

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

Texas Capitol Extension
Room E2.030
1100 Congress Avenue
Austin, Texas

February 27, 2020
9:00 a.m.

MEMBERS:

LESLIE BINGHAM, Vice Chair
PAUL A. BRADEN, Member
SHARON THOMASON, Member
LEO VASQUEZ, Member

BOBBY WILKINSON, Executive Director

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

1
2 MS. BINGHAM: Good morning. Welcome to the
3 February meeting of the Texas Department of Housing and
4 Community Affairs.

5 We were all going to come to the Valley last
6 week, but that didn't quite work out, but nice to see you
7 this morning.

8 Shall we get started with the pledge?

9 (The Pledge of Allegiance and the Texas
10 Allegiance were recited.)

11 MS. BINGHAM: So I didn't do roll call, so I'll
12 do roll call quickly.

13 Mr. Braden?

14 MR. BRADEN: Here.

15 MS. BINGHAM: Ms. Thomason?

16 MS. THOMASON: Here.

17 MS. BINGHAM: Mr. Vasquez?

18 MR. VASQUEZ: Here on time.

19 MS. BINGHAM: I'm here.

20 Yes, right under the wire. So we do have
21 quorum.

22 And, Michael, do you have the resolution to
23 read? Good morning.

24 MR. LYTTLE: I do, Madam Chair.

25 This is a resolution for the Board's approval.

1 It reads as follows:

2 "Whereas, the Owner-Builder Loan Program
3 commonly known as the Texas Bootstrap Loan Program was
4 established by Senate Bill 1287, authored by Senator Eddie
5 Lucio, Jr., during the 76th Legislative Session in 1999;

6 "Whereas, the Texas Bootstrap Loan Program is
7 funded through the state's Housing Trust Fund and
8 appropriated biennially by the Texas Legislature;

9 "Whereas, the Texas Department of Housing and
10 Community Affairs (TDHCA) administers the Texas Bootstrap
11 Loan Program, and operates with a network of
12 state-certified owner-builder housing nonprofits and local
13 governments;

14 "Whereas, the Texas Bootstrap Loan Program is
15 one of the state's most successful, cost effective programs
16 helping very low-income residents achieve homeownership,
17 and has become a national model for self-help affordable
18 housing initiatives;

19 "Whereas, in the last 20 years, the Texas
20 Bootstrap Loan Program has awarded more than \$61 million in
21 Bootstrap home loans to help more than 1,800 Texas
22 households improve upon or rebuild their existing homes
23 through Asweat equity;@ and;

24 "Whereas, on February 20, 2020, TDHCA celebrated
25 the 20th anniversary of the Texas Bootstrap

1 Loan Program and expressed its gratitude to Senator Lucio
2 for his leadership and support of the program, and thanked
3 all administrators both past and present who have helped
4 participating households achieve the American Dream of
5 homeownership;

6 "Now, therefore, it is hereby resolved, that the
7 Governing Board of the Texas Department of Housing and
8 Community Affairs does hereby mark February 20, 2020, as a
9 celebration of the Texas Bootstrap Loan Program in Texas
10 and recognizes the positive effects the program has made on
11 the State of Texas and its residents."

12 And it's signed this 27th Day of February 2020.

13 MS. BINGHAM: So we had a recognition
14 celebration while a couple of us were in the Valley last
15 week, and it was powerful, it was a great celebration, got
16 to meet a couple of the families, recognize some of the
17 partner organizations. It was nice to be there.

18 MR. WILKINSON: It was at the Habitat for
19 Humanity in Harlingen, and Chairman Lucio and Vice Chair
20 Bingham spoke, and it was a good event all around.

21 MS. BINGHAM: Thanks very much.

22 Do we need action on the resolution?

23 MR. WILKINSON: Sure.

24 MS. BINGHAM: I'll entertain a motion to so
25 resolve.

1 MR. BRADEN: I'll make a motion to approve.

2 MS. BINGHAM: Second?

3 MS. THOMASON: Second.

4 MS. BINGHAM: Mr. Braden motions, Ms. Thomason
5 seconds.

6 All those in favor aye.

7 (A chorus of ayes.)

8 MS. BINGHAM: Motion carries. Thank you very
9 much.

10 All right. Consent agenda. Everybody has had a
11 chance to review the consent agenda. Anybody need any
12 items pulled, tabled?

13 (No response.)

14 MS. BINGHAM: If not, I'll entertain a motion.

15 MS. THOMASON: Move to approve.

16 MS. BINGHAM: There's a motion from Ms.
17 Thomason.

18 MR. BRADEN: Second.

19 MS. BINGHAM: Second Mr. Braden.

20 All those in favor aye.

21 (A chorus of ayes.)

22 MS. BINGHAM: Motion carries. Great.

23 Action items. We're going to hear from Cathy.

24 MS. GUTIERREZ: I'm always so anxious to get up
25 here and report on our activities. It was great to see you

1 last week, Leslie.

2 MS. BINGHAM: Great to see you too.

3 MS. GUTIERREZ: Cathy Gutierrez, the director of
4 Home Ownership, and I'm here to present to you on item 3,
5 the housing finance activity report.

6 2019 was another record year for TDHCA and for
7 homebuyers throughout the State of Texas, so if you could
8 take a minute to walk with me through the Housing Finance
9 section of the Board book.

10 To the left you will see that we served 10,177
11 Texas households through our Texas Home Ownership programs.

12 This was a 30 percent increase from 2018. The next
13 section speaks to the total number of homes for which TDHCA
14 provided the financing, 9,976. This is a 68 percent
15 increase from 2018. Our first mortgage loan volume came in
16 at \$1.6 billion. This is an 80 percent increase from 2018
17 numbers of \$905 million.

18 Please note that included in this figure is the
19 issuance of two very successful tax exempt mortgage revenue
20 bond programs totaling \$331.6 million, representing 21
21 percent of our overall volume.

22 The next item to discuss our mortgage credit
23 certificates issued, 2,965. This is a 32 percent decrease
24 from 2018 volume of 4,349 certificates issued. The reason
25 for the decrease has to do with private activity bond cap

1 which is necessary for the issuance of mortgage credit
2 certificates.

3 Volume cap is vital to the sustainability of our
4 operations. In 2019 a shortage of bond cap caused us to
5 suspend the stand-alone MCC option, hence the decline in
6 issuance. Since inception, the MCC program has proven
7 worthy in making homeownership a reality across this great
8 state of ours. TDHCA has issued over 23,000 MCCs to Texas
9 homebuyers.

10 To the top right of our activity you will find a
11 graph that speaks to the income of those we serve. You
12 will find that the average income for TDHCA borrowers is
13 \$58,400 and that 71 percent of our borrowers are at or
14 below 80 percent of the area median family income. It is
15 important to note that this is combined family income, so
16 income for both the husband, the wife, and anyone with
17 ownership interest in the property is included in that
18 figure.

19 Next we have the loan distribution amount that
20 speaks to the size of loans being issued. The majority of
21 loan volume is going to home purchases between \$125,000 and
22 \$225,000, with an average loan amount statewide of
23 \$177,000.

24 Please refer to the Texas map in your Board book
25 to examine loan performance by county. We also welcome any

1 requests from the Board regarding more intimate loan
2 details.

3 Last but certainly the most exciting part of our
4 presentation is the economic impact we are having in our
5 state. The National Home Builders Association developed a
6 formula that allows us to calculate the approximate impact
7 new construction homes have on the local economy the year
8 they are built.

9 Based on 38 percent of our 2019 loan volume
10 being new construction loans, we estimate that our team's
11 efforts have generated over \$1 billion in local wages,
12 contributed over \$144.5 million in tax revenue, and 12,422
13 jobs were created, and that is just with respect to the new
14 construction portion of our loan program.

15 So what happens next? 2020 looks bright and
16 exciting. We are busy automating, simplifying processes
17 and developing a marketing strategy that we feel will put
18 us in the strongest position we have ever been.

19 We are enhancing outreach efforts to homebuyers,
20 lenders, Realtors, housing counselors, and other potential
21 partners throughout the affordable housing industry. We
22 will be reporting on progress as we move forward to
23 penetrate more deeply into the underserved markets in the
24 state and to assist as many homebuyers as possible with the
25 purchase of a home.

1 In closing, I have to take the opportunity to
2 give a shout out to our Home Ownership and Bond Finance
3 team. Some of them are here with us today, unexpected, we
4 caught them off guard but wanted to make sure they came if
5 they could.

6 We've got Monica Galuski, our Bond Finance
7 director, chief investment officer. We call her our fierce
8 leader and financial genius. She is really one of the
9 reasons behind the affordability that comes with these
10 programs and why we have even so much increase in activity.

