

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
HALE CENTER HOUSING AUTHORITY	§	TEXAS DEPARTMENT OF HOUSING
AND CINDY CARTHEL	§	AND COMMUNITY AFFAIRS

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 10th day of October, 2024, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA” or “Department”) considered the matter of whether enforcement action should be taken against Hale Center Housing Authority, a public housing authority, and Cindy Carthel, its Executive Director (collectively, “Respondent”), the Responsible Parties in Control of Plainview II Triplex (HOME 532315 / CMTS 2658) (“Property”), for failing to correct an event of noncompliance as required by the 2023 Agreed Final Order within six months of a demand being issued by the Department, and for failing to correct an event of noncompliance prior to LURA expiration.

This Final Order is executed pursuant to the authority granted in Texas Government Code section 2306.0504, which requires the Board to adopt a policy providing for the debarment of a person from participation in Department programs because of a person’s past failure to comply with conditions imposed by the Department in the administration of its programs. A policy was adopted by the Board and is set forth at 10 TAC §2.401.

Upon recommendation of the Executive Director, the Board makes the following findings of fact and conclusions of law and enters this Order:

FINDINGS OF FACT

Jurisdiction:

1. In 1994, Caprock Community Action Association, Inc. (“Prior Owner”) received a HOME loan to build and operate Plainview II Triplex (“Property”) (HOME file No. 532315 / CMTS No. 2658).
2. Prior Owner signed a Land Use Restriction Agreement (“LURA”) regarding the Property. The LURA was effective August 19, 1994, and filed of record on August 22, 1994, at Volume 851, Page 397 of the Official Public Records of Real Property of Hale County, Texas (“Records”), and amended via a First Amendment to Land Use Restriction Agreement (Multifamily Properties) (HOME Program) effective May 27, 2020, and filed of record on September 16, 2020, at Document Number 2020-002690 of the Records. In accordance with Section 7.8 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.

3. Respondent purchased the Property and signed an Assumption Agreement with TDHCA to assume the loan, LURA, and all duties imposed, effective March 17, 2014, and filed of record on March 24, 2014, at Document Number 2014-001000 of the Records.
4. Respondent is subject to the regulatory authority of TDHCA.
5. The Hale Center Housing Authority is an organization that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.
6. Cindy Carthel is the Executive Director for the Hale Center Housing Authority.
7. Respondent is subject to the regulatory authority of TDHCA and, for purposes of this debarment recommendation, is considered a Responsible Party in Control, as defined by 10 TAC §2.102(12) and 10 TAC §11.1(29), respectively.

Violations Subject To Debarment:

1. Failing to comply with Agreed Final Order: 10 TAC §2.401(a)(6) states that the Department may debar a Responsible Party for *“[f]ailing to correct Events of Noncompliance as required by an order that became effective after April 1, 2021, and/or failing to pay an administrative penalty as required by such order, within six months of a demand being issued by the Department.”*

On February 2, 2023, Cindy Carthel signed an Agreed Final Order as the Executive Director for Hale Center Housing Authority, agreeing to correct noncompliance from the March 1, 2022 file monitoring review, as outlined in the Order. Hale Center Housing Authority violated the Order, and TDHCA issued a collection letter on April 28, 2023, demanding an administrative penalty and corrective action within 30 days. The administrative penalty was paid, but it has been more than six months, and one violation remains unresolved, relating to a household in unit 306 that exceeds the income limit.

2. Having unresolved noncompliance at LURA expiration: 10 TAC §2.401(a)(11) states that the Department may debar a Responsible Party for *“Controlling a multifamily Development and failing to correct Events of Noncompliance before the expiration of a Land Use Restriction Agreement, after the effective date of this rule.”*

The LURA expired August 19, 2024, and there is unresolved noncompliance relating to a household in unit 306 that exceeds the income limit.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov’t Code §2306.0504 and 10 TAC §2.401.

2. Respondent is a “Responsible Party” as defined by 10 TAC §2.102(12).
3. Respondent is in a position of “Control” as defined by 10 TAC §11.1(29).
4. Pursuant to Tex. Gov’t Code §2306.185, TDHCA is required to monitor to ensure compliance.
5. Respondent violated 10 TAC §2.401(a)(6) in 2024 by failing to correct an event of noncompliance within six months of a demand being issued by the Department.
6. Respondent violated 10 TAC §2.401(a)(11) in 2024 by failing to correct an event of noncompliance prior to expiration of the LURA on August 19, 2024.
7. Pursuant to Tex. Gov’t. Code §2306.0504(b), the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of material factors including those set forth in 10 TAC §2.401(j) to be considered for a recommended period of debarment, as applied specifically to the facts and circumstances present in this case, the Board of the TDHCA orders the following:

IT IS HEREBY ORDERED that Respondent is barred from future participation in all programs administered by the Department for a **ten-year term ending October 10, 2034**. This debarment does not prohibit Respondent from participating in any existing engagements funded through the Department, nor does it affect any responsibilities or duties thereunder.

IT IS FURTHER ORDERED that the terms of this Final Order shall be published on the TDHCA website.

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Approved by the Governing Board of TDHCA on October 10, 2024.

By: /s/ Leo Vasquez

Name: Leo Vasquez

Title: Chair of the Board of TDHCA

By: /s/ James "Beau" Eccles

Name: James "Beau" Eccles

Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 10th day of October, 2024, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis

Notary Public, State of Texas

THE STATE OF TEXAS §

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COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 10th day of October, 2024, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis

Notary Public, State of Texas