

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

Wednesday, January 20, 2010
Hall of Nations
International Cultural Center
600 Indiana Avenue
Lubbock, Texas

BOARD MEMBERS:

KENT CONINE, Chairman
GLORIA RAY, Vice-Chairman
TOM GANN
LESLIE BINGHAM-ESCARENO
JUAN MUNOZ
LOWELL KEIG

MICHAEL GERBER, Executive Director

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P R O C E E D I N G S

1
2 MR. CONINE: Good morning. My name's Kent
3 Conine, for those of you that I haven't met. And I'm
4 Chair of the Texas Department for Housing and Community
5 Affairs.

6 And we're fortunate today to be able to have
7 our board meeting out in Lubbock, Texas, and here at the
8 campus of Texas Tech University. And happens to be my
9 alma mater. And I appreciate Tech hosting our particular
10 event today.

11 And we had a chance to look at some of our
12 weatherization projects here in Lubbock this morning and
13 some of the fine work that not only the city and the
14 county are doing all across West Texas out here. Just
15 absolutely phenomenal.

16 One of -- the board, as you see us sitting up
17 here, is appointed by Governor Perry and is a diverse
18 group. Has a lot of folks from a lot of different parts
19 of the state. And we have the privilege of having one of
20 our board members, Dr. Juan Munoz, living here in Lubbock
21 and being a part of the Tech system. And I'd like to give
22 him the honor of opening the meeting and chairing the
23 first part of the meeting, being as we're in your home
24 town.

1 So, Dr. Munoz, go right ahead.

2 DR. MUNOZ: Thank you. Thank you, Chairman
3 Conine. I appreciate the consideration to allow me to do
4 this.

5 Let me read at this time for the record,
6 approximately 10:36, I call to order the January meeting
7 of the Governing Board of the Texas Department of Housing
8 and Community Affairs. The first order of business is a
9 call -- the roll. So let me begin by -- Leslie Bingham?

10 MS. BINGHAM-ESCARENO: Here.

11 DR. MUNOZ: Kent Conine?

12 MR. CONINE: Here.

13 DR. MUNOZ: Tom Gann?

14 MR. GANN: Here.

15 DR. MUNOZ: Lowell Keig?

16 MR. KEIG: Here.

17 DR. MUNOZ: Gloria Ray?

18 MS. RAY: Here.

19 DR. MUNOZ: Myself.

20 Confirming that we have a quorum, we are ready
21 to proceed. Before I get into the agenda I'd like to take
22 the Chair's prerogative and make a few general remarks
23 about the campus and about this meeting held in Lubbock.
24 You're on the peripheral part of Texas Tech University.

1 It's the largest continuous campus in the United States of
2 America. This fall we had the privilege of recognizing
3 over 30,000 students on the campus.

4 Texas has many, many fine universities. This
5 is in the furthest western part of the state. And the
6 geographic area that this university serves is larger than
7 over 40 of the states in the United States of America.
8 It's a big area.

9 And I said earlier this morning at the City
10 Council Chamber the first president was a fellow named
11 Paul Horn. And Dr. Horn encouraged the people that
12 created at the time Texas Technological College to think
13 big, big like the region, big like the area, imagine big,
14 see ourselves -- and he used the term, In global -- in
15 global terms.

16 And I think it's important as we undertake our
17 work that we remember that there are other parts of the
18 state in great need. There's need everywhere. There's
19 need in Galveston. And there's need in Houston and San
20 Antonio and Fort Worth. There's need in Levelland.
21 There's need in Tahoka. There's need in Lamesa.

22 Right, Mayor?

23 There's need in Lamesa. And as I discovered
24 shortly after I arrived, there is need in Earth, Texas.

1 And apparently, there is a place not too far from here
2 called Earth. And I said to the young lady, Where exactly
3 on the earth do you live. And she didn't think it was as
4 funny as I did.

5 And so this is a serious issue and a serious
6 meeting about helping families and helping homes and
7 helping communities provide for the people that live
8 there. And so I welcome all of you to Lubbock.

9 And one of the things that Texas Tech always
10 tries to do is host this kind of activity. There are so
11 many people from the state that don't know this part of
12 the state. And it's important that you come here and you
13 see the possibilities, that you see the grandness, that
14 you see the bigness of Lubbock and West Texas and tell
15 others about what's going on here. Because what's going
16 on here is special. And it is extraordinary. And I
17 welcome you on behalf of the city and the university.

18 Although the Board usually meets in Austin,
19 obviously, we're here in Lubbock, Texas. And this part of
20 the state often gets less attention than other more
21 populous and metropolitan parts of the state. We have 14
22 multi-family developments in Lubbock and they've all been
23 financed with our Low Income Housing Tax Credits
24 comprising roughly 1,700 low-income units.

1 And we've provided nearly 4 million in mortgage
2 financing first time homebuyers in the area. And this
3 morning, for some of you that read the paper tomorrow or
4 see the news tonight, we were able to provide a huge
5 amount of money to the region, specifically for low-income
6 Texans in weatherization. An unprecedented amount. And
7 we visited a property, a family's home this morning whose
8 life every day was dramatically improved because of this
9 service, this weatherization.

10 Our first order of business -- so let me
11 turn -- and so we're doing a great deal of yeoman's work
12 out here to improve the lives of working Texans in the
13 South Plains.

14 Our first order of business is public comment.

15 And this Board has a long tradition of beginning with
16 public comment. Of course, any speaker may address us now
17 or reserve the right to speak when a specific agenda is
18 being considered.

19 And I do know that we have a presentation
20 regarding migrant labor housing, which is a very important
21 subject. I'm glad to see Diane here from Guadalupe
22 Economic Development and my friend, Mike Molina also
23 trying to provide better housing for migrant laborers.

24 And my father was a migrant laborer. When he

1 came to this country (speaking Spanish) he picked grapes.

2 And he'd worked for 30 years in a factory. And he always
3 said that there was nothing in that factory harder than a
4 day in the fields picking grapes.

5 And so for those of you who have never had the
6 pleasure of attending one of our meetings, I hope you
7 enjoy this candid interchange and see in action some of
8 the work that we're doing and our commitment to getting a
9 better insight and a better understanding of all that's
10 possible through our resources.

11 Mike?

12 MR. GERBER: Sir.

13 The ground rules for the public comment are
14 fairly few. You have to complete a witness affirmation
15 form. When you come to the microphone -- and we're
16 without a microphone up here so all the board members will
17 speak a little louder -- if you can, as well, to make sure
18 that Penny's able to get you for the record.

19 And tell us who you are and who you're speaking
20 for. Each speaker is given three minutes. If someone
21 else gives you their time you're limited to a total of
22 five minutes. And there's some discretion of the Chair
23 with respect to public comment. If there are multiple
24 parties speaking on behalf of the same person or entity we

1 ask that you limit it to two speakers.

2 DR. MUNOZ: And so at this time, unless there's
3 anything for the Chairman to add, we'll invite our first
4 public comment, Mr. Henneberger.

5 MR. GERBER: And, Chairman, who knows, there
6 may be -- because I know there's going to be some pictures
7 shown. There may be some -- at some point we may want to
8 go and have the board members grab some of the seats in
9 the front row.

10 MR. HENNEBERGER: The -- all of the materials
11 on the screen are in the packet right in front of you.

12 MR. CONINE: Okay. Great.

13 MR. HENNEBERGER: Good morning, Board members.

14 My name is John Henneberger with the Texas Low-Income
15 Housing Information Service. I'm happy to be back on the
16 Texas Tech campus. I'm an alumni of Texas Tech. I
17 graduated in 1960 from the Texas Tech experimental
18 kindergarten unit. And before Mr. Conine has the
19 opportunity to observe it I will observe it myself, the
20 experiment failed.

21 We appreciate this opportunity to provide the
22 Board with a briefing on the housing conditions and
23 problems that face farm workers in Texas. Our briefing
24 consists of three presentations. First of all, an

1 overview of the needs of farmworkers provided by Kathy
2 Tyler of Motivation, Education and Training, Inc., one of
3 the state's foremost farmworker service organizations.

4 Following Kathy will be Ms. Irene Favila of
5 MET, who will introduce the Mireles family, who are
6 farmworkers who live in the community of Plainview right
7 up the road here. And while it is impossible to
8 illustrate all of the diversity of housing needs through
9 one particular family, obviously, I believe that when you
10 understand their story you will begin to appreciate some
11 of why those of us who work in housing view the plight of
12 farmworkers and their housing needs as among the most
13 pressing that exist in the state.

14 And then finally, Diane Lopez of Guadalupe
15 Economic Services, who's actually constructing one of the
16 first 514 USDA farmworker housing facilities that's been
17 built in Texas in many years will address you.

18 To begin with, let me summarize the role that
19 TDHCA has been playing in addressing the housing problems
20 of farmworkers. First of all, the -- your department is
21 responsible for licensing and inspecting farm labor
22 housing camps and facilities. This is a function which
23 was transferred from the Department of Health, who
24 frankly, were not doing the job because of budget cuts, to

1 the Texas Department of Housing and Community Affairs, who
2 I'm pleased to say has been licensing and inspecting those
3 facilities.

4 Secondly, your highly successful Bootstrap
5 Self-Help Housing Program grew out of a farmworker-led
6 effort to provide an alternative for very low-income
7 farmworkers who actually own their own homes and want to
8 build their homes themselves and need to because of their
9 economics.

10 Third, your HOME Program provides funding for
11 rental housing development. You've provided funding right
12 up the road here in Hereford for the Amistad Farm Labor
13 Housing facility there, which is now recognized as a
14 national model of the best design and the best
15 administration of USDA farmworker housing. Unfortunately,
16 there's only 50 units of it up there. And in a minute
17 we'll understand that while we have a model, it is a very
18 small model. And there's a need for much more assistance.

19 Your Low-Income Housing Tax Credit Program can
20 provide housing for farmworkers but never has. And that's
21 a shortfall that we would -- are going to encourage you to
22 take a look at in the long run. Figure out how to pare
23 the Low-Income Housing Tax Credit Program with the
24 programs Diana's running and other people are trying to

1 run in order to bring the money that we currently leave on
2 the table, the federal money we currently leave on the
3 table, for farmworkers in Texas.

4 You'll here from Kathy Tyler that Texas has the
5 second largest population of farmworkers of any state in
6 the United States. Yet we lag far behind in the number of
7 decent, affordable housing units per capita for our
8 farmworkers.

9 Other states have taken the money that Texas
10 has left on the table from the federal government and put
11 it to good work and produced some beautiful housing for
12 farmworkers. States like California and Oregon and
13 Florida and even states like Louisiana and Ohio and
14 Minnesota all lead us in the per capita number of housing
15 units for farmworkers and the quality of the housing that
16 they provide.

17 In summary, I want to summarize finally what I
18 think are the steps that can be taken in order to overcome
19 the problems that the farmworkers face. First of all, we
20 have to better use TDHCA funds to leverage those federal
21 funds. Leaving money on the table should not be an option
22 when farmworkers are concerned. But we have not yet
23 figured out how to apply the money that TDHCA has in order
24 to leverage the federal money effectively.

1 Second, we have to prioritize tax credits. Tax
2 credits are the major resource that exists. Other states
3 use tax credits to produce farm labor housing and we need
4 to figure out how to effectively pare those resources. We
5 need to increase the effectiveness of organizations
6 providing housing for farmworkers.

7 One reason why there have not been a lot of
8 programs funded by the Department is there have not been a
9 lot presented to the Department. Because there are not
10 enough organizations that take it upon themselves to serve
11 these people with extremely low incomes. It's just not an
12 economically viable opportunity for many for-profit
13 organizations certainly and even for non-profit
14 organizations.

15 Fourth, we have a stock of farm labor housing,
16 particularly for migrants, which has deteriorated to
17 abysmal conditions. There's no other word for it. The --
18 right up the road again, in Floydada the labor camp up
19 there that was funded by the U.S. Department of
20 Agriculture has been shut down now for several seasons
21 leaving the pumpkin workers and the pumpkin growers in
22 Floyd County without a supply of housing for their labor
23 force. The housing just basically deteriorated to the
24 point where it was inhuman to allow people to continue to

1 live in that housing.

2 And then finally, the place where we really
3 excel is in this area of self-help housing, about people
4 picking themselves up by their own bootstraps and building
5 their own homes. And farmworkers embody that spirit like
6 no other group of people I've ever encountered in my 30
7 years of working on housing.

8 We have to figure out how to take your model
9 Bootstrap Program and expand it so people in other parts
10 of the state where the program does not now operate can
11 use that program to build housing for themselves. And in
12 a minute, when you understand the plight that the Mireles
13 family has been in you'll begin to understand how they
14 could have benefited had there been a Bootstrap Program
15 available here in the Panhandle to help them build their
16 home.

17 So with that, I'll turn it over to Kathy Tyler
18 now to talk about the overview of the farmworker housing
19 situation.

20 DR. MUNOZ: And while Kathy;'s walking up I
21 should interject Kathy just recently held a very
22 successful conference of persons who care about -- deeply
23 about farmworker housing, which included our federal
24 partners, which have so much in -- by way of resources to

1 contribute. And it's been an important -- Kathy's -- and
2 MET have been important partners of the Department in
3 trying to figure out ways in which we can address this
4 issue in the future.

5 So welcome.

6 MS. TYLER: Great. Thank you. Good morning.
7 As you heard, my name is Kathy Tyler. And I really
8 appreciate the invitation to be here this morning and your
9 interest in learning more about farmworker housing.
10 Farmworkers are an important economic catalyst in Texas.
11 But often they go unnoticed and underserved.

12 I serve as Motivation, Education and Training,
13 Inc. Housing Services Director. And I've worked in
14 farmworker housing since 1985, part of working in
15 affordable housing in community lending for 35 years.

16 There's a map in your packet and on the screen
17 that denotes where farmworkers live in Texas. The
18 counties that are colored brown have the largest
19 farmworker populations. And they are concentrated in the
20 Lower Rio Grande Valley first. Second, the Middle Rio
21 Grande Valley, or the Winter Garden. Third, El Paso
22 County. And fourth, in the area where we are today, the
23 South Plains and Panhandle region.

24 As John said, Texas has the second most

1 farmworkers in any state in the country and is second only
2 to California. We do not have however, the housing
3 opportunities and programs that they have in California,
4 Washington, Oregon and Florida, who are really the leaders
5 in farm labor housing.

6 There's a chart in you packet and also on the
7 wall that shows an enumeration study that shows Texas has
8 361,411 farmworkers and their household members. And the
9 chart also shows the ten states with the largest
10 farmworker populations and their populations. So
11 according to this study Texas has 15 percent of the
12 farmworker population living within the state.