11 Also with us today from our Bond Finance team
12 and our Home Ownership team: John Tomme, a senior
13 financial analyst; Michelle Straley, senior financial
14 analyst; Eric Soriano, our Texas Home Ownership finance
15 consultant.

16 Not with us today we've got: Lisa Johnson, our
17 Texas Home Ownership specialist; Heather Hodnett, our
18 single family program manager; and Fernando Guajardo is our
19 business development officer.

20 Commitment, dedication, their passion and
21 vision, I mean, we sit there and we strategize on how we
22 can best serve our partners, the state, the consumer, and
23 it's really an exciting time for me to be a part of that
24 team. We have this attitude on our floor of go big or go
25 home. You know, we work really hard. In fact, walking

1 over here we ran into a gentleman and he made a comment to
2 Monica and Michelle: Didn't I see you guys sleeping on the
3 street?

4 I was like where did you guys sleep on the
5 street, what's this all about? And they were there trying
6 to make sure that they got their application in for bond
7 cap. You know, those are the things that we do to make
8 sure that we've got everything that we need to provide
9 these types of programs to Texas households.

10 \$1.6 billion, 10,000-plus households in just
11 2019, that's exciting. And again, I said this last time I
12 was up here, we are not slowing down, we hope to continue
13 to grow the program even more.

14 Thank you for the opportunity to present this
15 information. If you have any other question, I would love
16 to answer those.

17 MS. BINGHAM: I think we should ask the
18 dedicated, visionary, loyal team to stand up so that we can
19 recognize them.

20 MS. GUTIERREZ: Yes, I agree.

21 MS. BINGHAM: All right. Stand up.

22 (Applause.)

23 MS. BINGHAM: Thank you, guys. Thanks, Cathy.

24 And the thing that you didn't mention that we're
25 all aware of is that your team helps make us the role model

1 for the rest of the country too.

2 MS. GUTIERREZ: That's right.

3 MS. BINGHAM: So all of the innovative,
4 passionate things that you all work for, there are people
5 all around the country that are watching those too.

6 MS. GUTIERREZ: Exactly.

7 MS. BINGHAM: Thank you. Thanks very much.

8 No other questions?

9 (No response.)

10 MS. BINGHAM: No action. Thank you.

11 Item number 4, Asset Management, presentation,
12 discussion, possible action regarding the approval of a
13 multifamily direct loan assumption. And you're not Homer.

14 (General laughter.)

15 MR. BANUELOS: I am not.

16 MR. BANUELOS: Good morning. I'm Rosalio
17 Banuelos, director of Asset Management.

18 MS. BINGHAM: Good morning.

19 MR. BANUELOS: Item 4 is presentation,
20 discussion and possible action regarding approval of a
21 multifamily direct loan assumption for the Lakeshore
22 Apartment Homes, that's HOME 1001800, located at Lake
23 Dallas in Denton County.

24 The Department committed funds to the Lakeshore
25 Apartment Homes, formerly known as Champion Homes on the

1 Lake, in the form of a \$3 million multifamily direct loan,
2 or MFDL, from the HOME Community Housing Development
3 Organization, CHDO, set-aside, to construct 100 multifamily
4 units of which 28 are income and rent restricted under the
5 HOME program.

6 The development is currently owned by Chicory
7 Court Lake Dallas LP and its general partner is an entity
8 solely owned by Housing Services Incorporated, which was
9 certified by the Department as a CHDO. The Department's
10 loan is subordinate to a HUD-insured loan that had a
11 balance of \$13,135,160 as of December 2019.

12 The HOME loan is structured to be repaid out of
13 annual surplus cash, has a zero percent interest rate, a
14 40-year amortization period and a 40-year term. The first
15 loan payment was due on December 1, 2016, and the loan
16 matures on December 2055. The Department's loan currently
17 has a balance of \$2,901,000.

18 In January 2020, the Department was informed of
19 an agreement for the transfer of the development to a
20 proposed new owner, Chicory Lake Dallas LP. In the
21 proposed ownership structure, several limited partners will
22 be added, but the current CHDO entity will remain as the
23 sole owner of the proposed general partner.

24 Therefore, the transfer is considered an
25 exception to the ownership transfer process under the

1 rules; however, a review of the initial draft of the
2 proposed owner's limited partnership agreement and the
3 proposed general partner's company agreement determined
4 that these documents must be revised in order to meet the
5 CHDO set-aside requirements specified in the LURA, and this
6 must be resolved before the transfer is done and the loan
7 assumption takes place.

8 The purchase price of the property is \$20
9 million which is proposed to be funded with approximately
10 \$4 million from the buyer, and by assuming the current
11 first lien debt and the multifamily direct loan from the
12 Department.

13 According to the buyer, the ownership transfer
14 is dependent on the assumption of the HOME loan given that
15 without this assumption the buyer would need to raise
16 additional equity or acquire additional debt, which would
17 make the transaction infeasible for them.

18 The buyer stated that with the Department's loan
19 in place the HOME restricted rents can be justified due to
20 the reduction in interest and it will ensure that the funds
21 are available for maintenance, repairs and interior unit
22 upgrades.

23 However, the transaction will result in an
24 estimated \$4 million gross gain to the seller, and even
25 though the sale proceeds are anticipated to exceed the

1 outstanding balance of the HOME loan, the seller does not
2 propose a repayment of this loan. For that reason, the
3 loan assumption cannot be approved administratively by the
4 executive director.

5 However, because the transaction does not
6 propose adding additional debt or changing the terms of the
7 Department's loan, it does not negatively affect the
8 development's financial feasibility.

9 Therefore, staff recommends approval of the
10 proposed owner's assumption of the HOME loan in order to
11 proceed with the proposed ownership transfer, but staff
12 also recommends that the approval be conditioned upon the
13 acceptance by the Department's Legal Division of a limited
14 partnership agreement and general partner's company
15 agreement that demonstrate that the proposed owner will
16 meet the CHDO requirements as defined in the HOME LURA.

17 That's all I have and I'm available for any
18 questions.

19 MS. BINGHAM: Does everybody understand? Any
20 question?

21 MR. BRADEN: Through the chair.

22 So I understand what you're saying that the debt
23 should be the same and it will be strong in the
24 reinvesting, but do we look at the new owner to see if
25 they're at least as creditworthy as the existing owner?

1 MR. BANUELOS: In this case, because they're
2 bringing in investors mainly and the general partner is not
3 changing, we don't view the financial capacity of the
4 limited partners because they are not in a controlling
5 role.

6 MR. BRADEN: So it's the same control, it's just
7 new investors should have more capital.

8 MR. BANUELOS: It's a new limited partnership
9 owner with a new general partner that is owned by the
10 nonprofit that is currently in place.

11 MS. BINGHAM: Any other questions?

12 (No response.)

13 MS. BINGHAM: Mr. Fisher, did you want to speak?

14 MR. FISHER: (Speaking from audience.) Only if
15 you have questions.

16 MS. BINGHAM: So that's a slightly complicated
17 recommendation, but we'll entertain a motion for either
18 staff's recommendation or some other recommendation.

19 MR. BRADEN: I'll make a motion to approve and
20 accept staff's recommendation.

21 MS. BINGHAM: Okay. I have a motion from Mr.
22 Braden.

23 MR. VASQUEZ: Second.

24 MS. BINGHAM: Second from Mr. Vasquez.

25 Any other questions?

1 (No response.)

2 MS. BINGHAM: All those in favor aye.

3 (A chorus of ayes.)

4 MS. BINGHAM: Opposed?

5 (No response.)

6 MS. BINGHAM: Motion carries. Thank you very
7 much.

8 And just housekeeping, could you guys hear okay?

9 Okay, very good.

10 And then I didn't do housekeeping too, for
11 anybody that signed up to speak, if you're speaking on an
12 agenda item, then as that agenda item nears we usually use
13 these two front rows here, so as your item starts to get
14 close, you can go into those front two rows.

15 If you signed up to speak but not on an item
16 that's currently on the agenda, we'll have time at the end
17 of the meeting for public comment on possible future agenda
18 items.

19 Item number 5.

20 MS. HOLLOWAY: Good morning.

21 MS. BINGHAM: Good morning.

22 MS. HOLLOWAY: Marni Holloway, director of
23 Multifamily Finance.

24 Item 5(a) is presentation, discussion and
25 possible action regarding a waiver of 10 TAC 11.204(15)

1 regarding the requirements for a feasibility report for
2 proposed rehabilitation development applications.

