

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
SETH BAME,	§	TEXAS DEPARTMENT OF HOUSING
INDIO INTERNATIONAL, LP, AND	§	AND COMMUNITY AFFAIRS
DOUBLE SB VENTURES, INC.	§	
	§	

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 7th day of December, 2023, 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 Seth Bame, Indio International, LP, and Double SB Ventures, Inc. (collectively, “Respondent”), responsible parties for 2107 Lincoln Drive, LLC, owner of The Jones (HTC 93063 / CMTS 1137) (“Property”), for controlling a Development that scored 50 or less on two Uniform Physical Condition Standards (“UPCS”) inspections.

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. During 1995, Two Northridge, Ltd. (“Prior Owner”) was awarded an allocation of Low Income Housing Tax Credits by the Board to acquire, rehabilitate, and operate the Property.
2. Prior Owner signed a Declaration of Land Use Restrictive Covenants For Low-Income Housing Credits (“LURA”) regarding the Property. The LURA was effective January 18, 1995, and filed of record at Volume 11984, Page 0554 of the Official Public Records of Real Property of Tarrant County, Texas (“Records”), as re-filed at Volume 12185, Page 1912, and as amended by an Agreement to Comply with and First Amendment to Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits effective April 22, 2015, and filed of record at Instrument Number D215088683 of the Records.
3. 2107 Lincoln Drive, LLC purchased the Property on September 30, 2020. In accordance with Section 2 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. These restrictions remain in place in accordance with Section 2 of the LURA, thereby binding Respondent to the terms of the agreement.

4. Seth Bame signed an Owner Certification & Agreement to Comply with the LURA on August 5, 2020, acknowledging that the Property remained bound to the terms of the LURA, agreeing to assume the duties imposed by the LURA, and agreeing to comply fully with the terms thereof.
5. 2107 Lincoln Drive, LLC 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. Seth Bame is the sole shareholder for Double SB Ventures, Inc., the general partner of Indio International, LP, a member of 2107 Lincoln Drive Investors, LLC, the administrative member for 2107 Lincoln Drive Owner, LLC, the sole member of 2107 Lincoln Drive, LLC.
7. Double SB Ventures, Inc. and Seth Bame also control Indio Partners LP, the property management company for the Property.
8. 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(30), respectively.

Material Violations Subject To Debarment:

1. Controlling a Development that has, on more than one occasion, scored 50 or less on a Uniform Physical Condition Standards (“UPCS”) inspection, is a violation of 10 TAC §10.621 and Tex. Gov’t Code §2306.002, which require developments to be decent, safe, sanitary, in good repair, and suitable for occupancy. The Property scored a 49 out of 100 on its June 22, 2022 UPCS inspection, and then scored a 43 out of 100 on its August 29, 2023 UPCS inspection. Copies of the scoring summaries are at Exhibits 1 and 2.

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(30).
4. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance throughout the Compliance Period.

5. Pursuant to Tex. Gov't Code Chapter 2306, Subchapter DD and Tex. Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance.
6. Respondent materially violated 10 TAC §10.621 and Tex. Gov't Code §2306.002 in 2022 and 2023 by scoring below 50 out of 100 on two UPCS inspections, failing to maintain the Property to a standard that is decent, safe, sanitary, in good repair, and suitable for occupancy.
7. Pursuant to Tex. Gov't. Code §2306.0504(c), the Department shall debar a person from participation in a Department program if the person materially or repeatedly violates any condition imposed by the department in connection with the administration of a debarment program, including a material or repeated violation of a LURA.

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 **5 year term ending December 7, 2028**. 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 December 7, 2023.

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 7th day of December, 2023, 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 7th day of December, 2023, 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

Exhibit 1

2022 UPCS Scoring Summary

(see attached)

[Intentionally omitted from web version because it is not available in an accessible format]

Exhibit 2

2023 UPCS Scoring Summary

(see attached)

[Intentionally omitted from web version because it is not available in an accessible format]