13 The study was done by Alice Lawson for the
14 Health and Human Services Department. It's now about 12
15 years old. And she was contracted by them to do the -- do
16 enumeration studies in the states with the largest
17 farmworker populations. And it's to the county level. So
18 it's very helpful information.

19 USDA just expanded its definition of farmwork
20 to include not only field workers but processing and
21 packaging workers. So this estimate of 360,000
22 farmworkers and household members may essentially have
23 doubled. We're not sure what the number of farmworkers
24 with this definition is today.

1 In 2008 TDHCA commissioned a needs assessment
2 of three counties in the Panhandle. All counties with
3 considerable agricultural economies. DWB Research. They
4 concluded that there was considerable deficits for
5 farmworker beds in each of these three counties.

6 The firm noted that the increase in agriculture
7 which is -- there's an increase in agriculture which the
8 entire Panhandle and South Plains area is experiencing.
9 There's new dairies, there's feed lots, increased meat
10 packaging, increased vegetable packaging, ethanol
11 production, which means corn -- growing corn. And all of
12 these have had a substantial impact on agriculture.

13 The best resources -- again, as John told you,
14 the best resource for rental housing for farmworker is a
15 USDA program called Section 514-516 Program. And Texas
16 has 1,400 units. And many of these -- I usually say we're
17 lucky enough to have some of the earliest units built in
18 Texas. But that means that we also have some of the
19 oldest units. So within the 1,400 units that we have many
20 of the units were built in the '60s and '70s and are in
21 dire need of repair.

22 And as John said, another thing I often say is
23 we're lucky enough to have some of the best housing here
24 in Texas, some of the best examples of farmworker housing,

1 but we also have -- with no argument, we have the worst,
2 as well.

3 So TDHCA licenses migrant housing facilities in
4 Texas. And many of these include the USDA apartments that
5 serve migrants who travel for work. And others are
6 facilities that are offered by growers and employers. And
7 if you exclude the units that are included in the 1,400
8 there's 200 additional units for farmworkers. So you can
9 see compared to a population of 360,000 we have very
10 few -- we have an insufficient supply. And with extremely
11 meager earnings farmworker often live in extremely
12 substandard housing conditions.

13 I appreciate, Dr. Munoz, that your father was a
14 farmworker. I think it's a privilege to be able to work
15 for the farmworker population who are just an amazing,
16 hardworking, very humble population. I think that
17 anybody -- any population that is so hardworking yet still
18 in poverty is an amazing thing to me. But that has not
19 yet been corrected. So therefore, we have housing
20 problems that we need to correct.

21 Because of this situation Texas needs to submit
22 what I would say at least two applications a year to
23 compete in the national funding with USDA. I think we
24 need to ensure at least two new construction applications

1 a year and at least two applications for rehab or
2 replacement of the housing that already is substandard.

3 To compete with other states we need early
4 funding commitments. And I think this is an important
5 role for TDHCA. The applications have to score
6 competitively on a national level and having first funds
7 in will increase the score.

8 Other states that have farmworker populations
9 have programs that they've designed specifically for
10 farmworker and specifically to bring the USDA dollars to
11 their state. And that's one reason why Texas has such a
12 hard time competing.

13 So in summary, whatever TDHCA can do to
14 increase the resources for the farmworker population would
15 be greatly appreciated. And we stand ready to do whatever
16 we can do to help with that.

17 I did pass along a one-page statement that goes
18 into a little bit more detail that I was able to, today.
19 And thank you so much.

20 MR. CONINE: Thank you.

21 DR. MUNOZ: Thank you, Kathy.

22 John, would you like to introduce the Mireles
23 family?

24 MR. HENNEBERGER: I -- Ms. Favila and the

1 Mireles family will describe the situation that one
2 farmworker family again, who can't speak for all
3 farmworker but certainly a farmworker family who
4 illustrates the struggle to build a home for themselves
5 have gone through.

6 MS. FAVILA: Good morning.

7 MR. CONINE: Good morning.

8 MS. FAVILA: First of all, my name is Irene
9 Favila. And it is indeed an honor and a pleasure to be
10 here this morning, to be invited. And so we thank you so
11 much for extending the invitation.

12 And to my right I would like to introduce a
13 farmworker family that lives in Plainview. And this is
14 Mr. and Ms. Mireles, Vicente Mireles and Ramona Mireles.
15 I also, like Kathy Tyler, am employed by Motivation,
16 Education and Training in Plainview. And when I talk
17 about farmworkers I'm also a product of a farmworker
18 family.

19 Not only from the time I was born -- I was born
20 and raised in Lockney, you know, which is the Abilene-
21 South Plains area. And from the time I was born up until
22 I was 18 years old every summer my parents would travel
23 and migrate to Kansas and Colorado. And we would hoe
24 sugar beets and pick cucumbers. And I was seven years old

1 when my parents put me to work in the fields. And so --
2 and it's sad to see that at that time, which has been very
3 many, many years ago, housing was bad. And unfortunately,
4 farmworker housing continues to be very bad.

5 So indeed it is a pleasure to be here this
6 morning. I served -- my husband and I used to live in
7 Plainview. And a couple of years ago we moved to
8 Hereford. And while I was in Plainview I got to serve on
9 the city council there in Plainview. And through my
10 association with MET I have been involved in housing.
11 I've been employed by the Agency for 34 years now.

12 And because of the experiences from my youth
13 housing has always been a big part of my job. And I
14 always get involved to see what it is that I and other
15 people that are concerned about housing situation for
16 farmworkers can be able to do to try to improve it.

17 When I served on the city council we applied
18 for CDBG funding and we were very fortunate to receive
19 funding. And so since the City of Plainview didn't have
20 housing staff I took it upon myself to take applications
21 and get the word out to people that needed housing
22 improvements.

23 And so I still have to this day a list of about
24 100 families just in the city limits and the County of

1 Hale. And unfortunately, because the City of Plainview
2 only got funded every other year a lot of those names and
3 applications that I took, people waited for years and they
4 passed away. And farmworker was -- farmworker housing was
5 never approved. And they never got to share in that.

6 So it's a tragedy. Because not only in
7 Plainview, but I get to work throughout the whole South
8 Plains and Panhandle of Texas. And there is just such a
9 great need for housing assistance for farmworkers.

10 So this morning I want to talk to you a little
11 bit about the Mireles family. In the beginning every
12 couple has a dream. Vicente and Ramona Mireles' dream for
13 the future was to build a home together. They are
14 unquestionably a couple of hardworking seasonal
15 farmworkers.

16 The Mireles became legal residents in 1990.
17 And for the first ten years they lived in farm labor
18 housing that's located there in Plainview and then other
19 private housing. In the past 20 years they have labored
20 by hoeing cotton, hoeing sugar beets, planting and
21 clipping onions. They have also picked jalapeno peppers,
22 cucumbers and cabbage and loaded them in baskets to carry
23 on their shoulders to unload in trucks.

24 Vicente and Ramona worked in produce sheds

1 sorting and cutting carrots. The Mireles have also picked
2 pumpkins that sometimes weighed up to 50 pounds. And what
3 they would do is that they would roll them with their feet
4 before they literally picked up the pumpkins themselves
5 and had to load them and put them in the semi trucks that
6 were waiting.

7 They have worked in communities throughout the
8 South Plains and Panhandle, such as Lorenzo, Dimmit,
9 Hereford, Lubbock, Floydada, Olton, Petersburg, Tulia and
10 Plainview.

11 In 1996 the Mireles purchased two residential
12 lots that cost them \$3,000 and by 1998 they started to
13 build their dream home in Plainview. Every payday they
14 would set aside a little bit of money to help purchase any
15 building materials for their home. Two compassionate
16 local residents in Plainview donated two older homes to
17 them for wood and materials to be able to build their own
18 home.

19 The Mireles' home was built solely by Ramona
20 and Vicente except for a licensed plumber and electrician
21 that they had to hire. The plumber charged them \$6,500
22 and which they still owe \$2,500. Every month and with
23 every yearly income tax return is how they continue to pay
24 off the remainder of the debt. The electrician charged

1 \$1,800. And that has been paid in full.

2 The home was finally completed in 2008. So it
3 took them ten years to be able to finish building their
4 home. However, Vicente did not install any insulation
5 within the home because he didn't really know that it was
6 needed and instead, he filled the walls with cement. He
7 knew that it was essential to install heating and air
8 conditioning. But because they did not have the money at
9 the time -- so it was not installed.

10 In December, 2009, which was just last month
11 the Mireles noticed that mold was forming in two of the
12 three bedrooms, two bathrooms, the kitchen and the
13 hallway. And I believe that John Henneberger -- we've got
14 some photographs of the mold. But I don't think you can
15 really see it that clear. But anyway, I think that in
16 your packages there's photographs in there.

17 Vicente receives \$407.90 per month and Ramona
18 receives \$180.60 per month from social security for
19 retirement. That is a total of \$588.50 per month income.

20 Since this monthly amount is not adequate for living
21 expenses they continue currently to work in the fields on
22 a seasonal basis. To make financial situations more
23 extreme Vicente and Ramona are also raising a six year old
24 granddaughter on a full-time basis.

1 They both have several health concerns of their
2 own. Ramona is 63 years old and she has high blood
3 pressure and high cholesterol, diabetes and arthritis.
4 Vicente's 69 years old and has severe arthritis.

5 The Mireles family is only one of several
6 hundred farmworker families here in the South Plains and
7 Texas Panhandle that need housing assistance. Before
8 today this very humble family has not asked for any
9 housing assistance from any agency whatsoever.

10 Because I was aware of their circumstances I'm
11 the one that approached them and asked them if they would
12 do us the honor of attending this meeting so that we could
13 talk about their circumstances. And since you have been
14 made aware today of their circumstances I hope that you
15 will assist this family with their housing needs. Thank
16 you so much for your time.

17 And if you have any questions -- but I'd like
18 to offer something to you all. I know that the state is
19 so huge. But I would like to offer that if you all should
20 have any time any one of these days that I would love to
21 take you on a tour and take you into peoples' homes so
22 that you can actually see for yourselves how it is that
23 they live. And also, when people are out in the fields
24 harvesting the crops we could be able to set up a tour for

1 you all to do that, also. And that way if you have any
2 direct questions of farmworkers you could ask them
3 yourselves.

4 So thank you so much. And Mr. Mireles would
5 like to say a few words. Thank you. I'm going to
6 translate for him. Because he doesn't speak any English.

7 MR. MIRELES: (Speaking Spanish)

8 MS. FAVILA: Mr. Mireles is saying that the
9 reason that he is here this morning is because I went to
10 his home to ask him what housing needs they had. Then he
11 showed me his house and so that I could see for myself the
12 problems that exist in his home. Then I invited him to
13 come out here with me today so that we could see what it
14 is that can hopefully be done to assist him.

15 MR. MIRELES: I need for my home an air
16 conditioning system and heating system.

17 MS. FAVILA: And again, I invited him to come
18 with me today to see what it is that can hopefully be done
19 to assist him.

20 MR. MIRELES: And again, to see if you could
21 please help us out with our needs.

22 MS. FAVILA: And that's all that he can say.

23 MR. MIRELES: Gracias.

24 MS. FAVILA: Thank you.

1 MR. HENNEBERGER: There are according to your
2 state Low-Income Housing Plan, 728,000 -- I'm sorry --
3 778,434 Texas households who have comparable incomes to
4 this family. And I know that the challenges that they
5 face are enormous.

6 Had the Bootstrap Program been here in the
7 Panhandle, Mr. Mireles would have been able to build his
8 program under your program, which would have let him build
9 his house in several months instead of over nine years and
10 he would have insulation and a heating system and the
11 like. I know your Weatherization Program may be one
12 option for him. And I know we -- I would hope you would
13 be able to explore some options for him to be helped.

14 But we did want to illustrate that there's more
15 than three-quarters of a million households who have
16 similar incomes and live in similar dire situations.

17 And then finally, Diana Lopez is providing some
18 of the solution with your help.

19 MS. LOPEZ: Good morning. Welcome to West
20 Texas. My name is Diana Lopez. I'm the executive
21 director for Guadalupe Economic Services, a local non-
22 profit agency housed here out of Lubbock, Texas. Our
23 agency encompasses a wide area of West Texas from Floydada
24 as far west as El Paso and as far north as Dalhart and as

1 far south as Big Spring. So that's generally the area
2 that we serve.

3 And the reason I'm here today is to explain
4 some of the issues that are facing some of the farmworkers
5 and some of the solutions that I think are possible for
6 these families.

7 Generally speaking, farmworkers are a matter of
8 national security interest. They handle our food supply
9 on a daily basis. They're the first persons to come in
10 contact with the final food product. And with the recent
11 scares we've had with salmonella with the spinach, the
12 peanut issues, the lettuce issues, the pepper issues it's
13 important that we look closer at these populations and how
14 they serve -- how they've become part of our food supply
15 system. And some of the reasons that they are so
16 significant is because they do handle our food and these
17 food supplies end up in our homes at our tables.

18 While these families suffer from health and
19 housing issues and only get worse because of the
20 conditions they live in and the health that they suffer
21 from how can we expect our food supply to benefit from
22 those conditions?

23 Some of the issues that the farmworkers face
24 are limited English proficiency. They suffer extreme low

1 poverty. They have limited year-round employment. They
2 have a propensity toward health-related problems. They
3 are the most underserved in our educational system
4 nationwide.

5 There's no precise count of farmworkers for the
6 entire United States but a great concentration of these
7 families are in Florida, Texas and California. The
8 majority who are in our Texas region are generalized in an
9 area from Del Rio to San Antonio and from Corpus Christi
10 to Brownsville.

11 These families migrate throughout various
12 regions of the United States through the seasonal --
13 during the seasons of the various crops. These families
14 have -- and generally speaking, these families lack
15 training or need additional training to remain employed
16 year round.

17 And some of the things that we're trying to
18 address for these families along with our colleagues --
19 and that educational training focuses on training these
20 families so they can remain employed throughout the year.

21 Our agency provides a safety net for these families for
22 them to continue onward as they travel through these
23 various regions of the state and the United States for
24 that matter. We provide emergency services for those

1 families.

2 But we also see the needs that they have as
3 they come back from those regions. The injuries they've
4 suffered as they've been on the jobs in the various
5 different jobs. The back strains, the various health
6 concerns, the lack of continuity for care for these
7 families. Because if you think it's difficult to get care
8 here in Texas imagine having to travel several states
9 without your primary care physician nearby. So those are
10 the issues that we're looking at and some of the things
11 that we want to address with affordable housing for
12 farmworkers.