3 The 2019 QAP required a feasibility report for
4 new construction, reconstruction or adaptive reuse
5 applications. For the 2020 QAP, the description of types
6 of developments was deleted which made the feasibility
7 report a requirement for rehab apps.

8 Potential applicants have contacted the
9 Department with concerns that certain provisions are overly
10 burdensome because they are not typically required at the
11 early stages of a rehab development. They do not feel that
12 the staff's summary of the QAP during presentations to the
13 Rules Committee and Board clearly disclosed this change,
14 that this change would have the effect of creating a new
15 requirement for rehabs. Because they were not aware of the
16 change, they did not make comment in opposition.

17 These applicants have requested a waiver of the
18 provisions they would have commented on. If public comment
19 had been timely received, staff would have modified the
20 rule to mitigate the specific burdens created by the
21 changed requirements.

22 It's important to note that applications seeking
23 direct loan funds will continue to have federal property
24 standard requirements regardless of any waiver of our rule.

25 We will work with the development community to

1 identify language for the 2021 QAP that allows staff to
2 garner documentation for complete review of a proposed
3 rehab while not creating an undue burden on the applicant.

4 Staff recommends waiving 10 TAC 11.204(15)
5 relating to feasibility reports for each submitted 2020
6 rehabilitation application.

7 I'd be happy to take any questions.

8 MS. BINGHAM: Great. Thank you.

9 Any questions, Mr. Vasquez?

10 MR. VASQUEZ: So Marni, I'm trying to remember
11 back through all this busy time when we were doing this.
12 We did not discuss -- this is related to rehab?

13 MS. HOLLOWAY: Correct.

14 MR. VASQUEZ: There was something big that we
15 did talk about related to rehabs. It wasn't this?

16 MS. HOLLOWAY: No. For this particular item,
17 and in my presentation to the Rules Committee and to the
18 Board I mentioned that there were changes to the
19 feasibility report requirements, I did not say rehabs will
20 now have to meet this requirement.

21 MR. VASQUEZ: Okay.

22 MR. BRADEN: Because it wasn't intended. This
23 is an unintended consequence of a rule change.

24 MS. HOLLOWAY: It was intended but we didn't do
25 it surgically. So the feasibility report requires a

1 current survey and a site plan created by a civil engineer.

2 Early on in a rehab deal those typically aren't
3 done. There are other parts of the feasibility report that
4 talk about code and zoning and other things that we hope
5 that applicants are examining prior to giving us an
6 application.

7 Those are the things that we would have liked to
8 have for rehab developments and hopefully for next year
9 we'll be able to figure out a way to sort of split that
10 apart so that we're not creating a burden for the rehab
11 apps but we're getting this other information that we'd
12 like to have in order to make sure that they're feasible.

13 MS. BINGHAM: Any other questions?

14 (No response.)

15 MS. BINGHAM: I'll entertain a motion on the
16 item.

17 MR. VASQUEZ: I move to approve staff's
18 recommendation.

19 MS. BINGHAM: Motion from Mr. Vasquez.

20 Second?

21 MS. THOMASON: Second.

22 MS. BINGHAM: Second from Ms. Thomason.

23 Any other questions?

24 (No response.)

25 MR. BRADEN: I think this is more a comment, I'm

1 going to vote for it too, but it seems like, on reflection,
2 it seems like this is the second thing that we've sort of
3 fixed by waiver, and maybe I'm wrong, maybe it was last
4 month we talked about the same thing, but I assume we're
5 keeping a list in terms of making corrections.

6 MS. HOLLOWAY: Absolutely. And I think Bobby
7 mentioned this at last month's meeting.

8 MR. BRADEN: That's what it was.

9 MS. HOLLOWAY: I was off in D.C.

10 MS. BINGHAM: It was a topic then.

11 So all those in favor aye.

12 (A chorus of ayes.)

13 MS. BINGHAM: Opposed?

14 (No response.)

15 MS. BINGHAM: Motion carries.

16 Thank you, Marni. And no comment.

17 So item 5(b), we have a number of applications
18 here that we're going to talk about and you want to kind of
19 do them in an order that make sense.

20 MS. HOLLOWAY: Certainly. With the vice chair's
21 approval, because four of the applications we are
22 discussing today have the same circumstance and staff
23 recommendation and two more applications are similarly
24 linked, I'd like to take these out of order and in groups.

25 MS. BINGHAM: Thank you.

1 MS. HOLLOWAY: This item is presentation,
2 discussion and possible action on penalties for failure to
3 meet deadlines under 10 TAC 11.9(c)(8). This is the
4 readiness to proceed scoring item.

5 The first group of applications I'd like to
6 discuss are 19070 South Rice Apartments, 19074 900 Winston,
7 19085 Gala at McGregor, and 19296 McKee City Living. These
8 are all 2019 9 percent awards that received points for
9 readiness to proceed.

10 You'll recall that this is a five-point scoring
11 item for applications in counties that have received an
12 individual assistance disaster declaration from the federal
13 government. The scoring item requires that the
14 developments close all financing and full execute a
15 construction contract on or before the last business day of
16 November 2019.

17 Failure to meet the requirement to close may
18 result in penalty if the Board decides that an applicant or
19 affiliate should be ineligible to compete in the 2020
20 application round or that it should be assigned a penalty
21 deduction.

22 These applicants were all awarded funds by the
23 City of Houston. The city has informed us that because of
24 delays on their part, largely due to the federally required
25 environmental clearance for CDBG DR funds -- so that's

1 their disaster funds -- the developments would fail to meet
2 the deadline that's required in rule.

3 The rule does not require that staff recommend
4 ineligibility or penalty to the Board but in this case, due
5 to the failure on the part of the city to close financing
6 being something the developments could not have anticipated
7 or prevented, staff recommends that no penalty or
8 ineligibility be imposed on the four applications I listed
9 earlier.

10 I'll be happy to take any questions.

11 MS. BINGHAM: What questions do you have?

12 MR. VASQUEZ: Are there any representatives from
13 the City of Houston here to explain their poor
14 administrative process?

15 (No response.)

16 MR. VASQUEZ: I'll get after them later.

17 Again, this is just, my understanding, a very
18 timing-wise and having different delays, and it takes 60
19 days or something or there's some time period that they had
20 to wait on one part of it before they could even -- it's
21 really out of their hands given that schedule.

22 MS. HOLLOWAY: The federal environmental
23 clearance requires a publication and comment period prior
24 to the rights being received, and I think that the city's
25 application and approval timing didn't necessarily mesh

1 well with ours. Hopefully we will have taken care of those
2 issues for this year.

3 MR. WILKINSON: The city did send a letter.
4 It's in the Board book. Combining CDBG DR with tax credits
5 tends to complicate things.

6 MS. HOLLOWAY: Quite a bit. We're getting good
7 at it, though.

8 MR. WILKINSON: But is it necessary?

9 (General laughter.)

10 MS. BINGHAM: And the staff take this seriously.

11 In other words, this is a prospective crediting of five
12 points on a promise.

13 MS. HOLLOWAY: Correct.

14 MS. BINGHAM: And so I appreciate the staff's
15 thoughtfulness in this, because those five points made some
16 applications possibly winners.

17 MS. HOLLOWAY: Absolutely.

18 MS. BINGHAM: And so the staff can recommend and
19 the Board can then make decisions for future consideration
20 that could include point penalties or up to debarment.

21 MS. HOLLOWAY: Or ineligibility.

22 MS. BINGHAM: Ineligibility for the 2020 round,
23 which pre-applications are due tomorrow.

24 MS. BINGHAM: Correct. So we're talking right
25 now South Rice, 900 Winston, Gala at McGregor, and McKee.

1 Staff's recommendation is no penalty or other action due to
2 the City of Houston's obstacles.

3 MS. HOLLOWAY: Correct.

4 MS. BINGHAM: So shall we taken them? Then
5 we'll take them like that for action.

6 So any motion for those four properties,
7 applications just named regarding staff's recommendation?

8 MR. VASQUEZ: Madam Vice Chair, given the
9 specifics of this situation, I move that we approve staff's
10 recommendation.

11 MR. BRADEN: Second.

12 MS. BINGHAM: So Mr. Vasquez moves and Mr.
13 Braden seconds staff's recommendation.

14 Any further discussion?

15 (No response.)

16 MS. BINGHAM: All those in favor aye.

17 (A chorus of ayes.)

18 MS. BINGHAM: Opposed?

19 (No response.)

20 MS. BINGHAM: Motion carries on those four.

21 Thank you.

22 MS. HOLLOWAY: The next application that we'll
23 take up is 19077, this is Telephone Road Elderly
24 Development.

25 This application was awarded readiness to

1 proceed points which require that they close by the last
2 business day in November, and the applicant failed to meet
3 this deadline.

