challenger also states that the letters that were submitted were deficient in that they do not reference the development location. Finally, the challenger requests that the Application be penalized an additional point pursuant to §11.9(f)(1) of the QAP related to Point Deductions.

Analysis: Staff reviewed the challenge as well as the Applicant's response and determined that the Application is eligible for only one (1) point under Educational Excellence and the maximum four (4) points under Community Input other than QCP. During the application review, staff identified the same discrepancies and issued Administrative Deficiencies. While the Applicant was not able to prove eligibility for the three (3) points claimed under Educational Excellence, they were able to provide sufficient information with respect to the community organizations that submitted letters of support.

Resolution: No action at this time.

TDHCA ID#	13043	Development Name:	Progress Senior Living		
City:	Ector Region	Region:	12	Fee Received:	Yes
Challenger:	Granger MacDonald, MacDonald Companies				

Nature and Basis of Challenge: The challenger asserts that the Application should not be eligible for points under §11.9(d)(2) of the QAP related to Community Input other than Quantifiable Community Participation because the letters submitted are from governmental entities.

Analysis: The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will review it further if the application becomes competitive in the region

Resolution: No action at this time.

TDHCA ID#:	13136	Development Name:	Concho Villas		
City:	San Angelo	Region:	12	Fee Received:	Yes
Challenger:	Granger MacDonald, MacDonald Companies				

Nature and Basis of Challenge: The challenger asserts that the Applicant did not disclose issues surrounding noise and pollution of an airport near the subject site but did not cite a specific rule that is being violated. The challenger also made a statement concerning site control, claiming that the Applicant cannot compel title.

Analysis: The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will review it further if the application becomes competitive in the region.

Resolution: No action at this time.

TDHCA ID#	13211	Development Name:	Mustang Springs		
City:	Andrews	Region:	12	Fee Received:	No
Challenger:	Michael P. Ash, The Commonwealth Companies				

Nature and Basis of Challenge: The challenger asserts that the Application should be terminated because it does not meet the requirements of §10.204(9) of the Uniform Multifamily Rules related to Site Control.

Analysis: The above referenced application was not deemed by staff to be competitive in the region based on the applicant's own self-score. As of the posting of this log, the application has not been reviewed by staff pursuant to §10.201(5) of the Uniform Multifamily Rules. Staff has noted the challenge and will save a memo into the application file should the application become competitive in the region.

Resolution: No action at this time.

TDHCA ID#	13131	Development Name:	Montana Vista Palms		
City:	El Paso	Region:	13	Fee Received:	Yes
Challenger:	Cynthia Bast, Locke Lord Attorney & Counselors, on behalf of Ike J. Monty of Investment Builders Inc.				

Nature and Basis of Challenge: The challenger asserts that the Application violates §10.101(a)(3)(A) of the Uniform Multifamily Rules because the proposed development site is located within 300 feet of a junkyard. The challenger also made statements about the lack of wastewater service to the site.

Analysis: Staff reviewed the challenge as well as the Applicant's response and concluded that the development site is not located within 300 feet of a junkyard. As stated in the Applicant's response, the proposed site is more than 300 feet from H & R Auto Sales, which is the business that the challenger has categorized as a junkyard. This was confirmed by staff. Regarding wastewater service, staff also found no violation of any rule.

Resolution: No action at this time.

TDHCA ID#	13133	Development Name:	Verde Palms		
City:	El Paso	Region:	13	Fee Received:	Yes
Challenger:	Cynthia Bast, Locke Lord Attorney & Counselors, on behalf of Ike J. Monty of Investment Builders Inc.				

Nature and Basis of Challenge: The challenger claims that the Applicant violated §10.203(1)(B) of the Uniform Multifamily Rules by failing to notify a neighborhood organization. The challenger states that the Applicant should have been aware of the East Side Civic Association because the organization has been active in the community, has been in the newspaper, and submitted a letter of support for another housing tax credit application in the 2012 cycle.

Analysis: Staff has reviewed the challenge as well as the Applicant’s response and finds no violation of the rule. The Applicant states that, although they are an active developer in the community, that they had no knowledge of the organization at the time of notification. In addition, the Applicant states that they contacted the president of the organization before Applications were submitted but that there was no mention of the organization’s existence. The Applicant also indicates that the organization is not on record with the county or state and that they likely would not qualify as a neighborhood organization under the 2013 QAP had they submitted any letters of support or opposition. Staff confirmed that the organization does not appear to be on record with the county or state. In addition, staff researched the 2012 QCP letters and found the organization to be ineligible in the previous cycle.

The Applicant also states that the challenger is in violation of §10.202(1)(K) by misrepresenting the circumstances surrounding the neighborhood organization. While staff did determine that there was no violation of the rules regarding notifications, staff also determined that the challenge issued does not constitute a material misrepresentation and therefore also does not violate the rule.

Resolution: No action at this time.

TDHCA ID#	13058	Development Name:	Evergreen at Hebron Senior Community		
City:	Hebron	Region:	3	Fee Received:	Yes
Challenger:	Chris Applequist, Miller Valentine Group				

Nature and Basis of Challenge: The challenger asserts that the Application should not be eligible for points claimed under §11.9(c)(6) of the QAP related to Underserved Area because the development is *proposed* to be located in Carrollton, a municipality which does have other housing tax credit units within its city limits. The challenger also asserts that the Application should be terminated because it did not meet the requirements of §10.204(10) of the Uniform Multifamily Rules related to zoning again because the development is *proposed* to be located in Carrollton. Finally, the challenger indicates that the Application is not eligible for points under §11.9(d)(6) of the QAP related to Commitment of Development Funding from a Unit of General Local Government (UGLG) because again the development is *proposed* to be located in Carrollton. In this case, the challenger believes that staff should use the population of Carrollton to determine the amount of funding needed to be eligible for points. In general, the challenger states that, although the development site at the time of Application submission is located in the city limits of Hebron, staff should consider the development to be located in Carrollton and evaluate the Application accordingly because the intent of the Applicant is ultimately to be annexed into Carrollton.

Analysis: Staff has reviewed the challenge as well as the Applicant's response and has determined that the development site was located within the city limits of Hebron as of March 1, 2013. Therefore, the Applicant dealt with the development's proposed location appropriately to qualify under the above cited scoring items.

Resolution: No action at this time. However, as with all awarded Applicants, they will be required to provide evidence of zoning from the appropriate municipality at the time of Commitment as well as evidence that any commitment of development funding by a UGLG is eligible.