13 In 2009 Guadalupe Economics was awarded a 514-
14 516 rental housing project which we're going to develop in
15 Dalhart, Texas. It's a 28-unit modest apartment
16 development. It's the first in Texas in eight years. As
17 my colleague previously stated, most of these awards are
18 given to other states, primarily California. Some of that
19 housing needs to come to Texas. A lot of our families
20 come from Texas and go other parts of the United States
21 but they primarily reside here in Texas.

22 And our efforts to develop this farmworker
23 housing has been met with challenges, quite frankly. We
24 see a dire need for pre-development funds to be able to

1 facilitate some of this application process. Because once
2 you've applied for the grant or the loan and you've
3 received an award for these types of housing and you have
4 concerns about pre-development costs. Many non-profits
5 are not prepared to take on the expense of these
6 development efforts.

7 And so if we're to become serious about
8 providing farmworker housing then we need to be serious
9 about some of the things that are out there as we progress
10 forward with trying to develop that housing.

11 TDHCA has done an excellent job of addressing
12 many of the issues along the Colonia region. But many of
13 those families are the very same families that come to
14 work in West Texas and eventually reside here with us. So
15 I applaud the efforts of TDHCA in those efforts and I hope
16 that at some point some of those monies can make it here
17 to West Texas where we can take care of some of these
18 families and address some of the health and housing
19 concerns that we have for these families here in West
20 Texas. Thank you very much. And welcome to West Texas.

21 MR. CONINE: Thank you.

22 DR. MUNOZ: Thank you.

23 MR. HENNEBERGER: That concludes our
24 presentation.

1 DR. MUNOZ: Is there a Christine Rodriguez?

2 (Pause.)

3 MR. GERBER: Mr. Chairman, if I could interject
4 for just a moment? I think we've heard some very
5 compelling testimony this morning. And I hope that this
6 is the start of a dialogue about the picture of farmworker
7 and migrant labor housing in Texas and the challenges that
8 we face and the difference that this Department can
9 hopefully make.

10 There's significant need all around. I mean,
11 the word we hear all around from -- you know, wherever we
12 go in Texas, wherever we travel in the United States, for
13 all of us who've been in housing for a long time, is that
14 word more. There's just a tremendous need for more
15 resources and more targeted resources. Especially to our
16 most vulnerable citizens, like farmworkers and others.

17 I want to touch on just a couple of things that
18 we're doing at TDHCA. And then much of this discussion I
19 hope will translate into you all participating in some of
20 the discussions we're going to have in the next several
21 months involving the Tax Credit Program, the HOME Program,
22 our Housing Trust Fund Programs, that we'll have real
23 resources, rewrites of rules and thinking about new
24 approaches to make sure that we're really hitting the

1 needs of our most vulnerable citizens.

2 TDHCA has a fairly small research budget. One
3 of the things that we are doing is working with Kathy and
4 MET and others to try to use \$20,000 -- which is just a
5 drop in the bucket -- to try to figure out what area of
6 data collection we can do a little bit better to get our
7 hands around the problem and hopefully, be in a position
8 to provide better information to our Legislature, as well
9 as to our partners at the federal funding agencies that
10 are going to be so key to this.

11 MET also did a tremendous job in pulling our
12 friend, Ms. Trevino, who is now a senior leader with the
13 Department of Agriculture and has oversight for these
14 programs, but who comes from Texas and who led the charge
15 with FUTURO communities for many, many years and which
16 continues to -- and FUTURO communities continues to be a
17 strong partner of the Department.

18 We're hopeful for some innovation from someone
19 who's been a housing practitioner on the ground here in
20 Texas. And that's translating into greater opportunities
21 for synergy between TDHCA and USDA.

22 Frankly, we also are struggling with the issue
23 of inspections. That we have been partnered with our
24 colleagues at the -- in the Manufactured Housing Division,

1 which as you all know is a separate division of the
2 Department, has their own ED, but they have a field
3 structure that lends itself nicely to these -- to
4 inspections. But we only inspect a fairly small
5 percentage of migrant housing that's out there. And we
6 hardly ever get into the single family issues that are
7 so -- you know, where there's such tremendous need like
8 the Mireles family is facing and so many others that we
9 know of.

10 So there's a tremendous amount of need out
11 there. Some opportunity, some real funds coming to try to
12 address the data collection picture. We're also using
13 some additional increases in the Housing Trust Fund.
14 We've taken \$2 million and we're making that available for
15 the production of affordable housing in rural Texas. And
16 some of those funds can be used and partnered to meet the
17 needs of migrant farmworkers.

18 We are also looking obviously, at the big guy
19 on the block, which is the Low-Income Housing Tax Credit
20 Program and in what way that program can be used to better
21 meet the needs of farmworkers. Obviously, there's a lot
22 of need and there's a lot of folks in this room who know
23 of equally deserving Texans who have tremendous housing
24 challenges.

1 And so striking that balance and figuring out
2 what it is so that we put appropriate seed money in trying
3 to address a lot of different needs across our state is
4 going to be an important part of that discussion this
5 spring.

6 But I will say that Jean Latsha, who had
7 intended to be here but who is about 80 weeks pregnant or
8 something -- she's been pregnant forever. She is on the
9 verge of having a baby and had intended to be here to talk
10 about the work that the United Farmworker Service Center
11 has done. That's an outgrowth of the Caesar Chavez
12 efforts in California and across the country. And we have
13 been in partnership with them on a couple of deals to try
14 to put housing on the ground.

15 And we look forward to seeing other
16 organizations build up their capacity, as well so that we
17 can make sure that other non-profits have the tools that
18 they need to put real housing on the ground. So capacity
19 building becomes a big part of this discussion.

20 And I know we've worked some on the capacity-
21 building question here with Guadalupe Services and we have
22 been in partnership with them in the past. We hope for
23 more partnerships in the future. And with all of you.
24 But I guess the message is this is the start of a

1 discussion. And we'd really welcome any thoughts or
2 questions from the Board. I know there's other issues on
3 the agenda.

4 But I think the staff wanted to roll this out
5 as an issue that we've been interested in and concerned
6 about, there not being enough resources to address it and
7 that there's a unique opportunity now for some additional
8 synergy between the Department, the federal government,
9 local initiatives and non-profits and cities that are all
10 coming together to meet the needs of a very tough-to-serve
11 population.

12 So with that, Mr. Chairman, I'll --

13 DR. MUNOZ: All right.

14 MR. CONINE: We have -- Dr. Munoz, sounds like
15 to me again, you don't -- sometimes you don't think about
16 things until we're presented with some ideas and some
17 concepts that I'm glad, you know, we had a chance to do
18 today.

19 The map impressed me about what parts of Texas
20 and how many people are certainly affected by the
21 conditions that are out there. And I'd like to see us
22 take up this issue as we move forward into some of our
23 roundtable discussions. And you talked about the Tax
24 Credit discussion this spring. Obviously, the rural folks

1 around the state will be playing an important role here.
2 The ag folks around the state will play an important role
3 here.

4 And to pull together, you know, more than one
5 state agency. We can obviously, take the lead. But
6 there's other state agencies that this particular
7 population affects, as we've been told this morning. And
8 to have some joint meetings and discussions at staff
9 level, for sure. At the Board level, you know --

10 DR. MUNOZ: Uh-huh.

11 MR. CONINE: -- we'll obviously be glad to
12 participate in that. But it's certainly something we need
13 to take a look at. So --

14 DR. MUNOZ: We have a rural working group that
15 Brooke is heading that actually has its first meeting, I
16 think, on Friday. And we'll make sure that this issue
17 comes up. And let's try to get the other agencies at the
18 table for maybe a follow-up discussion.

19 MR. CONINE: And for the rest of the Board
20 members, Jean Latsha, like Mike said, couldn't be here.
21 And she is normally at our meetings. But there's a letter
22 in your packet, in your material. Make sure you take a
23 look at that.

24 DR. MUNOZ: Also, I'd like to see if there any

1 Board -- other Board members that would like to comment.

2 MS. BINGHAM-ESCARENO: Yes. Thank you, Doctor.

3 Just wanted to express my gratitude to the
4 Mireles family for coming and sharing with us this
5 morning. And we're talking big picture here. So Dr.
6 Munoz encouraged us all to think big. And this opened our
7 eyes to a bigger issue. But I feel very strongly and I
8 just want to make sure that we let the Mireles know that
9 we hear about what's going on in the Mireles household and
10 that if there's anything we can do from the Department's
11 standpoint to help them with their current situation that
12 we'd very much like to do that.

13 DR. MUNOZ: Any other Board members?

14 (No response.)

15 DR. MUNOZ: Okay. We'll continue with our
16 public comment. Let me invite Carlos Chacon.

17 I'll remind you, Mr. Chacon, there's a three-
18 minute limit.

19 MR. CHACON: Sure.

20 Good morning. I'm Carlos Chacon with McCord
21 Development. And I'm here today to comment on Windfern
22 Point, which is an existing affordable apartment community
23 in Houston, Texas, for which a pre-application has been
24 submitted for program year 2010 9 percent tax credits.

1 As you may recall, a full application for 9
2 percent tax credits was submitted for Windfern last year
3 but was terminated on the grounds that it was ineligible
4 in light of program year 2009's QAP Section 49.6(a) which
5 prohibited properties located the 100 year flood plain.

6 Windfern's prospective buyer at the time came
7 before you last July to appeal the flood plain issue and
8 to present documentation of the ongoing flood mitigation
9 work being completed by the Harris County Flood Control
10 District in the form of the White Oak Bayou project. That
11 project would ultimately remove Windfern from the 100 year
12 flood plain, along with about 1,500 other properties.

13 Unfortunately, at the time the QAP did not
14 contain an allowance for flood mitigation of projects
15 located in the 100 year flood plain. So Windfern didn't
16 technically meet TDHCA's requirement. While the Board
17 agreed and accepted staff's recommendation to uphold
18 Windfern's application -- the termination of Windfern's
19 application, Mr. Conine did point out to Ms. Gamble
20 [phonetic] to make note of this issue for the 2010 QAP.
21 Accordingly, this section of the QAP was refined and made
22 part of the 2010 QAP, which we thank you for, by the way.

23 The new language reads as follows. "No
24 buildings or roads that are part of a development

1 proposing rehabilitation or adaptive reuse will be
2 permitted in the 100 year flood plain unless the local
3 political subdivision has undertaken mitigation efforts
4 and can establish that the property is no longer within
5 the 100 year flood plain."

6 We're actually currently in the process of
7 working with TDHCA staff to confirm that the evidence of
8 Windfern's forthcoming removal from the 100 year flood
9 plain meets the standard set by the new language in the
10 2010 QAP.

11 And finally, I just wanted to thank you for
12 your support and understanding and ultimately assistance
13 with respect to this issue and also, for your support of
14 existing developments whose flood issues have been
15 mitigated but await the redrawing of maps to technically
16 be removed from their respective 100 year flood plains.
17 Thank you very much.

18 DR. MUNOZ: Thank you, Mr. Chacon.

19 I'll ask if any of the Board members have
20 questions about this kind of item.

21 (No response.)

22 DR. MUNOZ: Seems that the new language will
23 help alleviate -- ameliorate this issue in the future.

24 Justin MacDonald?

1 MR. J. MacDONALD: Thank you, Dr. Munoz, Board
2 members, Mr. Gerber. My name's Justin MacDonald,
3 Kerrville, Texas. I am not here today speaking on any
4 specific development or project but rather, an item in the
5 QAP that has come to -- at least come to light in my mind
6 as I have been looking at the 2010 application round and
7 looking at filling out applications.

8 And that is in the selection criteria QAP
9 Section 50.9(I)(9), Tenant Services. This year was a
10 change from previous years in that in the past developers,
11 in order to get points for this section, would just
12 certify that they were providing several of a list of
13 services but not specifically select which services they
14 were providing.

15 This year however, it actually assigned an
16 individual point score to each of those services. Which
17 is good, I think, because it does hold the developers, the
18 project sponsors accountable for actually providing a
19 specific set of services for that project.

20 However, in looking at the list it seems like
21 it is skewed against seniors-only developments. There's
22 quite a few items in there such as youth sports programs,
23 GED preparation, which I guess could be utilized by
24 seniors but is less likely to, after-school tutoring,

1 childcare.

2 There just seems to be a disproportionate
3 number of items targeted to families with children. Which
4 I won't argue that there isn't a need for. But it seems
5 nearly impossible and definitely more difficult to get the
6 same level of points for a seniors-only development, given
7 the list of services that's there now.

8 I don't know if there's anything that this
9 Board can do about it for this year, since the QAP has
10 already been signed by the Governor and approved. But I
11 just wanted to point this out for future situations. And
12 also, I don't know. You may want to have your counsel
13 look at that. I don't that there would be a fair housing
14 violation, a familial status, you know, sort of skewing
15 one way or the other. But it might be worth looking into.

16 Thank you.

17 DR. MUNOZ: Thanks, Justin. Appreciate it.

18 Any questions?

19 (No response.)

20 Granger MacDonald?

21 MR. G. MacDONALD: Thank you, Mr. Chairman.

22 I -- my name's Granger MacDonald. I'm here today
23 representing TAP ON [phonetic] as their chairman of the
24 Policy Committee. First, though, let me say that I think

1 that sometimes we get a little too carried away and too
2 busy thinking about compliance issues and QAPs and all the
3 various things that come before this Board on a regular
4 monthly basis.

5 And seeing people like the Mireles, I think,
6 should re-energize us as to what our job really is and
7 what needs to be done for the people of Texas. And maybe
8 we need to see a few more of those folks at a few more of
9 these meetings now and then to kind of keep our focus.

10 What I came to speak about today was that we've
11 been through a long and arduous task on the TCAP and
12 exchange closings. And that started almost a year ago.
13 And we're just now seeing the finish line on the first
14 deals thanks to the staff's hard work. And the staff has
15 overcome a herculean task of trying to figure this thing
16 out and documenting it. And so I'm going to spin through
17 that with them. Appreciate the efforts the staff has
18 made.

19 We are running up against a time delay of March
20 31 to have all these deals closed. And because the task
21 was so great I think that at your next board meeting,
22 which I understand is in March, maybe an extension of
23 those dates needs to be considered. Strictly because of
24 the amount of paperwork. Some lenders have caused some

1 problems. People had to shift and go to another lender
2 who would not be happy with the documentation. And
3 there's a whole host of reasons.

4 But the time has really gotten away from us.
5 We'd all hoped to have had some closings in October and it
6 ended up just making it under the wire in December. So I
7 would like for you to consider that at your next meeting,
8 if you would. Thanks.