4 Their closing was delayed due to the quality of
5 bids received in their federally required procurement
6 process. This is a public housing authority. They believe
7 that several qualified bidders were not able to submit bids
8 due to Tropical Storm Imelda making landfall immediately
9 before the bid submission deadline in September. The
10 applicant points out that because the at-risk set-aside was
11 undersubscribed in 2019, they would have received an award
12 without the five points for readiness to proceed.

13 On January 31, 2020, staff notified the
14 applicant that the matter would be presented for final
15 determination of future ineligibility or point deductions
16 by the Board at this meeting.

17 Staff does not have a recommendation.

18 MR. VASQUEZ: Are they accurate in that due to
19 the undersubscription, the five points wouldn't have
20 mattered anyway?

21 MS. HOLLOWAY: That is correct.

22 MR. VASQUEZ: So maybe this is a question for
23 our esteemed legal counsel. Would it help us maintain
24 precedent by removing their five points on this one and
25 saying just because they didn't make the rule but it

1 doesn't make a difference in the end?

2 MS. HOLLOWAY: If we started to say you don't
3 get your five points from the previous round, then we'd
4 potentially wind up in a situation where we're taking away
5 an award and trying to give it to someone else.

6 MR. ECCLES: Actually, let me just interject.
7 The rule does not provide the ability to remove.

8 MR. VASQUEZ: It's not retroactive, it's only
9 prospective.

10 MR. ECCLES: Prospective up to two points from
11 the next round or they are ineligible to participate in the
12 2020 round. It's all prospective, and there's no
13 precedents.

14 MR. VASQUEZ: I wonder what Mr. Braden thinks of
15 this.

16 MR. BRADEN: Is the housing authority here?

17 MS. HOLLOWAY: Yes.

18 MS. BINGHAM: Do you have questions?

19 MR. BRADEN: Well, yes, or just if they want to
20 make any kind of statement.

21 MS. BINGHAM: Good morning. Please sign in and
22 let us know what your name is.

23 MR. WILLIAMS: Good morning, panel. I'm James
24 Williams, Sr., community development coordinator for the
25 Houston Housing Authority. Our interim CEO, Mr. Mark

1 Thiele, and my vice president of the real estate
2 investments division, Cody Roskelley, regret they couldn't
3 be here to respond.

4 We really appreciate the opportunity to respond
5 on the deficiency. As our response indicated, we were
6 impacted in our procurement process. We've been able to
7 recover from that standpoint, we now have a contract that
8 we're ready to sign, all we're trying to do moving forward
9 is to get to the closing.

10 Now, in terms of the penalties imposed, we
11 recognize this body must make decisions and we respect the
12 decision of the panel.

13 MS. BINGHAM: Mr. Braden.

14 MR. BRADEN: Good morning. Thank you for
15 coming.

16 MR. WILLIAMS: Yes.

17 MR. BRADEN: So I assume HHA is familiar with
18 the HUD procurement regulations and has done this in the
19 past. Correct?

20 MR. WILLIAMS: Yes, however, this is our initial
21 9 percent LIHTC product, and one of the things we were
22 doing was trying to ascertain all of the different
23 processes that we needed to do before we went forward with
24 the procurement.

25 Once we did do the initial procurement timely,

1 unfortunately we had the events of the storm that precluded
2 some of our contractors to participate, and then we were
3 fortunate to get a much more competitive pricing as a
4 result of the second procurement.

5 MR. BRADEN: So you think this is more
6 attributable to a learning curve associated with the new
7 process or the storm?

8 MR. WILLIAMS: Certainly learning curve as well
9 as the storm had an impact. We always try to look at
10 contingencies whenever we are planning these types of
11 developments. For myself, I think overall we are at a good
12 place now, notwithstanding this snafu, and we respect the
13 decision of the panel in any way.

14 In terms of 2020 going forward, we don't
15 anticipate applying in the 2020 round. We are going to
16 basically give ourselves some time, look at the best
17 practices that we could have employed in this one, and move
18 forward.

19 MR. BRADEN: Okay.

20 MS. BINGHAM: Any other questions for Mr.
21 Williams?

22 MR. VASQUEZ: So this was supposed to have all
23 the documents by end of November.

24 MR. WILLIAMS: Yes, sir.

25 MR. VASQUEZ: Are they done?

1 MR. WILLIAMS: Well, we are just in the final
2 due diligence with our equity provider. We do have a GC,
3 we have everything ready. Of course, their process is
4 external to the agency, so we're just waiting on them to
5 finalize.

6 MR. VASQUEZ: So even here at basically the end
7 of February, we're still not.

8 MR. WILLIAMS: We have a reasonable timeline of
9 the next 30 to 45 days.

10 MR. VASQUEZ: Okay. Maybe I'm then asking staff
11 again. So what are the options presented to the Board? I
12 know there's no recommendation officially.

13 MR. WILKINSON: One or two point deduction or
14 ineligible for this round, and if they're not applying -- I
15 think as the bar is written, you don't know for sure
16 whether they're going to apply or not tomorrow, but now we
17 found out that he's not applying.

18 MR. BRADEN: And that is a question that I just
19 wanted to confirm. You just confirmed that -- you know,
20 obviously we take this real seriously, it's important,
21 people need to finish on time, and when people don't finish
22 on time we want to hold people accountable.

23 I personally usually give public housing
24 authorities a little more grace period, because I know all
25 the challenges you're facing. In this situation it's

1 almost fortuitous. I mean, we could sort of follow our
2 preference in terms of penalties and try to hold people
3 accountable because it sounds like you're not applying
4 anyway so it won't hurt you this round.

5 MR. WILLIAMS: Yes, sir.

6 MR. BRADEN: Easy decision.

7 MR. VASQUEZ: I agree with that sentiment,
8 however, just again to our staff, so what else do we have
9 to incentivize -- I'm not after you all, I agree with Mr.
10 Braden -- so other than not letting them participate in
11 this next round, do we have anything else that's available
12 to incent an applicant who was supposed to get everything
13 done by the end of November, still hasn't by the end of
14 February? They say it sounds like it's any day, but what
15 if we're here in June and they still haven't gotten us the
16 paperwork?

17 MR. WILKINSON: The 10 percent test is the next.

18 MS. BINGHAM: That would be the next timeline.

19 MR. WILKINSON: And then placed in service
20 deadline. But as far as additional penalties for missing
21 the original readiness to proceed deadline, the rule as
22 written currently is for the next round one or two points
23 or ineligibility. We can look at making some other options
24 for the next time.

25 MR. VASQUEZ: Maybe just for future thought as

1 we're looking at rules about progressive sanctions or
2 something, because this just doesn't seem to me that we're
3 giving them enough incentive to get their act together.

4 MR. WILKINSON: It will go in the Book of Marni.

5 MS. HOLLOWAY: That's what we call it.

6 (General laughter.)

7 MS. BINGHAM: So is the staff's position that
8 eventually delays just hurt the applicant? In other words,
9 we have other hurdles. We have the 10 percent. We have the
10 placed in service, that those are enough of a kind of
11 construct to incentivize folks to keep their deals rolling?

12 MS. HOLLOWAY: The 10 percent test and placed in
13 service deadlines apply to all applications. If the Board
14 wishes to create a structure that provides additional
15 incentive for these readiness to proceed applications,
16 that's something that we could do with the rule in the
17 future for deadlines other than the 10 percent test and the
18 placed in service.

19 MS. BINGHAM: Gotcha. So I guess I'm just
20 thinking it through. This one is a little bit unusual
21 because applicant is not going to be applying and award
22 would have been given regardless, but because we have to be
23 thoughtful about any future failures to meet, I think
24 that's what we're trying to do is just make sure that the
25 rules are such that it disincentivizes folks from over-

1 aggressively making that promise and giving themselves
2 points and then the Board or the staff having to make
3 recommendations and the Board take action in the future.

4 So we can consider that. I'm kind of leaning
5 toward, you know, it's a hard stop and you either make it
6 or you don't make it, and then there's penalties
7 accordingly, unless there are other mitigating
8 circumstances.

9 MS. BINGHAM: We have another public comment.

10 MS. SCOTT: My name is Sarah Scott. I'm with
11 Coats Rose. I'm HHA counsel.

12 I would ask that if a penalty is going to be
13 imposed that it would be a one- or two-point penalty rather
14 than ineligibility.

15 And I would say that this is a very unique
16 circumstance because of the procurement requirements that
17 apply that for the most part don't apply to any other
18 developer, and of course, no one would have foreseen that a
19 45-day public bid process would come back with the lowest
20 bid being \$6 million over the estimated cost, so there was
21 really no other option but to re-bid and the bidding
22 deadline was past November 30.

23 MS. BINGHAM: Gotcha.

24 Any questions for Ms. Scott?

25 (No response.)

1 MS. SCOTT: Okay. Thank you.

2 MS. BINGHAM: Thanks very much.

3 MR. WILLIAMS: Thank you very much.

4 MS. BINGHAM: So I'll entertain a motion on
5 19077 Telephone Road Elderly regarding penalties for
6 failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness
7 to Proceed. Motion?

8 MR. BRADEN: I make a motion to impose a one-
9 point penalty.

10 MS. BINGHAM: Okay. So there's a motion for a
11 one-point penalty.

12 MR. ECCLES: And just as a quick point of
13 clarification. That is a one-point penalty on the
14 applicant. The rule talks about applicant or affiliate.
15 The bar, as it's been presented to the Board, is just
16 referencing the applicant, so if the applicant could be
17 identified in the course of this motion, that would be
18 helpful for the order to be clear.

19 MR. BRADEN: So I'd make a motion to impose a
20 one-point penalty on the applicant Houston Housing
21 Authority for the 2020 round.

22 MS. BINGHAM: So we have a motion for a one-
23 point penalty to Houston Housing Authority.

24 Is there a second?

25 MS. THOMASON: Second.

1 MS. BINGHAM: Ms. Thomason seconds.

2 Any further discussion?

3 (No response.)

4 MS. BINGHAM: All those in favor aye.

5 (A chorus of ayes.)

6 MS. BINGHAM: Opposed?

7 (No response.)

8 MS. BINGHAM: Motion carries. Thank you very
9 much.

10 MS. HOLLOWAY: Our last two applications under
11 this item are 19242 The Tramonti and 19245 Huntington
12 Chimney Rock.

13 MR. VASQUEZ: Why are these all Houston?

14 MS. BINGHAM: Are you uncomfortable?

15 MR. VASQUEZ: Making me look bad.

16 (General laughter.)

17 MS. HOLLOWAY: Well, keep in mind that these are
18 individual assistance counties, so yeah.

19 All right. An award of \$1.5 million in 9
20 percent credits was made to The Tramonti for 104 units of
21 general population in Houston, and an award of \$1.476- was
22 approved for Huntington Chimney Rock that was 100 units for
23 elderly populations. These applicants claimed the five
24 points for readiness to proceed in disaster-impacted
25 counties.

1 The applicant claims their delay in closing was
2 caused by a prolonged appeal process with the City of
3 Houston after their application for gap funding under the
4 Hurricane Harvey Disaster Relief Program was denied, along
5 with the resulting need to arrange alternative financing.
6 They further claim that time required for platting and
7 permitting also delayed closing.

8 On January 31, 2020 staff notified the applicant
9 that the matter would be presented for final determination
10 of future ineligibility or point deductions by the Board at
11 this meeting, and the applicant has provided a letter to
12 the Board which is in your Board book.

13 So in a nutshell for this one, they had applied
14 for City of Houston gap financing. They were denied. They
15 chose to go through an appeal process that delayed their
16 closing.

17 MS. BINGHAM: So which part is beyond their
18 control like per the -- what makes that any different than
19 any other process?

20 MS. HOLLOWAY: I don't see that choosing to go
21 through an appeal process rather than going to the
22 alternative financing immediately is something that was
23 beyond their control. They certainly made a decision
24 there.

25 MS. BINGHAM: Okay. Any questions for Marni?

1 MR. VASQUEZ: This is the same developer for
2 both properties. Right?

3 MS. HOLLOWAY: Yes.

4 MR. BRADEN: And is the applicant/developer
5 here?

6 MS. BINGHAM: Good morning.

7 MR. MUSEMECHE: Good morning. I'm Mark
8 Musemeche with MGroup.

9 The City of Houston was a fun process that we
10 all went through, and I guess my comments are simply this.

11 It was a risk we all took when we went for gap money with
12 Houston, certainly did not anticipate not being funded.
13 That's what happened to us, it happened very late in the
14 process.

15 So our denial -- I won't get into all the
16 specifics -- we think was about merit, so we went through
17 an appeal process with the city because we wanted our funds
18 from the gap funding. That took time to go through the
19 appeal process.

20 When we realized it wasn't going to go anywhere,
21 it's now late August, September, it wasn't going to happen
22 before closing. So we were unfortunately caught up in that
23 delay process, we didn't make it, and so I plead for your
24 mercy, I hope that we can move on.

25 I would point out, though, about the comments

1 about punitiveness of this type of process. I will tell
2 you that we've competed with this Department for the past
3 10 or 15 years every single year, we've been awarded every
4 single year. To not compete, to have penalty points this
5 year is punitive. So whether we didn't submit or not, we
6 knew that we had an issue here. So it is punitive not to
7 compete, I'll point out, and go for points. So we
8 understand that and appreciate your consideration.

9 And I will point out also last year we had two
10 applications that were to close in October. They closed in
11 October, a much more stringent deadline than this year. We
12 had no outside influences, no outside third parties to rely
13 upon.

14 Those projects are finished, they're leasing
15 now, so we have performed and we can perform. This
16 particular year was unusual, we got caught up in some
17 unfortunate circumstance with our funding.

18 MS. BINGHAM: Any questions for Mr. Musemeche?

19 MR. VASQUEZ: Did you ultimately resolve the
20 funding?

21 MR. MUSEMECHE: No.

22 MR. VASQUEZ: I mean not through the city but
23 alternative.

24 MR. MUSEMECHE: We had to restructure our entire
25 applications and go through different lending proposals and

1 equity. We have it fixed and we're proceeding, but there
2 was just a lot of uncertainty at that time and so to move
3 forward and make all these deadlines it was very
4 challenging to me.

5 MS. BINGHAM: Any other questions for Mr.
6 Musemeche?

7 MR. VASQUEZ: So you are putting forth
8 applications for this next cycle?

9 MR. MUSEMECHE: We had applications in, but we
10 anticipated having an issue with you guys, so that
11 application was also in Houston this year, did not get a
12 resolution of support, so we're back to not having an
13 application.

14 But I only say that because whether you perceive
15 this penalty a punishment or not, I'm telling you it is
16 punitive when you know after competing year after year
17 after year if we have an issue it's punitive. So whether
18 we submitted or not is not the issue, we knew we could
19 potentially be penalized, so it hurt us this year.

20 MS. BINGHAM: Mr. Braden.

21 MR. BRADEN: Just for clarity and because of the
22 way we've been doing things, I see in your correspondence
23 you're referred to as MGroup. Is that the actual
24 application for these two applications?

25 MR. MUSEMECHE: (Nods head.)

1 MR. BRADEN: Okay. I just want to make sure

2 MS. BINGHAM: So I'll entertain a motion on
3 actions for The Tramonti and Huntington Chimney Rock
4 regarding penalties for failure to meet deadlines under
5 readiness to proceed.

6 MR. BRADEN: I would make a motion to have a
7 two-point penalty against applicant MGroup for the series
8 2020 round.

9 MS. BINGHAM: So there's a motion for a two-
10 point penalty for the applicant.

11 MR. VASQUEZ: Just to clarify, we heard just now
12 that there is no MGroup application that's in the 2020
13 round.

14 MS. HOLLOWAY: Yes, that's correct.

15 MR. VASQUEZ: I second Mr. Braden's motion.

16 MS. BINGHAM: So motion by Mr. Braden, seconded
17 by Mr. Vasquez for a two-point penalty for the applicant.

18 Any further discussion?

19 MR. VASQUEZ: For the 2020 round.

20 MS. BINGHAM: Thank you. For the 2020 round.

21 All those in favor aye.

22 (A chorus of ayes.)

23 MS. BINGHAM: Opposed?

24 (No response.)

25 MS. BINGHAM: Motion carries. Thank you.

1 Marni, are you going to do 5(c)?

2 MS. HOLLOWAY: Yes.

3 MS. BINGHAM: Great.

4 MS. HOLLOWAY: Item 5(c) is presentation,
5 discussion and possible action on the first amendment of
6 the 2020-1 Multifamily Direct Loan Notice of Funding
7 Availability.

8 The 2020-1 NOFA was previously approved for
9 \$13,846,168 in HOME funds. Over the past several months,
10 three applications for National Housing Trust Fund awards
11 have withdrawn their applications under the 2018 and 2019
12 NOFAs.

13 So these are applications we were holding funds
14 but they hadn't gotten to an award quite yet. These
15 withdrawals resulted in \$5,385,999 of trust fund becoming
16 available for us in the soft repayment set-aside for 2020.