9 MR. CONINE: Is there a staff response to -- I
10 saw a schedule that we'd -- a closing schedule that we'd
11 put out for TCAP and exchange. Can we get just a little
12 feedback from staff or you want to wait till later on in
13 the agenda?

14 MR. GOURIS: I don't think we had -- did we
15 have a item that we're going to talk about? I'll just
16 mention -- Tom Gouris, deputy executive director for
17 Housing Programs. We were looking at the possibility and
18 likelihood of bringing a request to the Board next month
19 for extending that. There are a number of transactions
20 that are ready to close, that are getting close to close.

21 But there's a large body of transactions that are still
22 working through processes with their lenders and others.
23 And they're a bit further away.

24 So -- and it's something of the order of, you

1 know, half to two-thirds of the exchange deals probably
2 are not ready in that regard. But we're working through
3 it and we're moving folks here. And I'm pretty -- I think
4 that it's important that we keep short deadlines to keep
5 things moving and extend as we need to so we can keep the
6 process running as quickly as possible.

7 MR. GERBER: But I think it's fair to say staff
8 will not hesitate to come to this Board in March if we
9 feel like we're not going to get folks across the finish
10 line.

11 VOICE: Absolutely.

12 MR. GERBER: We want to use all these funds.
13 But we're going to keep the pressure up to -- people need
14 to show their cards to us. We need to show our cards to
15 them. And there's just a lot of legal documentation that
16 has to be gone through. And I think hopefully, we've
17 cracked the code and a lot of deals will now move. But
18 invariably we'll have -- you know, we're going to push
19 hard. But we'd like to reserve the right to come to you
20 at the March meeting to ask for additional time should we
21 need it. But our hope is we're going to push the lines
22 here through by then.

23 MR. GOURIS: And, in fact, we hope that we have
24 to have 75 percent of the TCAP funds committed by mid-

1 February.

2 MR. GERBER: Right.

3 MR. GOURIS: And we think we're on track to do
4 that. But that's our big push right now, to make sure
5 that rate agreements are signed and those are set up in
6 the system to -- with HUD to get those funds set up.
7 Exchange takes a little bit -- there are more moving --
8 different moving parts there. So --

9 MR. GERBER: If I can just interject. Maybe
10 just sort of in the form of a shout out. Cynthia Bast,
11 Shackelford's back there. There's a couple of other
12 lawyers back there, Tony Jackson, you know, have really
13 been very helpful in trying to work through the legal
14 issues, which have been a mess. And we appreciate the
15 community approach to trying to help us work through some
16 of that.

17 DR. MUNOZ: Are there any other questions from
18 Board members, comments?

19 (No response.)

20 DR. MUNOZ: Let me invite Cynthia Bast.

21 MS. BAST: Good morning, Dr. Munoz, Board
22 members.

23 And thank you, Mr. Gerber.

24 As you -- I'm Cynthia Bast of Locke Lord in

1 Austin. And as you did hear, we worked on behalf of a
2 client with your staff to close the first TCAP and the
3 first exchange deals on New Year's Eve. It required
4 incredible focus and commitment from your staff to get
5 there over days that for most were holidays. And we are
6 grateful to all of them for the effort that they put in.
7 Because it was a huge milestone. There's still a very
8 large boulder to roll up the hill. But we have made some
9 very important steps. So I'm grateful to the staff.

10 And I wanted to in particular give some
11 gratitude to Monita Henley and Leah Rosas of your legal
12 staff. They don't tend to come to these public meetings
13 and they don't tend to get public recognition in any way.

14 But they dug in and went way above and beyond the call of
15 duty to make those closings happen. They are fine legal
16 professionals. We enjoy very much working with them. And
17 I wanted to give them my thanks. So thank you very much.

18 And we look forward to more closings to come in the next
19 few weeks.

20 DR. MUNOZ: Thanks, Cynthia.

21 MR. CONINE: Thank you, Cynthia.

22 DR. MUNOZ: Our next public comment, Rainer
23 Andrews?

24 MR. ANDREWS: Hi. My name is Rainer Andrews.

1 I'm on Item Number 5, Elm Ridge Apartments. I'm with
2 Summit Housing Partners. We're just wanting to call and
3 say we're really excited about this property. It's 130
4 unit, 100 percent project Section 8 deal in Austin. We
5 are looking at about \$20,000 unit rehab. Ready to move on
6 it. Once you all approve -- if you all approve the tax
7 credits today we should be able to close in February and
8 get everything rocking and rollin' with the Board. Say
9 thank you.

10 MR. CONINE: That's great.

11 DR. MUNOZ: Thank you.

12 Any questions?

13 (No response.)

14 Lewis Williams?

15 MR. WILLIAMS: Chairman Munoz, members of the
16 Board, Mr. Gerber, my name's Lewis Williams and I
17 represent Abilene Senior Village, which is 09175. During
18 the November Board meeting Abilene Senior Village was
19 selected to be first in line for any residual funding of
20 exchange funds after the round one and round two. And as
21 such, we performed all the necessary engineering and we're
22 ready to permit. We've lined up our debt and everything.

23 But the problem is our Achilles heel is the
24 finite time frame of our control of our land there in

1 Abilene. And as such, we're -- I'm asking the Board to
2 ask staff to -- whenever they feel that it's reasonable to
3 keep me informed. And I'm sure the people behind me in
4 line would like to be informed so that we can make a
5 informed business decision when or if the residual funds
6 may be available.

7 I know there's a lot of stuff going on behind
8 the scenes. But it appears that the -- with what I've
9 requested for exchange funds that there's possibly enough
10 there. And I'd hate to lose my project a week before you
11 all call me up and said, Hey, we've got it. And what I'm
12 asking -- the favor I'm asking of you guys today is just
13 to ask staff to, when they think is reasonable and
14 prudent, to give me a call so we can proceed. Because
15 like I said, I've got a definite shelf life on the land.

16 Is there any questions? I'd be glad to answer
17 them.

18 MR. CONINE: Could we get Tom to comment on
19 that?

20 MR. WILLIAMS: Thank you.

21 MR. GOURIS: Tom Gouris, deputy executive
22 director for Housing Programs again. We do believe that
23 they'll be residual funds, exchange funds that are being
24 reduced from the requested amounts. We haven't reconciled

1 that completely yet. We have about 25 underwriting
2 reports that are still outstanding pending completion of
3 the 86 for exchange. And so they're -- we're still
4 working through some of those -- some of that to make sure
5 that we do have some residual funds available.

6 We also -- part of the deadline issue is
7 keeping things on track so that folks who aren't able to
8 move forward resolve that. And if they fall out, they
9 fall out. So that those would be funds that would be
10 available.

11 And then the third element of potential funds
12 is legislation that's pending for another round of
13 exchange or another allocation of exchange that would
14 ultimately assist some of these '09 tax credit awardees
15 who aren't able to move forward with their regular tax
16 credits. So there are a couple of avenues that we're
17 working on, we're watching. And we're trying to move
18 forward as quick as possible.

19 At this point, though, we are hesitant to
20 release at the next exchange award until we know for sure
21 that we've got return funds that aren't appealable to fund
22 the next deal. We do anticipate that we'll be able to.
23 But we just have -- we're just not there yet. Soon as
24 we -- as soon as we get clear confirmation that we have

1 exchange awards executed we will move forward with the tax
2 transactions.

3 MR. CONINE: Yes. I think what I heard him say
4 was not to go ahead and notify him that he's got it, but
5 to give him a two-minute warning on, you know, that you're
6 next in line, there's some funds that may or may not, you
7 know, you'll know in the next 30 days. Is any of that
8 kind of conversation going on?

9 MR. GOURIS: Yes. We're talking. In fact, I
10 encouraged him to continue to make his presence known at
11 this meeting and to us. So, yes, we've been talking
12 regularly. And our -- you know, have told him what I just
13 told you, as far as his -- so that he knows what his
14 options are and what his likelihood of moving forward are.
15 And as soon as we do have confirmation we'll send him a
16 notice, too. What he'll have to do is apply for the
17 exchange. And we'll go through the process of
18 underwriting his transaction.

19 MR. CONINE: Okay.

20 DR. MUNOZ: All right. Okay. Thank you, Tom.
21 Does Board members have any additional
22 questions?

23 (No response.)

24 We have one more, Terri Anderson.

1 MS. ANDERSON: Good morning, everyone. I'm
2 Terri Anderson, Anderson Capital. Thank you for giving me
3 the opportunity to speak. I wanted to compliment the
4 Department. TAP set up three separate workshops that were
5 effectively designed to coordinate TDHCA's efforts working
6 on tax credit developments with HUD. And I certainly
7 wanted to congratulate TAP on doing that. But then also
8 congratulate staff on trying to work closely with HUD.

9 As many of you all may be aware, that seems to
10 be many of the only options for a lot of the tax credit
11 developments. And I just wanted to continue and encourage
12 working on all of the programs, the Housing Tax Credit
13 Program, the TCAP Program, as well as the Exchange Program
14 on HUD developments.

15 Thank you. I appreciate your time. And one of
16 the developers, when I walked up, said, Every developer
17 who's here should get extra points and extra credit.

18 MR. CONINE: You mean for coming to Lubbock?
19 It's as easy as going to Austin.

20 MS. ANDERSON: It's perfect. Thank you.

21 MR. CONINE: Thank you, Terri.

22 DR. MUNOZ: That concludes our public comment.
23 I just would like to amplify something that the executive
24 director said earlier, in terms of periodically engaging

1 in much greater depth than is normally the case some areas
2 that don't enjoy some of the attention of the more
3 glamorous programs.

4 And I'm talking about migrant farmworker
5 housing and weatherization and these areas that generally
6 don't enjoy the kind of attention that other programs --
7 those -- periodically it's the desire of the Agency and
8 the Board that they enjoy a greater degree of attention,
9 as you have seen this morning. And as we identify
10 strategic programs that require that attention you'll see
11 these kinds of presentations I hope in the future.

12 At this time I'd like to thank the Chair for
13 the consideration, the courtesy and the privilege of
14 serving in a temporary capacity of the Chair. And now
15 I'll return true authority to its rightful place.

16 MR. CONINE: Not bad for a rookie. Let's give
17 him a hand. We're appreciative of Juan. Juan did a lot
18 of background set up for today's meeting and actually
19 provided this particular place, which is a new building on
20 campus. I hadn't been in here. This is pretty new, or at
21 least new since I've been here. But we are thankful for
22 Juan for what he's done in setting up the tour this
23 morning and so forth.

24 We really appreciate it. And thank you very

1 much.

2 Let's move on to Item 1, the Consent Agenda,
3 Board members. Any -- you see several items in both the
4 Multi-Family Tax Credit, the HOME Program. Anybody have
5 anything you want to pull off? Or do I hear a motion to
6 move forward.

7 MS. RAY: Mr. Chairman, I move to accept the
8 Consent Agenda and move forward.

9 MR. CONINE: Motion by Ms. Ray. Is there a
10 second?

11 MS. BINGHAM-ESCARENO: Second.

12 MR. CONINE: Second by Ms. Bingham. Any
13 further discussion?

14 (No response.)

15 MR. CONINE: Seeing none, all those in favor of
16 the motion signify by saying, Aye.

17 (A chorus of ayes.)

18 MR. CONINE: All opposed?

19 (No response.)

20 MR. CONINE: Per my prerogative as the Chair,
21 let's move to Item 5 if we could.

22 Pick that one up, Mr. Gerber.

23 MR. GERBER: Mr. Chairman, I'm -- before we go
24 on to Item 5 let me just mention in the vote you just

1 took, one thing just to highlight for you, that you did
2 approve two-and-a-half million dollars in project funds
3 that will get awarded in HOME funds to seven organizations
4 that help 44 families. And I think it's just important to
5 kind of keep the focus on the folks we're trying to serve.

6 Turning to Item 5, which is the presentation,
7 discussion and possible issuance of determination notice
8 for credits associated with mortgage revenue bond
9 transactions with other issuers, this is the Elm Ridge
10 Apartments that Mr. Andrews referred to. It's a tax-
11 exempt bond application. And it's requesting 4 percent
12 tax credits from the Department. The Austin Housing
13 Finance Corporation is the issuer of the bonds. This is a
14 priority two application proposing the acquisition and
15 rehabilitation of 130 units in Austin that will target the
16 general population.

17 During the compliance review of this
18 application staff did identify that there were a couple of
19 properties in the applicant's portfolio that have material
20 non-compliance issues because the LURA for the properties
21 were not submitted properly by the required deadline.
22 After Board posting Department has received both LURAs and
23 we're still working through the review of it. But we feel
24 comfortable in going ahead and recommending to the Board

1 that a determination notice should be issued in the amount
2 of \$296,913 for Elm Ridge Apartments. And so we would
3 recommend and commend to you a motion in that amount.

4 MR. CONINE: Okay. There is a recommendation
5 for a motion. Do I hear one?

6 MS. BINGHAM-ESCARENO: So moved.

7 MR. CONINE: Motion by Ms. Bingham.

8 MR. GANN: Second.

9 MR. CONINE: Second by Mr. Gann. Any further
10 discussion?

11 (No response.)

12 MR. CONINE: Seeing none, all those in favor of
13 the motion signify by saying, Aye.

14 (A chorus of ayes.)

15 MR. CONINE: All opposed?

16 (No response.)

17 MR. CONINE: Motion carries.

18 At this time we are going to break for lunch.
19 We have the opportunity to have lunch with some of our
20 partners I think that were here this morning, as well as
21 Chairman -- or Chancellor Kent Hance is going to come have
22 lunch with us. And then he will address the Board
23 immediately after lunch. I'm going to say 1:00 probably
24 would be a good target to come back.

1 So right now we'll go into recess for lunch and
2 be back about 1:00.

3 (Whereupon, at 11:55, the hearing was recessed,
4 to reconvene this same day, January 20, 2010 at 1:00 p.m.)

5 A F T E R N O O N S E S S I O N

6 MR. CONINE: Reconvene the Board Meeting of the
7 Texas Department for Housing and Community Affairs this
8 afternoon. And I'll turn it back over to Dr. Juan Munoz
9 for an introduction.

10 DR. MUNOZ: Thank you, Chairman Conine.

11 I'd like to introduce to all of you a figure
12 that some of you may already know from much of his service
13 to the state, our Chancellor here. We have the privilege
14 of having Chancellor Kent Hance serve as the leader for
15 the Texas Tech University system, which includes the
16 university, the medical school, the medical school in El
17 Paso, Angelo State and all of the appendages related to
18 the system.