17 Due to the commitment deadlines tied to the
18 trust fund, an increase in the maximum per application
19 request under the set-aside to \$2 million is recommended.
20 Currently it's \$1 million but because we have these
21 commitment pressures.

22 The applications received for these funds will
23 be divided into sub-priority groups driven by the received
24 date and the other fund sources that are used in the
25 applications.

1 We're starting first with 4 percent applications
2 that are layered with TDHCA bonds, the second would be
3 applications that are not layered with 9 percent tax
4 credits, and the third would be 2020 9 percent tax credit
5 layered applications. After the 9 percent applications are
6 received, any remaining funds will be available as they are
7 submitted to us.

8 The amendment also makes minor corrections to
9 citations in the NOFA.

10 Staff recommends approval of the first amendment
11 to the 2020-1 NOFA.

12 MS. BINGHAM: Great. Any questions for Marni on
13 that one?

14 MS. HOLLOWAY: It's just the first amendment.
15 Last year I think we had six.

16 MS. BINGHAM: No public comment. We'll
17 entertain a motion.

18 MR. VASQUEZ: I'd move to approve staff's
19 recommendation.

20 MS. BINGHAM: Motion by Mr. Vasquez.

21 MS. THOMASON: Second.

22 MS. BINGHAM: Second by Ms. Thomason.

23 Any further discussion?

24 (No response.)

25 MS. BINGHAM: All those in favor aye.

1 (A chorus of ayes.)

2 MS. BINGHAM: Opposed?

3 (No response.)

4 MS. BINGHAM: Motion carries. Thank you, Marni.

5 MS. HOLLOWAY: Item 5(d) is presentation,
6 discussion and possible action regarding the cancellation
7 of the 2020-2 Multifamily Direct Loan Special Purpose
8 Notice of Funding Availability and the approval of the
9 20202-2B Multifamily Direct Loan Special Purpose Notice of
10 Funding Availability.

11 So the 2020-2 NOFA made \$11,383,833 dollars of
12 trust fund available to applications layered with 4 percent
13 credits that participated in the Texas Bond Review Board's
14 2020 lottery at the end of 2019. Seven applications
15 requesting a total of \$19,900,000 were received in
16 December.

17 All seven applications were deemed to have the
18 same acceptance date under the terms of the NOFA. Because
19 of this and over-subscription of the Housing Trust Fund
20 under the NOFA, the applications were subject to scoring
21 criteria.

22 As the result of an administrative deficiency,
23 the three highest scoring applications reduced the number
24 of trust fund units in their proposed developments but
25 maintained their competitive position, presumably because

1 they had an opportunity to view the other applications that
2 had been posted online.

3 Six of the seven applications received the same
4 deficiency. They had elected to use the average income
5 set-aside for tax credits and have layered the direct loan
6 units with the tax credit units, which was inconsistent
7 with requirements in the NOFA. The other three
8 applications did not change their unit mix in their
9 response.

10 One applicant, which was Palladium, did not
11 receive a deficiency because they had followed the
12 requirements of the NOFA with their original application.
13 That applicant filed an appeal claiming that the applicant
14 for 20410, 20411 and 20412 had provided documentation
15 through the administrative deficiency process that amounted
16 to a new application and should therefore be terminated.

17 Just as an aside, this appeal was under 10 TAC
18 1.7, which is different than the section that 9 percent
19 appeals come under, so under 1.7 this applicant is able to
20 appeal a decision made about another application, which is
21 not possible under the 9 percent app.

22 Within their appeal letter the applicant
23 requested that if their appeal was not granted they be
24 given an opportunity to revise their application in an
25 effort to be more competitive.

1 The executive director responded to Palladium
2 stating that because they were not given an opportunity to
3 clarify their application through the administrative
4 deficiency process simply because it was the only
5 application that correctly designated the units, it may
6 appear that they were not treated equitably. So everyone
7 else got to change their apps and this one did not.

8 The executive director denied the appeal
9 regarding material deficiencies but relayed that he had
10 directed staff to bring this action item to the Board so
11 that all eligible applications could have an equitable
12 opportunity to submit or revise their apps as they see fit.

13 All eligible applicants were informed by email
14 on February 4 of this potential Board action item so that
15 they all have had an opportunity to revise their
16 application and prepare it for re-submission.

17 Staff recommends cancellation of the 2020-2 NOFA
18 and approval of the 2020-2B NOFA with applications accepted
19 under the 2020-2 NOFA through 5:00 p.m. Austin local time
20 on March 5, so from today through the end of March 5.

21 MS. BINGHAM: Questions?

22 MR. WILKINSON: It's a do-over. It's just like
23 one more week do-over, and then everyone is happy, maybe.

24 (General laughter.)

25 MS. BINGHAM: So all six or all seven have a do-

1 over.

2 MS. HOLLOWAY: Anyone who was eligible.

3 MR. VASQUEZ: So you could get a completely new
4 application, theoretically.

5 MS. HOLLOWAY: Theoretically.

6 MS. BINGHAM: Do we have public comment on this?

7 SPEAKER FROM AUDIENCE: I'm here to support the
8 staff's recommendation, so happy to speak if necessary.

9 MS. BINGHAM: Great. Very good.

10 MR. VASQUEZ: And it's the same total
11 availability of funds.

12 MS. HOLLOWAY: Correct.

13 MR. VASQUEZ: So if everyone reapplies, we're
14 still going to be over-subscribed.

15 MS. HOLLOWAY: Correct.

16 MR. VASQUEZ: How far over-subscribed were we in
17 the first?

18 MS. HOLLOWAY: Eight million, I think.

19 MR. VASQUEZ: So it was like \$19 million?

20 MS. HOLLOWAY: Yes. This is an unusual
21 situation, and we're not accustomed to being over-
22 subscribed in direct loan funds, and I think it's something
23 that we're going to continue to see, and probably next year
24 we'll see sort of a tightening up of scoring and
25 tiebreakers and deficiencies and those kinds of things as

1 we deal with direct loan applications.

2 MS. BINGHAM: Looking more like 9 percent?

3 MS. HOLLOWAY: Closer to if we get into this
4 competitive position.

5 MR. BRADEN: I make a motion to approve and
6 accept staff's recommendation.

7 MS. BINGHAM: There's a motion to approve
8 staff's recommendation from Mr. Braden.

9 MS. THOMASON: Second.

10 MS. BINGHAM: Second from Ms. Thomason.

11 Any further discussion?

12 (No response.)

13 MS. BINGHAM: All those in favor aye.

14 (A chorus of ayes.)

15 MS. BINGHAM: Opposed?

16 (No response.)

17 MS. BINGHAM: Motion carries.

18 MS. HOLLOWAY: The last one for today.

19 MS. BINGHAM: Item 5(e).

20 MS. HOLLOWAY: Yes. This is presentation,
21 discussion and possible action regarding the approval for
22 publication in the *Texas Register* of the 2020-4 Multifamily
23 Direct Loan Special Purpose Notice of Funding Availability.
24 This is for pre-development.

25 Last year we published our first NOFA for pre-

1 development activities funded with TCAP RF which resulted
2 in two nonprofit organizations receiving pre-development
3 grants, and those grants have turned into applications.

4 There likely are other nonprofits that would be
5 able to utilize this funding as they pursue development
6 opportunities that could result in the use of the
7 Department's HOME and/or trust fund dollars.

8 We have \$200,000 in undedicated TCAP RF
9 available which could result in four \$50,000 awards to
10 private nonprofits that have not received funding for a
11 multifamily development from the Department since January
12 1, 2010.

13 Staff recommends approval of the 2020-4 Special
14 Purpose NOFA for pre-development activities.

15 MS. BINGHAM: Great. Any questions for Marni?

16 MR. VASQUEZ: I'm sorry. So this is just
17 approving the total \$200,000, or is this assigning \$50,000
18 increments to four different applicants?

19 MS. HOLLOWAY: It's approving the \$200,000, and
20 it would result in, if we get four applications, four
21 \$50,000 awards.

22 MR. VASQUEZ: So we're not awarding.

23 MS. HOLLOWAY: No.

24 MS. BINGHAM: We're approving the \$200,000 and
25 then staff will have the ability to.

1 MS. HOLLOWAY: Right. We'll go through our
2 whole application process, and any awards, of course, would
3 come back to you.

4 MR. VASQUEZ: Didn't we already do this?

5 MS. HOLLOWAY: It's only the third NOFA of the
6 day.

7 (General laughter.)