19 Chancellor Hance was, some of you know, a
20 former railroad commissioner, a former state senator, a
21 former U.S. Congressman and now, of course, his most
22 recent accomplishment, leading Texas Tech to become the
23 next national research university. It's my profound honor
24 to introduce to you our Chancellor, Kent Hance.

1 MR. HANCE: Thank you, Juan, and to everyone
2 that's here, thank you for visiting Texas Tech. We're
3 very proud of our campus and we have a lot to be proud of.

4 And we have 30,000 students here. We have 6,000 in
5 Angelo State and we have almost 3,000 in our Health
6 Science Center, which includes two medical schools, three
7 pharmacy, four nursing and several allied health. So
8 we're doing great things in research and also, in
9 teaching.

10 And I -- for this Board I just want to say a
11 special thanks. I have been in the business. I am not
12 right now, but my son and daughter-in-law still operate
13 our tax credit projects. And one thing I shared with a
14 board member I'm going to share with everyone. You know,
15 TDHCA does not get the credit they deserve to be such a
16 helping agency. And they create a lot of happiness for
17 people.

18 And once we had -- we've got some apartments in
19 Cleburne and I was there visiting and I met a lot of the
20 people. And I'll bet you 70, 75 percent of them were
21 single moms, where the gentleman was no longer in their
22 life and they were raising children. And we provided them
23 a great place to live, the best place they'd ever had.
24 And we couldn't do that without your help, without the

1 federal government.

2 And housing is an issue that gets overlooked
3 sometimes. But it provides stability within our system
4 and within our society. And it gives people hope. And if
5 they have a nice place to live it gives them hope in the
6 day-to-day job that may be a drudge.

7 If you look at the people that you take care of
8 they're the working people that do not have abundant sums
9 of income. They may have 30,000, may have 32,000 and
10 raising two children by themselves. And you address those
11 issues. And other people here that are here as not board
12 members, but as participants --

13 And like I said, had this been the July meeting
14 this would have been completely full. Everybody would
15 have been here, you know. And -- but this means a lot to
16 us that you're out here. It means that you care about
17 this area. And the fact that you brought \$8 million with
18 you didn't hurt. In fact, we'll see you again next
19 Tuesday and then next Thursday and just any time you want
20 to come.

21 But the Governor has made great appointments to
22 this committee. And he's to be commended for that. You
23 handle yourself -- Mike does an excellent job and Kent
24 does. And Juan is our -- is a vice-president in charge of

1 problems. If there's a problem that I need to handle I
2 send it over to Juan. And I think one of my great moves
3 has been making him a vice-president. He loves Texas Tech
4 but he loves the State of Texas and he gives it his time
5 and service so that people may have a better life. And
6 that's exactly what you're doing.

7 One thing I shared with the Board earlier, that
8 because of my involvement in housing I have a better feel
9 of some of the things. And one program I came up with at
10 Texas Tech is the Red Raider Guaranty Program, where is a
11 student comes from a family or 40,000 or less income we
12 pay their tuition and fees. And we do that through Pell
13 grants, state grants and scholarships. We find a way to
14 do it. And we had 632, somewhat, in that program. We're
15 averaging around 750 a year now.

16 But those are kids that wouldn't have had the
17 opportunity if it had not been for us. And a lot of those
18 kids come from a single-family mom that is living in one
19 of the projects that one of your developers has been able
20 to build.

21 And so what happens to that student, when they
22 get out they won't be making a low income. They'll have
23 an opportunity to help not only their parents, but they'll
24 be helping the State of Texas as they provide better jobs

1 and they do a better job at making income and paying taxes
2 and being a very productive member of society.

3 So I understand what you do. You don't get a
4 lot of thanks. And from time to time you get sued. And
5 I've been down that route. In fact, I'm going down that
6 route now. But anyway, in leadership positions sometimes
7 you just have to do what is right. And you have to just
8 move forward. And I just appreciate this board being here
9 and doing what's right.

10 And I hope you have a good stay. and sorry
11 that most of you couldn't stay for the basketball game
12 tonight. We're due a victory. And I hope that we pull it
13 out tonight against Iowa State. If we were playing A&M or
14 Texas or Baylor, a Texas school, well, you might have
15 conflicts. But with Iowa State I don't think there will
16 be any conflicts.

17 But thanks for coming. And Go Red Raiders.

18 MR. CONINE: Thank you very much. Appreciate
19 it. And now we'll move on to Agenda Item Number 3.

20 Michael?

21 MR. GERBER: Item 2, actually.

22 MR. CONINE: Two?

23 MR. GERBER: Yes, sir.

24 MR. CONINE: Did I skip one? Yes, I did. Two.

1 MR. GERBER: Mr. Chairman, Board members, Item
2 2(a) is a presentation and my request of you for
3 authorization to procure a provider to perform an analysis
4 of impediments to fair housing for the State of Texas.

5 As part of the consolidated planning process
6 the U.S. Department of Housing and Urban Development
7 requires the state to certify that it will affirmatively
8 further fair housing. And this includes the preparation
9 of an analysis of impediments to fair housing, also known
10 as an AI, and taking appropriate actions to overcome the
11 effects of any impediments identified through the analysis
12 and maintaining records reflecting the analysis and the
13 actions taken because of that.

14 The analysis of impediments is a review of
15 impediments to fair housing choice and serves as the basis
16 for fair housing planning, provides essential information
17 policy makers, administrative staff, housing providers,
18 lenders and fair housing advocates and assists in building
19 public support for fair housing efforts.

20 Previously, the analysis of impediments was
21 conducted in-house and took significant time to develop
22 and approve. The issue of the current status of the
23 analysis of impediments has come forward really as a
24 result of the Hurricane Ike/Dolly action plan approval

1 process.

2 In a complaint filed with HUD regarding the
3 proposed methods of distribution that were -- was prepared
4 by the Texas Department of Rural Affairs for how those
5 disaster recovery funds would be used the issue has been
6 raised of how the analysis of impediments that the state
7 currently has on file relates to that, as well as other
8 forms of HUD financing, not just the disaster recovery
9 dollars.

10 HUD has been conducting national meetings in
11 which many groups have requested that HUD do more to
12 affirmatively further fair housing by providing more
13 detailed guidance of the AI process. The Department last
14 revised its AI to fair housing in January of 2003. It was
15 approved by HUD in 2004. But obviously, a lot has
16 happened between disasters, foreclosures, the current
17 economic crisis that are [indiscernible] face, there's a
18 need to do an updated AI.

19 We believe that HUD's going to be producing
20 some rules that will give us some clear guidance -- or
21 clearer guidance as to what that AI needs to look like.
22 But I want to put it very clearly on the record. This
23 Department is committed to affirmatively furthering fair
24 housing. This Department is committed to full compliance

1 with our both national and federal fair housing and civil
2 rights laws. And we will do everything we can to more
3 vigorously enforce them.

4 Moreover, we are committed to doing a serious,
5 thorough, thoughtful and comprehensive analysis of all
6 areas of fair housing to ensure that we are adequately and
7 appropriately affirmatively furthering fair housing. And
8 we will have that expectation laid on all of our business
9 partners, as well.

10 And so this is a request for proposals that --
11 you all were generous enough to provide me with the
12 authority to move forward with procurement. But I felt
13 that this was a significant enough issue and has a
14 significant enough impact on other programs within the
15 Department, that I wanted to bring it to you all and ask
16 for a motion to proceed with a release for a RFP
17 consistent with that latest HUD guidance and to get a
18 qualified firm to just underscore the Department's very
19 serious approach to this issue.

20 And we understand and can expect additional
21 guidance coming from HUD as they take a more serious
22 approach to it, that we are -- you know, we want to be
23 leaders in that effort to make sure that our programs
24 serve Texas -- serve Texans that look like Texas.

1 So with that said, we'd ask for such a motion.
2 I don't know if there's any public comment on that. But
3 many folks in the room have been active on that issue.
4 And if they'd like to certainly we welcome their joining
5 the conversation.

6 MR. CONINE: Okay. Any further discussion or
7 questions for Mike at this point?

8 (No response.)

9 MR. CONINE: Do I hear a motion?

10 MS. RAY: Mr. Chairman?

11 MR. CONINE: Ms. Ray?

12 MS. RAY: I move that the executive director
13 and his designees to be authorized and empowered on behalf
14 of this Board to procure a qualified third party to
15 perform an analysis of impediments to fair housing choice
16 as required by the Department of Housing and Urban
17 Development.

18 MR. CONINE: Motion by Ms. Ray. Do I hear a
19 second?

20 MR. GANN: Second.

21 MR. CONINE: Second by Mr. Gann. Any further
22 discussion?

23 (No response.)

24 MR. CONINE: Seeing none, all those in favor of

1 the motion signify by saying, Aye.

2 (A chorus of ayes.)

3 MR. CONINE: All opposed?

4 (No response.)

5 MR. CONINE: Motion carries.

6 MR. GERBER: Mr. Chairman and board members, on
7 Item 3 we're going to bring forward to you several rules.

8 I'm going to let Brooke Boston walk the rules that are
9 within her jurisdiction.

10 MS. BOSTON: First, Item 3 -- Brooke Boston,
11 Deputy for Community-Based Programs. The first rule we
12 have for you is a draft rule, this to be released in the
13 Texas Register, to then be made -- released for public
14 comment. And it's for the Neighborhood Stabilization
15 Program.

16 And in a nutshell, NSP, as you guys know, was
17 awarded quite awhile back -- it was a 2008 fund under the
18 Housing and Economic Recovery Act of 2008. And the reason
19 we're bringing you rules today is our contracts and the
20 NOFA had guidelines and expectations on our recipients but
21 we've never been able to get them into rule yet because
22 we've been busy getting the program up and running. And
23 we believe that there's stronger force behind what we
24 require with it being in the rules.

1 So -- and if you like I can talk you through
2 them. But in a nutshell, you saw they are very short and
3 essentially, we are just kind of codifying those things
4 that are already contractual benchmarks for our
5 subrecipients.

6 MR. GERBER: And, Brooke, in seeking approval
7 from the Board on this we'd be also be asking -- there are
8 some small technical corrections --

9 MS. BOSTON: -- that some of you pointed out.
10 We'd like to just have that flexibility to make those
11 small tweaks.

12 MS. BOSTON: Correct. Yes, if we see typos or
13 inadvertently saying TDHCA instead of the Department, that
14 kind of thing, we'll make that clean up, as well.

15 MR. CONINE: Okay.

16 Do I hear a motion?

17 MS. BINGHAM-ESCARENO: Move to approve.

18 MR. CONINE: By Mr. Bingham to approve.

19 DR. MUNOZ: Second.

20 MR. CONINE: Second by Dr. Munoz. Any further
21 discussion on Item 3(a)?

22 (No response.)

23 MR. CONINE: Being none, all those in favor of
24 the motion signify by saying, Aye.

1 (A chorus of ayes.)

2 MR. CONINE: All opposed?

3 (No response.)

4 MR. CONINE: Motion carries.

5 MS. BOSTON: Item 3(b) is the Housing Trust
6 Fund Program rules. Similar to the NSP rules, will be --
7 once you approve of the draft today they'll go out for
8 public comment and then we'll bring them back to you for
9 final approval.

10 These also are a lot of the changes that you
11 see. It looks like a significant amount of black line.
12 But again, there are a lot of things in the Trust Fund
13 Program that were in manuals or contracts that were not in
14 our rules. And so to the degree that we felt it was
15 important to get those into the rule itself and kind of
16 more formalize that, we've taken those steps.

17 There's actually very little programmatically
18 that changed through this rule. One of the beauties of
19 Trust Fund is that it provides the Board the flexibility
20 to program funds in a variety of ways. And so we've tried
21 to keep the rules from being too specific in any one
22 activity so that we don't limit ourselves through the
23 course of the year in what you may decide to do with the
24 funds.

1 I think that's it. I mean, if -- I don't know
2 if any -- again, similar to the other rule, we'd like
3 authority to make any small typo or administrative
4 clarifications. But unless there's specific questions
5 about any of the sections of the trust fund rule --

6 MR. CONINE: Okay. Any questions on the
7 Housing Trust Fund from the Board?

8 MR. GERBER: And, Brooke, just to be clear,
9 these will be the rules that will govern all of the
10 programs that we roll out using Trust Fund dollars?

11 MS. BOSTON: With the exception of Bootstrap.
12 Thank you, Mike, for clarifying that. The Bootstrap
13 Program has its own set of rules under Texas
14 Administrative Code. And they are governed separately.

15 MR. GERBER: And could you give the Board maybe
16 just 30 seconds on the status of the roll out of those
17 other programs? Because we're talking about a fair amount
18 of money, including the \$2 million for rural that we
19 talked about --

20 MS. BOSTON: Sure.

21 MR. GERBER: -- during the --

22 MS. BOSTON: Sure.

23 MR. GERBER: -- migrant discussion.

24 MS. BOSTON: As a refresher, the Trust Fund

1 plan that you guys approved has six -- seven activities.
2 The first two are Bootstrap and then Disaster Recovery Gap
3 financing. And so those are not administered through our
4 Housing Trust Fund Division but through our Disaster
5 Recovery Division and through the Office of Colonia
6 Initiatives.

7 We then have -- and let's see if I can name all
8 five -- we have a Home Ownership Activity Program, we have
9 a Rural Expansion Program, a Unique Rental Development
10 Program, a Capacity-Building Program and -- let's see -- a
11 Barrier Removal Program for people with disabilities. I
12 got it. I passed. So all of those -- the Barrier Removal
13 NOFA actually will be submitted to the Texas Register next
14 week to be published a week or so after that. And we've
15 had two roundtables.

16 We've taken a somewhat different approach with
17 the Trust Fund Programs this time. And instead of just
18 releasing NOFAs and then getting general feedback about
19 people's likes or dislikes we are doing roundtables,
20 drafting a kind of preliminary draft, doing another
21 roundtable on that draft and then bringing it to you --
22 releasing it for -- to be available for funding.

23 Two of the NOFAs you guys had asked that we
24 bring back to you because were not able to get into enough

1 specificity at the time that we approved the plan. And
2 that's the rental NOFA and the Rural Expansion Program.
3 And so those -- one of them, if not both of them will be
4 back before you guys in March with much more meat on their
5 bones.

6 And the Rural Expansion, as Mike alluded to, we
7 are -- he just recently created a Rural Housing work group
8 similar to our Disability Advisory work group. And we're
9 meeting on Friday. And one of the items on that agenda is
10 to talk a little bit about this Rural Expansion Program
11 with Trust Fund dollars.

12 And then the Rental, because it's a very broad
13 category relating to Rental, but the activity itself is
14 supposed to be focused on unique housing needs, we are
15 having another roundtable on that to fine tune it a little
16 bit more before bringing it back to you.

17 MR. CONINE: Okay.

18 Do I hear a motion?

19 MR. GANN: I'll move the recommendation of the
20 Board approval of the publication in the Texas Register.

21 MR. CONINE: Thank you, Mr. Gann.

22 Is there a second?

23 MS. RAY: Second.

24 MR. CONINE: Second by Ms. Ray. Any further

1 discussion?

2 (No response.)

3 MR. CONINE: Seeing none, all those in favor
4 signify by saying, Aye.

5 (A chorus of ayes.)

6 MR. CONINE: All opposed?

7 (No response.)

8 MR. CONINE: Motion carries.

9 5(c) -- or 3(c). Excuse me.

10 MR. GERBER: 3(c), Mr. Chairman. Mr. Chairman,
11 this item relates to the Weatherization Assistance Program
12 that we've talked about a lot today. And the request of
13 the Department of Energy to have a structure to move
14 weatherization funds from one agency to another in order
15 to assist in full expenditure of the state's \$327 million
16 in funding.

17 Staff is recommending the approval to discuss
18 and draft a rule that outlines a de-obligation and
19 subsequent re-obligation policy and the benchmarks that
20 would be used in that analysis.

21 We are working and are going to be working very
22 closely with our colleagues, the Texas Association of
23 Community Action agencies and with the cities that are
24 impacted and all of the community action agency partners

1 who've been long-standing WA providers to make sure that
2 they all know of the benchmarks that are attendant with
3 the program, understanding that since we don't want to
4 leave any of this money on the table that at some point we
5 know that some agencies are just going to naturally
6 perform better than others.

7 We hope all will be successful. But at some
8 point as it becomes clear at the end of the day there's
9 always a shake out of funds. And we want the ability to
10 move funds from those who are performing less well to
11 those that are performing very well and have the ability
12 to expend those dollars. Because helping alone a person
13 in another region is -- you know, that's -- you know,
14 that's the goal. We'd prefer to serve them in the region
15 that receives the dollars initially. But sometimes that's
16 not always possible.

17 We wouldn't be looking to remove any funds from
18 any agency probably until well into the fall of next
19 year -- of this year, rather. We are going to have clear
20 benchmarks, though and be working with folks and asking
21 them for mitigation plans and other kinds of things to get
22 them back on track should they not -- you know, should
23 they fall behind.

24 But at some point, because there is a set

1 deadline that these dollars have to be expended by, you
2 know, we want the ability to move funds where necessary.
3 So just sort of lay that out and that it will be a work in
4 progress with our partners to develop that rule and then
5 get it out for draft comment and hopefully back to you all
6 at the March meeting. That's what we're seeking your
7 approval for today.

8 And, Brooke, or, Michael, do you have anything
9 you'd like to sort of add to that mix?

10 Brooke?

11 MS. BOSTON: I would just specify we did --
12 because it is a little unusual for us to only ask for
13 permission to take out a draft a rule and not actually
14 show you guys the draft rule. We did specify in the write
15 up what the -- kind of the parameters and what some of the
16 criteria would be so that it's -- you guys are at least
17 informed and prepared about what the rule would include.

18 MR. CONINE: Okay.

19 Any further questions?

20 (No response.)

21 MR. CONINE: If not, I'll entertain a motion.

22 MR. KEIG: I move that the Board adopt the
23 resolution set forth by staff in Agenda Item 3(c).

24 MR. CONINE: Motion by Mr. Keig. Is there a

1 second?

2 MS. BINGHAM-ESCARENO: Second.

3 MR. CONINE: Second by Ms. Bingham. Any
4 further discussion?

5 (No response.)

6 MR. CONINE: If not, all in favor of the motion
7 signify by saying, Aye.

8 (A chorus of ayes.)

9 MR. CONINE: All opposed?

10 (No response.)

11 MR. CONINE: Motion carries.

12 MR. GERBER: As Tim comes up to present the
13 next item, Stella Rodriguez with TACA is here.

14 And I know you'll work with us closely on the
15 development of this one. We appreciate you making the
16 journey out here.

17 MS. RODRIGUEZ: You're more than welcome.

18 MR. IRVINE: Thank you, Mr. Chairman, members.

19 Item 3(d) relates to the rules covering the Disaster
20 Recovery Program. This Board had previously approved
21 rules that were out for public comment. And we had
22 rather extensive public comment. And the public comment
23 really went well beyond the scope of the initial proposed
24 rules. Therefore, staff is recommending that those prior

1 rules be taken down and that the proposed revised rule be
2 offered for public comment.

3 Especially like to thank Madison Sloan of Texas
4 Appleseed for her comments and her thoughtful input.

5 The proposed rule really raises three issues.
6 One is benchmarks for performance under the program. Two
7 is the collection of statistical and demographic data
8 about the program. And three is emphasizing the
9 importance of affirmatively furthering fair housing.

10 MR. CONINE: All right. Questions of Tim?

11 (No response.)

12 MR. CONINE: If not, I'll entertain a motion.

13 MS. BINGHAM-ESCARENO: Move to approve the
14 resolution to withdraw the proposed Disaster Recovery
15 rules.

16 DR. MUNOZ: Second.

17 MR. CONINE: Motion by Ms. Bingham, second by
18 Dr. Munoz to remove and re-propose. Any further
19 discussion?

20 (No response.)

21 MR. CONINE: Seeing none, all those in favor of
22 the motion signify by saying, Aye.

23 (A chorus of ayes.)

24 MR. CONINE: Any opposed?

1 (No response.)

2 MR. CONINE: Motion carries.

3 Moving on to Item 4, I believe.

4 MR. GERBER: There are no appeals, which is
5 indicative that the staff's doing everything right. And
6 we've already done Item --

7 MR. CONINE: You want to put that up for a
8 vote?

9 MR. GERBER: And we are, I think, okay on Item
10 5. We knocked that one out --

11 MR. CONINE: Yes.

12 MR. GERBER: -- before lunch. So --

13 MR. CONINE: Item 6.

14 MR. GERBER: -- Item 6 is Disaster Recovery.
15 And I'd like to turn your attention, if you'd actually
16 turn to that page of it, you'll see that we are making
17 tremendous headway as we wrap up the COG Program. 91
18 percent of the dollars, almost 92 percent of the funds
19 have been expended. The COGs are wrapping up their last
20 20 or so houses. And we believe that they'll be done with
21 that program probably March/April time frame.

22 You will also note that we have crossed the 50
23 percent milestone with our funds for Round 2, that 503 --
24 that \$428 million of which the Department is responsible

1 for the vast majority of it. In our Homeowner Assistance
2 Program we have just cleared our 850th home. So we're
3 very excited about that. And 38 percent of the money has
4 been expended.

5 On our Sabine Pass Restoration Program more
6 than 50 percent of that money has been expended. And
7 we're actually using some of those resources to go and do
8 additional hardening and other -- provide other features
9 that will help those homes which are particularly
10 vulnerable because of where they sit to withstand the next
11 storm. And so we're feeling good about our expenditure
12 rate there.

13 Strong progress being made in our Rental
14 Housing Programs, as well. Some of the developers who
15 have been involved in those programs are here in the room.
16 Mr. Fisher has been very active in it.

17 I think you're property is opening --

18 MR. FISHER: It's open.

19 MR. IRVINE: All open? You're good.

20 There's another property that's opening,
21 Virginia states, on January 27, I believe. And then we'll
22 have others that will be coming on line the next 60 days.

23 But that program is winding down, as well.

24 City of Houston has made tremendous headway in

1 expending their dollars for both police overtime, which
2 was one part of their funds and the other part of it was
3 using it for multi-family rehabilitation. And so we're
4 expecting that to be closed out before the end of the
5 year.

6 Harris County continues to be a problem in that
7 they are shifting money to other priorities. And -- but
8 we think they've got -- finally got the right priorities.

9 I mean, things have shifted as they try to serve the
10 needs of Katrina evacuees that settled in the county.
11 They've made the decision that the best way that they can
12 spend their remaining funds is to move them into multi-
13 family rehab, as well. And so we feel confident in the
14 city -- in the county and their ability to put those
15 remaining funds into multi-family properties that will
16 make a difference and increase the rental stock and the
17 quality of the rental stock for Katrina residents that
18 are --

19 MR. CONINE: Is that that 15 million?

20 MR. IRVINE: That's that 15 million. Yes, sir.

21 And then, of course, our partners at the Texas
22 Department of Rural Affairs continue to make strong
23 headway on critical infrastructure, expending about 55
24 percent of their money. And we believe that they are

1 going to probably have to take out another NOFA because
2 some interest -- some communities have not been to proceed
3 with their infrastructure projects.

4 So that's going to delay some funds getting
5 out. But we'll enable those funds to help, you know,
6 others that are ready to proceed and have been waiting far
7 too long for that critical help.

8 Moving forward to Hurricane Ike, we're
9 continuing --

10 MR. CONINE: Before you --

11 MR. IRVINE: Sure.

12 MR. CONINE: Let me ask a question if I can.

13 MR. GERBER: Sure.

14 MR. CONINE: I see where we've got 850, you
15 said I think, homes that are completed and you got close
16 to 400 under construction.

17 MR. GERBER: Uh-huh.

18 MR. CONINE: And we knew the program in general
19 could do -- call it 3,000. I don't know what the real
20 number is.

21 MR. GERBER: 2,800.

22 MR. CONINE: 2,800. First, I'd like an
23 indication on where we are as to qualifying the individual
24 families, whether the ACS has finished the process of

1 identifying all the available 2,800 families or not; and
2 then -- and second, I understand we have some new builders
3 that have been introduced into the scene, you know. I
4 kind of expected the curve to do this, you know, rather
5 rapidly. I understand the start up slowness and so forth.

6 But are we to the point where we can kind of blow the
7 other 1,800 that we got to do out the back door?

8 MR. GERBER: We feel good about the rate that
9 we are having starts and that we're completing homes. We
10 are bringing on some additional capacity. We've got three
11 new homebuilders that are coming in as a result of a -- of
12 an RFP that we had out. And homes are being assigned now
13 and next week to those new builders. So that will bring a
14 little additional capacity.

15 We've also seen one or two homebuilders who
16 have dropped out of the program or been able to perform.
17 And so that's also had implications and the need to bring
18 in new folks.

19 We have identified all the families that we're
20 going to serve. We have not completed all the paperwork
21 for every family that we're going to serve. And that
22 process continues being done by our partners at -- through
23 ACS at the resident group. There's just a lot of the
24 eligibility and selection of home process that has to

1 be --

2 MR. CONINE: Okay.

3 MR. GERBER: -- undergone. But we know the
4 universe of who we're serving and that they've met those
5 initial thresholds to be qualified and where they can
6 proceed.

7 MR. CONINE: Could we get a deadline proposed
8 from ACS and the subcontractors on the paperwork side?

9 MR. GERBER: Sure.

10 MR. CONINE: That's what I'm most interested
11 in.

12 MS. RAY: Mr. Chairman.

13 MR. CONINE: Yes, Ms. Ray?

14 MS. RAY: We would like a clarification on the
15 1,800 that we're talking about. We just mentioned 845
16 homes rehabilitated or reconstructed, 391 homes currently
17 under construction. The delta between the 1,800 and these
18 numbers that we're talking about here -- where is the
19 remainder of the homes we're talking about?

20 MR. GERBER: Well, 28 homes total will be built
21 in the program. Of that 2,800 to date we have completed
22 about 850. That's the -- or that 845. This was as of --

23 MS. RAY: Right.

24 MR. GERBER: -- you know, last week. And of

1 that -- and --

2 MR. CONINE: I went to Texas Tech. It's
3 probably closer to 1,600 than 1,800.

4 MR. GERBER: 1,600 still to go.

5 MR. CONINE: That's probably what the problem
6 is. I was just doing it quickly on top of -- but I think
7 it's closer to 1,600.

8 MS. RAY: I thought that was what you were
9 talking about but I just --

10 MR. CONINE: Yes.

11 MS. RAY: -- wanted to get clear in my mind
12 that that was what we were talking about.

13 MR. GERBER: Thank you.

14 MR. CONINE: Okay. Any other questions? I'm
15 sorry to interrupt. But I --

16 MR. GERBER: No, no, no. That's --

17 MR. CONINE: -- just wanted to get a clear
18 view of --

19 MR. GERBER: -- my straight answer.

20 MR. CONINE: -- where the paperwork's at on
21 this thing. And if you could have that by the next Board
22 meeting that would be great.

23 MR. GERBER: We can do that. We --

24 MR. CONINE: Good. Okay. Move on to Ike, I

1 guess. That's where you're at.

2 MR. GERBER: Tim, anything else you want to add
3 on Rita?

4 MR. IRVINE: (No response.)

5 MR. GERBER: On Hurricane Ike our local
6 partners continue to develop their programs and stand them
7 up. Applications are being taken in Galveston.
8 Interestingly, there was an article in the Galveston
9 newspaper over the weekend that had about 475 families
10 that had come through the door for the program. We
11 thought there were going to be far more who were going to
12 apply for it.

13 So we're working with the city and talking
14 about just the real needs that continue to exist there,
15 given that that's really sort of Ground Zero for the storm
16 and also talking with them about how the programs are
17 being stood up and marketed to make sure that we hit those
18 folks that, you know, may not have -- may not be aware of
19 the program as ready to go. But we are working and
20 providing lot of technical assistance on the requirements
21 of the program for each one of these 18 subrecipients.

22 On Round 2 we are struggling with method of
23 distribution. The lead agency for developing that method
24 is the Texas Department of Rural Affairs. They are using

1 a weather model to identify how funds should be divided.
2 And that has caused some significant issues with the U.S.
3 Department of Housing and Urban Development.

4 Several administrative complaints have been
5 filed by the Texas Low-Income Housing Information Service
6 and Texas Appleseed and we are unclear as to sort of what
7 the breakdown of that will -- what it means ultimately as
8 to how much housing we'll get and how much this agency
9 will be responsible for.

10 But we'll keep you posted on that. I've been
11 to Washington a number of times. And I think HUD feels
12 very strongly that we as a state need to more closely
13 correlate these dollars with where they can document that
14 housing damage occurred. And -- which makes a lot of
15 sense.

16 There are some other variables to be considered
17 and are worthy of consideration. But at the end of the
18 day making sure that those areas that got hardest hit,
19 like the ones we saw in Galveston when we were there, you
20 know, not too long ago, that those get the lion's share of
21 the funds. And so the Governor's Office is very involved
22 in this process, as are we again, helping to provide some
23 technical help where we can on the housing side. But it
24 may be some months before that issue is fully resolved.