8 MR. VASQUEZ: But I mean way back.

9 MS. HOLLOWAY: Last year.

10 MR. VASQUEZ: It was last year?

11 MS. HOLLOWAY: Yeah, it was last year.

12 MR. VASQUEZ: Let's do over, do it again.

13 MS. BINGHAM: It was a winner. Entertain a
14 motion.

15 MR. BRADEN: Move to approve.

16 MS. BINGHAM: Mr. Braden moves to approve
17 staff's recommendation.

18 Second?

19 MS. THOMASON: Second.

20 MS. BINGHAM: Second from Ms. Thomason.

21 Any further discussion?

22 (No response.)

23 MS. BINGHAM: All those in favor aye.

24 (A chorus of ayes.)

25 MS. BINGHAM: Opposed?

1 (No response.)

2 MS. BINGHAM: Motion carries.

3 MS. HOLLOWAY: Thank you.

4 MS. BINGHAM: Excellent.

5 Item 6, presentation, discussion and possible
6 action on the proposed repeal and proposed new 10 TAC
7 Chapter 7, Subchapter A, and then a whole bunch of other
8 sections.

9 MS. CANTU: Good morning, Madam Vice Chair and
10 Board members. My name is Naomi Cantu. I'm the Homeless
11 programs administrator, standing in for Abigail Versyp.

12 The item before you presents the proposed rule
13 changes to the department's Homeless programs in 10 Texas
14 Administrative Code Chapter 7, Subchapters A, B and parts
15 of C and D.

16 The changes presented today are clarifications
17 and updates identified by staff when administering the
18 Emergency Solutions Grants, the Homeless Housing and
19 Services, and the Ending Homelessness Fund programs.

20 All of Subchapter A, General Policies and
21 Procedures, and all of Subchapter B, Homeless Housing and
22 Services Program, are recommended for repeal and
23 replacement due to the extent of the updates.

24 For example, both Subchapter A and B have
25 proposed changes to address new funding available through

1 Rider 16 of the Appropriations Act from the last
2 legislative session for homeless youth activities.

3 The rules have been updated to include a
4 definition of youth headed household, inclusion of
5 transitional living as an eligible activity for the
6 Homeless Housing and Services Program, and other related
7 changes.

8 On to Subchapter C. Parts of the Emergency
9 Solutions Grants Program are being recommended for repeal
10 and replace in order to incorporate more detail on certain
11 processes.

12 One of the changes being proposed is the appeal
13 process for the ESG applicants in a local competition. A
14 local competition occurs when the Department procures an
15 organization to run a competition for ESG funds on the
16 Department's behalf.

17 The proposed update to the rule ensures that an
18 appeal process by the vendor is in place for the local
19 competition and that applicants in a local competition
20 cannot appeal to the Department's executive director or
21 Board after the local competition results are submitted to
22 the Department for Emergency Solutions Grants funds.

23 Finally, we end with Subchapter D. Parts of the
24 Ending Homelessness Fund Program rule are being recommended
25 for repeal and replace. The proposed update to the rule

1 clarifies the eligible applicant organizations for the
2 Ending Homelessness Fund, and clarifies the contract term
3 and limitations.

4 Staff recommends approval of the draft rules to
5 be published in the *Texas Register* and open for public
6 comment.

7 I'll take any questions.

8 MS. BINGHAM: Naomi, we'll have the usual
9 stakeholder meeting roundtables?

10 MS. CANTU: We will release them for public
11 comment, and we can definitely hold a roundtable.

12 MS. BINGHAM: Very good.

13 Any questions for Naomi?

14 (No response.)

15 MS. BINGHAM: I'll entertain a motion.

16 MS. THOMASON: Move to approve staff's
17 recommendation.

18 MS. BINGHAM: Thank you. Motion from Ms.
19 Thomason.

20 MR. BRADEN: Second.

21 MS. BINGHAM: Second from Mr. Braden.

22 Any other discussion?

23 (No response.)

24 MS. BINGHAM: All those in favor aye.

25 (A chorus of ayes.)

1 MS. BINGHAM: Opposed?

2 (No response.)

3 MS. BINGHAM: Motion carries.

4 Thank you very much, Naomi.

5 All right. Item number 7 is Bond Finance.

6 Good morning.

7 MS. MORALES: Teresa Morales, director of
8 Multifamily Bonds.

9 Vice Chair, members of the Board, item 7
10 involves consideration of an inducement resolution that
11 would give staff the authority to submit two applications
12 for a reservation of private activity bond volume cap to
13 the Bond Review Board.

14 On the multifamily side, TDHCA has a set-aside
15 of approximately \$160 million with which to reserve and
16 issue bonds until August 15 of each year. On that date any
17 unreserved volume cap will collapse into one pot that all
18 issuers of all types will have access to on a first come,
19 first served basis.

20 This inducement includes a request for \$29
21 million for the Vermillion Apartments, which is an existing
22 tax credit property in Houston that is coming back for re-
23 syndication and rehab.

24 The other application is the Walzem and includes
25 a request for \$20 million in private activity bonds. This

1 application may sound familiar because it was before you
2 and approved at the December 12 Board meeting for an award
3 of 4 percent credits and direct loan funds.

4 The proposed development is located in the ETJ
5 of San Antonio, and therefore the bond issuer was the Bexar
6 County Housing Finance Corporation. You may recall that
7 during staff presentation in December it was noted that
8 there has been some opposition received on this
9 application.

10 As a result of that opposition, recognizing that
11 Bexar County HFC was not going to proceed with the
12 transaction, the applicant made the decision to request
13 that TDHCA serve as bond issuer.

14 Your Board write-up goes into detail about the
15 process following the inducement, but in a nutshell,
16 adoption of the inducement is nothing more than a first
17 step in this process. Staff will review the application
18 that is submitted and any changes that may have occurred
19 from when we originally reviewed it.

20 We will hold a TEFRA public hearing which will
21 be at a location close to the community containing the
22 proposed development, which is our standard practice. And
23 a transcript of that hearing along with any public comment
24 that may have been received over the next few months will
25 be provided to the Board when it's time to consider the

1 bond issuance.

2 I would note that despite having already
3 approved the credits and the direct loan funds, when the
4 application is presented before you again, it will request
5 consideration of all funding sources so that the approvals
6 occur at the same time.

7 MS. BINGHAM: Any questions for Teresa?

8 MR. BRADEN: Through the chair.

9 So as part of our review of the application
10 process, do we look at traffic issues as part of that? I
11 understand this is just the inducement but after that when
12 we start reviewing the application.

13 MS. MORALES: To the extent that it's included
14 in the third party reports, I don't know that there's
15 anything within our rules that would prompt us to require
16 anything in that regard. That's more of a TxDOT issue and
17 through permitting and that type of stuff at the local
18 level.

19 MR. BRADEN: Okay.

20 MS. BINGHAM: So what we would see would be any
21 public comment related to those concerns.

22 MS. MORALES: Right.

23 MR. BRADEN: But unlike 9 percent tax credits
24 where all of that is looked at as part of the application,
25 these already have 4 percent tax credits, and we've already

1 awarded the 4 percent tax credits part of it.

2 MS. MORALES: We have technically already
3 awarded the 4 percent credits, however, with the twist in
4 having them come through us as the issuer, they would have
5 to submit a new tax credit application, we would re-review,
6 again compare any changes particularly with respect to
7 underwriting that may have occurred since the time we
8 originally reviewed it up until the time that it's
9 presented before you.

10 MR. BRADEN: What's the timing when that would
11 come before us again?

12 MS. MORALES: It could be as early as April,
13 perhaps May. Part of the process would include scheduling
14 and holding that TEFRA public hearing in San Antonio, and
15 then also, on the bond side, drafting all of those bond
16 documents and making sure that debt and equity are far
17 enough along in their due diligence to be able to present a
18 full-baked transaction.

19 MR. BRADEN: Okay.

20 MR. VASQUEZ: But also to clarify, when we
21 re-examine the 4 percent tax credits, that's counting
22 against the prior pool that they're already allocated from,
23 or is that being allocated against the 2020?

24 MS. MORALES: With respect to the 4 percent
25 credits there is no pool, there is no ceiling amount as

1 compared to 9 percent deals. Your ceiling amount, if you
2 want to think of it that way, is with respect to the bond
3 volume cap, and so in that regard it would be counting
4 against TDHCA's set-aside for 2020.

5 MR. VASQUEZ: 2020. Okay, so the 4 percent.

6 MS. MORALES: The 4 percent credit is thought of
7 to be an automatic credit.

8 MS. BINGHAM: So any further discussion?

9 (No response.)