1 And on these funds, as with the 1.3 billion
2 that's already been distributed, we are committed to sort
3 of back filling and making sure that we're doing all we
4 can on the -- affirmatively furthering fair housing. A
5 piece of it. We'll be doing trainings.

6 We'll be making sure that we have not waived
7 any rule or law. We've had requests to make waivers for
8 accessibility features in homes. We're not doing that.
9 It's caused some consternation. But we -- you know, we
10 want these homes to be available to all Texans and have
11 features that can serve all Texans. And so we're working
12 through those and it's challenging work.

13 And our Disaster Recovery Team is not here
14 today because they're back there again, in Austin doing a
15 lot of the [indiscernible] work. It's a lot of hand
16 holding to stand these programs up. But we'll keep you
17 posted certainly between now and March as to the status of
18 those dollars. Because they're going to have big
19 implications for the Department and its budget and there's
20 a lot of legislative interest in it, as well.

21 And I'm sure some of you may have questions.
22 And be glad to respond to those. Or if anyone from the
23 public would like to comment, as well.

24 MR. CONINE: On the Round 2 we've submitted our

1 multi-family plan to HUD. Have we gotten any feedback
2 from that --

3 MR. GERBER: We --

4 MR. CONINE: -- at this point?

5 MR. GERBER: We have not gotten feedback. We
6 submitted it on -- at the request of the Governor on
7 December 23. We were of the belief we were going to get
8 some feedback last week. And HUD released their next
9 round of Neighborhood Stabilization Program funding. And
10 that has delayed things. And we're not clear that the
11 professional staff at HUD has fully worked it up their
12 food chain to -- on what they can tell Texas.

13 And it all fits into the money and how that
14 money's going to be divided. And I think in general the
15 little bit of feedback that we have gotten is we're
16 generally okay with the approach. And it's consistent
17 with what they've seen already from Rita and in Round 1
18 with that \$58 million that you all approved, you know,
19 funding for.

20 The only difference is is that with the 174 we
21 added some scoring criteria that if you're building in
22 a -- and if you're building in an area that is intended to
23 expand housing choice and make it possible for folks who
24 are living in very poor, blighted areas to live in a

1 community that has better schools and is safer or has
2 other -- you know, other benefits and attributes, that you
3 can get scoring for that, as well. And the effort to sort
4 of help expand housing choice and mobility options for
5 folks who, you know, may not have had many options before.

6 Other than that, it's essentially identical.
7 And the initial staff response from HUD is, Looks good.
8 But again, it all sort of stems from, you know, the money
9 and the bigger picture about how that gets divided.

10 MR. CONINE: Okay.

11 Any other questions of Mike?

12 (No response.)

13 MR. CONINE: There's no action on 6, other than
14 just the report.

15 MR. GERBER: Just --

16 MR. CONINE: Right?

17 MR. GERBER: Just the report item.

18 MR. CONINE: Okay. Moving on to Item 6(b).

19 MR. GERBER: Item 6(b) is a report on homes
20 that have been considered and reviewed by me for
21 services -- for -- where they exceed the established cap
22 of \$10,000. You asked for me to provide you with that
23 list. And so, as you can see, we continue to have homes
24 that do have additional needs and where we've exceeded the

1 cap. And again, taking a very common-sense approach to it
2 and making sure that things, you know, fit within certain
3 parameters. But nothing has been outside of the bounds of
4 reason and we feel it's important to address these well
5 and septic issues and water line and other repairs to make
6 sure that they're -- the families can have a quality home
7 to live in well into the future.

8 MR. CONINE: Okay.

9 Any other questions on Item 6?

10 (No response.)

11 MR. CONINE: Moving on to Item 7.

12 MR. GERBER: Item 7 is an update on our ARRA
13 funding. I'm going to ask Brooke Boston to come back
14 again and -- she has a much more pleasant voice than I
15 do -- and walk us through the ARRA funding.

16 MS. BOSTON: Great. In your book you guys have
17 a table that we've been giving you periodically. And
18 staff's in the process of coming up with a new tool for
19 sharing information with you guys on ARRA and at the March
20 meeting we'll have kind of a more of a -- something
21 punchier and gets across the data a little bit more
22 impressively.

23 But what I would like to do since we have a
24 couple moments is just kind of give you an update of where

1 we are. On January 15, just a couple days ago, we
2 submitted our second quarterly report to the Recovery
3 Accountability and Transparency Board, RATB. That's our
4 1512 report. We -- also, the Legislative Budget Board has
5 requirements relating to reporting. And this quarter was
6 our first quarter having to submit that. And so that also
7 was due on the same day.

8 But we have achieved both of those deadlines.
9 And so with your permission I'd like to tell you a little
10 bit about just where we are with each of the ARRA
11 programs.

12 First, with the Weatherization Program the
13 total -- and the numbers I'm going to give you are all
14 based on what we just reported in our 1512 report
15 federally unless I indicate otherwise. The total we've
16 had drawn by subrecipients is 6.6 million, which is
17 approximately 2.1 percent of the funds. We've weatherized
18 47 units.

19 According to the December monthly reports that
20 our subs give to us, which is not part of the 1512 report,
21 we have 2,100 units that are in progress. And that's
22 something -- remember earlier on our tour we talked about
23 they have to let us know what they have in progress so we
24 can work out cash advances. And so that's the number that

1 our last set of cash advances was based on. So that's a
2 fairly concrete number, in terms of what they have in the
3 pipeline.

4 While the percent expenditure, that 2.1
5 percent, is small we hadn't necessarily anticipated those
6 numbers to be greater yet. And so while we know we've got
7 a long stretch to go, I wouldn't say we were surprised by
8 that figure. And the reasons for that are many. And I'm
9 sure others could testify to this, as well, if asked.
10 But, you know, we had Davis Bacon requirements that were
11 very significant and there's been a lot of training on
12 that.

13 Just getting folks up to speed on all of the
14 DOE regulations, in particular for the expanded network
15 who didn't necessarily -- while they may have done, let's
16 say, a local weatherization program, they hadn't done a
17 DOE program. And so we -- that has taken a little bit of
18 time.

19 We expect that by the April 15 report that we
20 will have to submit that reflects January, February and
21 March, we'll see a significant boost. And we really think
22 even that won't be our biggest leap to where we'll be then
23 at a plateau. And we actually think the April, May, June
24 period that will be reflected in July will be the first

1 quarter where we see what will then be consistent
2 reporting through the rest of the period.

3 We have some good controls in place as it
4 relates to the Weatherization Program. We do -- every
5 Monday morning our staff calls and talks with the staff of
6 every single one of our recipients, finds out from them
7 what do they have going on that week, in terms of number
8 of units, if -- expenditure issues, if they're having --
9 do they need any TA from us at all. And so that's been
10 helpful, a new step.

11 Mike Gerber has also been making calls to most
12 of the subs consistently. We communicate with them
13 electronically to be in touch with them. And so I think
14 that's been effective, as well.

15 We also have been in close contact with the
16 Department of Energy through all this. As you guys
17 recall, the -- I think there were three or four different
18 meetings in late fall 2009 all the way through December
19 where you approved plan amendments for our WAP plan for
20 DOE. And those are in the process of being submitted.

21 They actually have a kind of tricky software
22 system that for us to enter the program so it's taken a
23 little while. But they're actually the ones kind of
24 tutoring us on this and they're our partner in getting us

1 through this. So they don't feel like we're late or
2 anything like that. It's a collaboration as we get
3 through doing this.

4 They also have -- we've kept them informed as
5 we go along of where we are with our plan amendment, our
6 expenditures. And while I think, of course, they would
7 have probably liked to see us better than 2 percent, they
8 feel pretty comfortable about where we are. And I think
9 they're confident, also based on the infrastructure we
10 have in place and our monitoring plan that we'll get to
11 where we're supposed to be with high quality units that
12 meet all the regs, which is a critical part of all this.

13 And lastly, as you have heard us speak before,
14 the GAO -- we are one of the Sweet 16 agency -- states
15 where the GAO comes out quarterly to visit us. And for
16 TDHCA it's been primarily been focused on Weatherization
17 so far. And we -- they are back in the office right now.

18 We did an entrance conference last week and they this
19 time are meeting with a lot of staff individually.
20 They're going out and starting to meet with the subs. And
21 so we expect -- even though the visit is now, we won't be
22 expecting a report on these set of visits until May. But
23 we'll obviously keep you guys apprised of that information
24 as that final GAO report comes out.

1 Any questions about WAP? Or I can talk
2 about --

3 MR. GERBER: I think it's fair to say at the
4 next Board Meeting, though, you're going to start seeing
5 agency-by-agency breakdowns and how people are fulfilling
6 their requirements. So you'll start to get a sense of
7 performance and the ramping up of folks' work.

8 As we talk to different agency executive
9 directors and we're asking a lot of questions about, you
10 know, Do you have everything you need, Do you have all the
11 trainings you need, Do you have all of the -- Have you,
12 you know, gone to the training academy that we have and
13 gotten all the technical information that you need in
14 order to be able to use stimulus dollars given the -- you
15 know, the fairly short time frame we now have to -- you
16 know, to burn through these funds and really make a
17 difference.

18 And really, from my talking to a number of
19 agencies, with the exception of one most folks have said
20 that right now they've got what they need. And so now
21 they're ramping up those programs. So we're looking for
22 some significant upticks in numbers in February and March.

23 I mean, we might not hit what our stride is. But we're
24 going to be seeing a pretty big ramp up.

1 MS. BOSTON: And one of the interesting things
2 about weatherization activity, as well, is you can have an
3 agency who may not do anything for a month or two and then
4 they do weatherization on an entire multi-family property
5 and hit their target for four months in 30 days. So we
6 also have been kind of talking a lot with them about
7 trying to focus in on multi-family activities as a way to
8 achieve their production numbers. So --

9 MR. CONINE: When we fill out our quarterly
10 report, you know, we've been reading all these news
11 accounts of all these agencies reporting jobs that are
12 saved or created, do -- are we making estimates on the
13 stuff that we're involved in? And how do we go about
14 doing that? And --

15 MS. BOSTON: We are. They're not estimates.
16 They're actuals. And if you'd like -- I don't want to get
17 too far into it because Brenda Hull is our expert at the
18 actual formulas behind it all. But it's based on FTE
19 hours worked under the given programs. And that's
20 reported up from the subrecipients to us. And when we
21 report the numbers federally it includes both the
22 subrecipient's data, as well as the FTEs at TDHCA.

23 And if you'd like I can make sure at our next
24 meeting we have a component that focuses on the jobs to

1 give you guys a better understanding, not only of how
2 we're gathering it but what the numbers are so far.

3 MR. GERBER: And the Workforce Commission has
4 developed a fairly standardized approach to how we
5 calculate those numbers --

6 MS. BOSTON: Correct.

7 MR. GERBER: -- for all agencies. So --

8 MS. BOSTON: For the state FTEs.

9 MR. GERBER: -- that it all looks the same.

10 MS. BOSTON: Right. And then each of the
11 federal agencies involved in each individual program also
12 give additional guidance on how to do this. So we have
13 the guidance from OMB and then we have additional
14 overlaying guidance that would come from either HUD or
15 Department of Energy, whatever the case may be.

16 MR. CONINE: Now, I -- I guess the rest of the
17 board might want to see some of that. I just would like
18 to see just for my own edification, see what the impact
19 has been.

20 MS. BOSTON: Sure. Okay. For the next
21 program -- it's for the CSBG Program, the Community
22 Services Block Grant Program. And the total drawn by subs
23 so far is 7.4 million, which is approximately 15 percent
24 of the funds. That's good in some respects. This

1 program, though, is a one-year program. It's not a two-
2 year program or three-year program like most of the other
3 ones. Because we only have one year -- and they are 38
4 percent of the way through their contract period. So the
5 fact that we've only expended about 15 percent means we're
6 behind.

7 One of the interesting factors about CSBG is
8 federally -- whereas earlier Mike was talking to you guys
9 about the possibility of us recapturing funds and
10 reallocating to other agencies, we are not permitted to do
11 that in these cases. So really, all of the ability to get
12 the money moved is very much at the local level. So we,
13 you know, deal with them weekly. We get in touch with
14 them. We've been trying to, you know, work with them on
15 plans. We're being very flexible about them amending
16 their plans to us for how they're going to get their money
17 expended.

18 We are confident that they will because this is
19 their mission. And we know they don't want to lose the
20 money for their part of the state. But unlike the other
21 ones, kind of the -- our ability to reallocate is not
22 there.

23 Another exciting thing about CSBG that I would
24 like to mention is 1 percent of the funds, which is about

1 \$481,000, is required to go towards benefit coordination.

2 And what we've done is we're in the process of entering
3 into an MOU with the 2-1-1, Texas Information and Referral
4 Network, to purchase software jointly so -- and use our
5 money to help purchase that software so that the
6 coordination efforts in regional areas across the state
7 are more collaborative and talk to each other better from
8 tech -- that's my layman's technological terms.

9 But right now by what 2-1-1 has shared with us
10 over 50 percent of the calls that are received by 2-1-1
11 relate to either utility assistance or housing assistance.

12 So it makes a lot of sense for that partnership to be
13 with TDHCA.

14 Any questions on that program?

15 (No response.)

16 MS. BOSTON: The next one is the HPRP, which
17 stands for the Homelessness Prevention and Rapid Rehousing
18 Program. This one is plugging along. We have expended
19 3.4 million, which is about 8 percent. And that's a
20 several-year program. And so we're okay. But we're on
21 track. This one is a program that was modeled off of the
22 Emergency Shelter Grant Program. So that is a program
23 that we already ran.

24 This one is different enough that HUD has

1 decided to keep tweaking it and releasing new regulations
2 intermittently, which has added some interesting dynamic
3 to it. But we've actually been successful in keeping our
4 subrecipients informed in that regard. And we -- on that
5 program preliminary pre-monitoring visits for all 58
6 subrecipients will have happened by mid-March. So --

7 Next, for TCAP the total drawn by the
8 subrecipients to date is 2.4 million, which is
9 approximately 1.6 of 6 percent of the funds. We have 11
10 written agreements executed, which represents 1,400 units,
11 just around there. We anticipate having 50 more written
12 agreements executed within the next 30 days and having --
13 as of the 15th we've had one loan closing but we expect
14 another 15 within the next 30 days.

15 There are approximately 20 deals still left to
16 underwrite. And as Tom mentioned earlier, 75 percent of
17 all the written agreements are required to be executed by
18 February 17.

19 For the Tax Credit Exchange Program the total
20 drawn by the subrecipients is 5.9 million, which is
21 approximately .8 percent of subrecipient funds. Total
22 written agreements executed so far is one. And that one
23 also has closed. And that one property was 73 units. And
24 we expect another 15 written agreements in the next 30

1 days.

2 For TCAP and Exchange, as you guys mentioned
3 earlier, we do have a closing log that has gone up on our
4 web site that helps make information available about when
5 closings are scheduled and what our availability is. We
6 also have an RFP for asset management that you guys, I
7 know, are aware of.

8 And that is currently being reviewed by the
9 Comptroller's PAT RAD [phonetic] system, which is we're
10 required to send any RFP through that system. And they're
11 reviewing that right now. We have reason to believe we'll
12 have it back in the next few business days and then we'll
13 be able to get that released and posted publicly.

14 And then I -- the only other ARRA activity was
15 NSP-2. We had applied for Neighborhood Stabilization
16 Program funds. And I think Mike mentioned this a little
17 bit earlier. But we applied about six months ago and had
18 expected to hear in December and we found out this past
19 week that we did not receive an award.

20 Interestingly, only one state agency -- state
21 government at all across all of the requests was awarded
22 and that was in Ohio. You know, Texas' foreclosure data
23 just is not as dire as many of the other states. And so
24 we were not given funds.

1 There were three entities in Texas who did
2 receive funds. Total, the three of them together got
3 about 53.6 million. So that's great. And now they'll put
4 that directly into their local areas.

5 MR. GERBER: And one of the best things about
6 that funding decision was that Habitat For Humanity
7 received about \$27.9 million. And their model of dealing
8 with foreclosure prevention has been a little bit
9 different than the state's. And, you know, as we are
10 concerned about monitoring and compliance issues, it's
11 just been a little different approach. And so this direct
12 allocation of funds should hopefully add to, you know, yet
13 another prong in sort of the, you know, available funds
14 there to help folks in foreclosure and to, you know, work
15 through the Habitat system, as well. And they do a lot of
16 good work.

17 MS. BOSTON: That's it.

18 MR. CONINE: Okay. Any questions of Brooke?

19 (No response.)

20 MR. CONINE: Thank you very much.

21 Okay. Item 8, compliance and asset oversight.

22 Mr. Irvine.

23 MR. IRVINE: Tim Irvine, Secretary. If I might
24 present this item, Mr. Chairman. At the last board

1 meeting United Housing Foundation came to this board
2 seeking reinstatement of a terminated application under
3 the '09 round. This had been terminated because of the
4 material non-compliance of their affiliate, Blue Lake at
5 Marine Creek.

6 The Board did approve the reinstatement but
7 directed staff to go back and seek the pursuit and
8 collection of administration penalties for the violations
9 of Blue Lake at Marine Creek. In that regard staff has
10 negotiated with Blue Lake via their counsel, Cynthia Bast
11 of Locke Lord, who I believe is here today. And we have
12 reached what we believe is an appropriate, agreed
13 resolution of this matter.

14 I would like to point out several things about
15 it. First of all, it is precedential. This board has
16 never assessed administrative penalties before. This is
17 our first. This is putting the ball in the hoop and
18 actually setting precedent for the penalties. And in that
19 regard we're certainly within the parameters of our rule.

20 We certainly met our statutory requirements.

21 But I would like to note that the preponderance
22 of this penalty relates to physical condition violations.

23 And the rule does provide for a range of penalties up to
24 \$1,000. And what we negotiated settled out in the middle

1 of that range and we think that's appropriate because
2 obviously, they took long enough to fall into material
3 non-compliance.

4 But once they were accosted with the realities
5 of the situation they did move quickly to clean them up.
6 These penalties are allocated and addressed all of the
7 violations, all of which have been cured. And staff
8 recommends the adoption of the resolution in the form in
9 your board materials. Be glad to answer any questions.

10 MR. CONINE: Okay.

11 MS. RAY: Mr. Chair, I'd like to comment on
12 this process.

13 MR. CONINE: Sure.

14 MS. RAY: I understand we have not issued
15 penalties in the past. And I understand that this is
16 setting a precedent. But I want to share with the Board
17 and the staff we appreciate the means by which you
18 negotiated the penalties before you bring it to the Board
19 for consideration. I think that's very helpful to us and
20 I think its' very -- it also sends a message to the rest
21 of the community that we are, in fact, serious about
22 administrative penalties.

23 MR. IRVINE: Thank you very much.

24 MR. CONINE: Any other comments?

1 (No response.)

2 MR. CONINE: There a motion?

3 MR. GERBER: Mr. Chairman? With Tim, just to
4 clarify, United Housing Foundation has -- in negotiating
5 this out I know -- I've sort have been watching -- they
6 are a non-profit.

7 MR. IRVINE: Correct. The foundation itself
8 is.

9 MR. GERBER: In the negotiation that you had
10 was there any concern about their programs or any
11 implications for this? Absolutely want them to continue
12 to be successful and to maintain those properties well.

13 MR. IRVINE: Well, that's certainly an issue
14 that we did bandy about as we were discussing the penalty.
15 You know, on one hand you really want administrative
16 penalties to be severe and of great consequence to get
17 people's attention and bring about compliance.

18 But on the other hand, you know, the real
19 objective isn't collecting penalties, it's getting
20 compliance. And we don't want to assess penalties that
21 are going to be so financial burdensome that they're going
22 to imperil the development that's paying them. We believe
23 that this one is certainly something that they will be
24 able to absorb and get on down the road. We don't believe

1 it will imperil the development.

2 MR. GERBER: These penalties go to the General
3 Fund --

4 MR. IRVINE: That's correct.

5 MR. GERBER: -- not -- they do not stay
6 with --

7 MR. IRVINE: Statutorily, they --

8 MR. GERBER: They do not stay with housing?

9 MR. IRVINE: Right.

10 MR. CONINE: Any other questions?

11 (No response.)

12 MR. CONINE: I'll entertain a motion.

13 MS. BINGHAM-ESCARENO: Move to approve
14 recommendation.

15 DR. MUNOZ: Second.

16 MR. CONINE: Motion to approve by Ms. Bingham,
17 second by Dr. Munoz. Any further discussion?

18 (No response.)

19 MR. CONINE: Seeing none, all those in favor of
20 the motion --

21 (A chorus of ayes.)

22 MR. CONINE: -- signify by saying, Aye.

23 (A chorus of ayes.)

24 MR. CONINE: All opposed?

1 (No response.)

2 MR. CONINE: Motion carries.

3 Item 9, Bond Finance. Mr. Dally?

4 MR. DALLY: William Dally, Chief of Agency
5 Administration. Today we're bringing before you
6 discussion and possible approval of Resolution 10-012
7 authorizing the application to the Texas Bond Review Board
8 for reservation of the 2009 Carry Forward and H.R. 3221
9 single family private activity bond authority and
10 presentation, discussion and approval of our underwriting
11 team for Program 77.

12 At the beginning of each new TDHCA Single-
13 Family bond issuance our board petitions the Texas Bond
14 Review Board to start the process in the form of a
15 resolution followed by an application to draw down our
16 private activity bond cap authority, also known as VYIN
17 CAP [phonetic]. Staff was not seeking today -- or -- and
18 the board is not giving final approval on the final bond
19 issue with respect to the finance structure, target
20 mortgage rates, timing or size of the review. That will
21 come back to you at a later meeting.

22 Staff is seeking approval today, though for an
23 underwriting team for Program 77. And that team that
24 we're recommending to you today would have as the senior

1 book running senior manager Morgan Keegan, as co-senior
2 managing underwriter J.P. Morgan Securities. George K.
3 Baum and Morgan Stanley would be co-senior managing
4 underwriters. And then we would round out the team with
5 Piper Jaffray, Fidelity Capital and First Southwest.

6 MR. CONINE: Okay.

7 Any questions of Mr. Dally?

8 (No response.)

9 MR. CONINE: Take a motion.

10 DR. MUNOZ: Mr. Chair, we'll move to approve
11 the resolution.

12 MR. CONINE: Okay. That's Resolution 10-012 by
13 Ms. Ray. Is there a second?

14 MR. GANN: Second.

15 MR. CONINE: Second by Mr. Gann. Any further
16 discussion?

17 (No response.)

18 MR. CONINE: Seeing none, all those in favor of
19 the motion signify by saying, Aye.

20 (A chorus of ayes.)

21 MR. CONINE: All opposed?

22 (No response.)

23 MR. CONINE: Motion carries.

24 Thank you.

1 Mr. Gerber?

2 MR. GERBER: Mr. Chairman, those are all the
3 items to come before the Board today. We'll obviously
4 convene our next board meeting in Austin. We'll have an
5 Audit Committee meeting associated with that meeting. And
6 so we'd ask for those members who are members of the Audit
7 Committee to -- hopefully, we'll try to do that the night
8 before as we have done in the recent past. And I think
9 that's been a very effective way for us to have a more
10 thorough discussion about different issues that the
11 internal audit team is working on.

12 There are a couple of report items at the back
13 of your agenda -- at the back of your board book,
14 including outreach activities of the Department. You had
15 asked for an update on the release of the land use
16 restriction agreement for East Main Apartments. And you
17 will see information on that.

18 And lastly, as we always do, a balance report
19 on the HOME Program. You'll be pleased that one of the
20 items you took up during the consent agenda was the
21 issuance of a notice of funds availability for many of the
22 HOME-related programs. And so we look forward to heavy
23 subscription of those funds and doing a lot of good for
24 housing in rural Texas and for persons with disabilities

1 with those dollars.

2 I do want to take one last moment to give you
3 all an update really through Tom Gouris of our Tax Credit
4 Program. As you know, the game is on. Pre-applications
5 have been submitted. Applications will be due in March.
6 And Tom is going to walk through the calendar just for
7 those of you who are maybe newer and those of you who may
8 like a refresher, as I do each week. It may be helpful to
9 sort of see the calendar. And there's certainly copies
10 available to the public, as well. And it's on our web
11 site.

12 VOICE: Do you have a copy?

13 MR. GERBER: I don't think we do. So why don't
14 we pass that out. I was just going to tell you where we
15 are on that process. And, of course, a lot of the work of
16 this board doesn't come until the May, June and July
17 meetings. And so -- but there are many things that you
18 can be doing to sort of follow along and we'll point those
19 out to you. But I thought the calendar was probably the
20 best place to start.

21 So, Tom, in a minute or two why don't you just
22 sort of describe where we are and --

23 MR. GOURIS: Sure. Tom Gouris, Deputy
24 Executive Director for Housing Programs again. The

1 calendar starts on the second page of this. The first
2 page is kind of a brief overview of the Tax Credit Program
3 generally. Kind of give you a reminder of what the Tax
4 Credit Program does and what's it's done in the past. You
5 know, it's a good one-pager for you all.

6 The calendar talks about the pre-application,
7 as Mike said, was due on the 8th. We received, I think,
8 250 -- right around 250 pre-applications, which is
9 somewhat surprising given the fact that -- the state of
10 the market. I think a lot of folks are expecting that
11 there will be another Exchange Program. We received a
12 number of duplicate -- not duplicate -- but number of
13 applicants who submitted well over the -- you know,
14 well -- you know, five or ten applications, which is
15 surprising.

16 And I think they, you know, looked to see where
17 other things fall out. It's a good thing, though.
18 Because pre-application is an easy process for them. And
19 so it doesn't cost a lot to get into the first initial
20 part of the game.

21 We'll publish -- if you look at the list there
22 we'll publish the clarification log later this month on
23 the 22nd and on the 28th a final pre-application log will
24 be published. That will all help folks make a decision on

1 whether to make a full application, which will be due by
2 the 1st of March. Just before that they have to submit an
3 application for electronic submission. And this year
4 we're making everyone submit their applications to us
5 electronically. So that -- on the FTP side so that we can
6 reduce the amount of paper that flows through the
7 Department. So we're pretty excited about that. But we
8 want to make sure everybody knows they need to go ahead
9 and make that application to -- to electronically supply
10 that to us.

11 And then there are a number of deadlines for
12 notices to senators and representatives and things like
13 that. Those are due on April 1, along with the other
14 third-party reports that are due that day.

15 We will publish a final scoring log on May 22.

16 And by the end of June we will publish a initial list of
17 anticipated recommendations, along with all the applicants
18 in the scoring order. And then late July you will approve
19 that final award. Of course, carry over is then due in
20 November and 10 percent test moved to June of next year.

21 So keep -- we'll keep things moving along.
22 We're really hopeful that we can keep the pressure on to
23 keep this program moving forward. I think there's --
24 there are -- there is still demand in Texas for tax credit

1 acquisition from investors. And we're hoping to maximize
2 the number of transactions that can get done.

3 Questions about the list?

4 (No response.)

5 MR. GERBER: And we'll continue to provide you
6 with updates about the tax credit round at each board
7 meeting just so you can follow along. And certainly, as
8 logs are issued we'll send copies of those to you. And if
9 you have specific questions staff's available to answer
10 those.

11 And some of you, you know, may hear about
12 different properties within your respective communities.
13 Always be mindful of the ex parte rules that the
14 developers are well aware of and that we ask you to be,
15 you know, mindful of, as well.

16 And beyond that I would just want to once again
17 thank our staff for the great job they did in preparing
18 the Weatherization tour that we took this morning. And I
19 want to especially thank Dahlia [phonetic] --

20 I'm sorry. What is the last name?

21 DR. MUNOZ: Guerra.

22 MR. GERBER: -- Guerra of Dr. Munoz's office
23 who did just yeoman's work in trying to pull all of the
24 logistics for this together and has helped to make it look

1 a lot easier than it probably was.

2 And most importantly, I want to thank Dr. Munoz
3 for his warm hospitality in welcoming us here to Texas
4 Tech. It's great to be in Lubbock. And appreciate all
5 you've done today and the chance that we've had to meet
6 with folks who -- you know, to hear about local issues and
7 concerns. This is where the real work of housing gets
8 done. And we'll look forward to more visits to other
9 communities in our state. But thank you again for your
10 hospitality.

11 MR. CONINE: Yes, I would echo those comments,
12 Dr. Munoz. We really appreciate your hospitality here and
13 Texas Tech's hospitality. And it's good to see all the
14 good people of Lubbock this morning. And look forward to
15 hearing about their future successes in some of the
16 programs we saw earlier today.

17 Anybody else have anything else for the good of
18 the order?

19 (No response.)

20 MR. CONINE: If not, we stand adjourned. Thank
21 you.

22 (Whereupon, this meeting was adjourned.)

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IN RE: TDHCA Board Meeting

LOCATION: Lubbock, Texas

DATE: January 20, 2010

I do hereby certify that the foregoing pages, numbers 1 through 114, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

1/27/2010
(Transcriber) (Date)

*On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731*