10 MS. BINGHAM: Is there a motion regarding the
11 approval of the inducement, staff's recommendation?

12 MR. BRADEN: I'll make a motion to approve.

13 MS. BINGHAM: Okay. I have a motion to approve
14 from Mr. Braden.

15 Second?

16 MR. VASQUEZ: Second.

17 MS. BINGHAM: Mr. Vasquez seconds.

18 Any further discussion?

19 (No response.)

20 MS. BINGHAM: All those in favor aye.

21 (A chorus of ayes.)

22 MS. BINGHAM: Opposed?

23 (No response.)

24 MS. BINGHAM: Motion carries.

25 Thank you very much, Teresa.

1 So that is the end of the agenda for today.
2 We'll hear any public comment on agenda items for future
3 consideration at this time.

4 MS. LONEY: Good morning. I thank you for
5 taking a couple of extra minutes this morning. It's only
6 10:00, so I feel like that's good.

7 For the record, my name is Lauren Loney, and I
8 am a staff attorney at Texas Housers, until about 5:00 p.m.
9 today, and then I'm leaving, so I'm here today to just chat
10 really briefly about a LIHTC property in Galveston called
11 Sandpiper Cove and the enforcement and compliance that are
12 currently undergoing or they've begun against its owner
13 Millennia Companies.

14 And I'm here to express our hope that the Board
15 and staff will, when the time comes, commit to debarring
16 Millennia Companies from future participation in the LIHTC
17 program.

18 Sandpiper Cove was allocated tax credits in
19 1990, and its primary source of funding is Section 8
20 funding from HUD. Millennia purchased Sandpiper Cove in
21 2015, and residents there have for years, and despite many
22 complaints to HUD and Millennia, been subjected to living
23 with mold, leaking and rusted appliances, repeated flooding
24 events, cockroach and rat infestations, power outages that
25 have ruined food, and sewage backups into people's homes,

1 into their sinks and bathtubs.

2 Millennium has been in the spotlight across the
3 country for several years about the really deplorable
4 conditions at at least 10 other Section 8 and LIHTC
5 properties in other states.

6 I've spoken with staff about Sandpiper Cove, and
7 we're happy to hear that TDHCA has referred Sandpiper and
8 Millennium to the Enforcement Division; however, staff has
9 explained to me that TDHCA debarment rules for habitability
10 issues only consider debarment if a property has received a
11 REAC score of 50 or less twice since its ownership.

12 We really fervently disagree that REAC scores
13 alone are themselves a valid assessment of the actual
14 conditions in which tenants are living, and HUD itself has
15 recognized that this system of inspection is broken and
16 that scores are not indicative of safety of habitability at
17 these properties. And one walk through Sandpiper Cove will
18 confirm that for anybody who visits.

19 Another issue that came up for me today as I was
20 listening discussions is that there's concerted debate and
21 discussion around TDHCA rules, like feasibility and
22 readiness to proceed, and I hope that that same level of
23 concerted debate and discussion will be for the rules that
24 should be the highest priority, which is making sure that
25 our Texans who are living in these properties that their

1 health and safety is protected.

2 Fundamentally we understand that the conditions
3 at Sandpiper Cove are the responsibility of HUD, they are
4 the ones that are subsidizing this property every year, and
5 TDHCA's role here is secondary, but when TDHCA has a
6 property in its inventory and those tenants are literally
7 getting sick because they're exposed to so much mold, TDHCA
8 should use whatever authority it has to hold the owner and
9 the property management accountable.

10 And in this case the most meaningful enforcement
11 would be to make sure that Millennia and companies like
12 Millennia, which is a national affordable housing
13 developer, are not allowed to operate in the state any
14 further.

15 I did bring a memo and a media packet. It's
16 just news stories that I found from a quick Google search,
17 so if y'all can accept that, there's more info there.

18 MS. BINGHAM: Great. Thanks, Lauren. Wish you
19 the best.

20 MS. LONEY: Thank you.

21 MR. ALCOTT: Good morning. I'm Tim Alcott with
22 the San Antonio Housing Authority, and I want to thank
23 y'all first for bringing Alzem early on the consent agenda.

24 I always appreciate that I don't have to speak about the
25 item either, because it's on consent and it's easier for

1 me.

2 But the San Antonio Housing Authority, as you
3 may know, is the largest housing authority in the state
4 based upon the number of units that are built or that we
5 house, and this year we are closing on the financing of
6 4,500 new units in the San Antonio area.

7 But I'm clearly not that talented to do that
8 alone, I do it in partnerships with other people in this
9 room, and we do these developments with very large
10 developers, and our typical stand when we do these
11 developments is that our partner provides the guarantees,
12 and so the tax credit guarantees, the compliance
13 guarantees, and because they're on the hook for that, they
14 do the management, and so all the compliance issues when
15 they come in, they're responsible for. My small staff
16 doesn't do that, especially with this many units coming
17 online.

18 And so this is what brings me here today, is on
19 the QAP last year we added in the previous participation
20 rule 1.301(c)(9) -- I had to write it down to make sure I
21 got that correct -- that provides that tax credit
22 developers designate who is responsible for tax credit
23 compliance and only that party is responsible.

24 And this section is proposed to be deleted this
25 year, and that causes me some concern, because I don't have

1 the ability to control that, and so if I have a deal with
2 Developer A, Developer B, Developer C, I'm the co-
3 developer, if they each have one or two or ten compliance
4 issues, even though I'm not responsible, they roll up to me
5 and what would be ironic is all my co-developers could
6 continue to receive tax credits and participate in the
7 process but I may not be able to because they're rolling up
8 to me because I'm the co-developer on those.

9 And I know that staff has worked really hard on
10 this. I actually want to thank them because they actually
11 emailed me directly about this issue, and they didn't have
12 to do that, so they're doing a great job.

13 But I don't know how to deal with this
14 situation, because housing authorities and other government
15 institutions may find themselves in the same situation that
16 I'm in that I may be in non-compliance to be able to
17 receive tax credits in the future.

18 I do a lot of development, and the reality is we
19 don't have any non-compliance issues, and so I don't think
20 this will really hurt me on the short term, to be honest
21 and forthcoming, but I am worried that I'm being held
22 accountable for something that I really don't have the
23 ability to control. So just look at that when we have the
24 QAP rules.

25 I appreciate it.

1 MS. BINGHAM: Thank you, Tim.

2 Good morning.

3 MR. LONGORIA: Good morning, Madam Vice Chair
4 and Board members and Director Wilkinson. I'd like to say,
5 first of all, thank you for having me today. My name is
6 Jaime Longoria. I'm the executive director of the
7 community service agency located in Hidalgo County in
8 Edinburg.

9 The reason I'm her today, actually I'm going to
10 start off by quoting Mr. Rogers and say it's a wonderful
11 day in the neighborhood. It's a wonderful day in Hidalgo
12 County because we've developed and helped to bring together
13 a novel approach to service delivery in Hidalgo County.

14 We were very interested in providing services to
15 those families that were located in remote areas of our
16 county since our inception. We receive LIHEAP funds,
17 utility assistance funds for families, we also administer
18 Community Services Block Grant funds, we have a small grant
19 from the Texas Veterans Commission, so we provide services
20 to veterans, and we also provide services to seniors in the
21 form of a Senior Corps program. So we were very interested
22 in reaching those hard-to-reach families.

23 Hurricane Harvey came along and we realized very
24 quickly that while we weren't affected in the Rio Grande
25 Valley, our neighbors to the north all along the coast were

1 affected, and we wanted to find a way of being of service
2 so we developed a mobile unit, a little mobile trailer -- I
3 call it our horse trailer. It was really our first attempt
4 at becoming more mobile in service delivery.

5 So we took our show on the road, so to speak,
6 and we were able to assist our sister agency in Galveston
7 in administering their funding in Galveston. However, what
8 we heard from the folks in Galveston was they still wanted
9 service delivery to be closer to families, and we started
10 to think a little bit outside the box, together with your
11 Community Affairs team, as to how we could do that, how we
12 could be closer to families, specifically when they were in
13 their darkest time, their darkest moment of need, and we
14 realized that closer was better for emergency service
15 delivery.

16 So we started to put together a plan for how we
17 would do that, and Sarah Chapa with our office actually has
18 a little brochure, if we could provide those to y'all. Can
19 we do that? Can we approach with that?

20 MR. ECCLES: It's the chair's purview.

21 MS. BINGHAM: Sure.

22 MR. LONGORIA: So that's a little brochure of a
23 mobile unit that we upgraded to from what we called our
24 little horse trailer, and we put this out for bid -- for
25 the auditors in the room -- and we wanted to ensure that we

1 weren't being the disaster after the disaster, so to speak.

2 We wanted families when they were facing a bad
3 situation to be able to come to something close to their
4 home that would make them feel a little more comfortable.
5 What families told us time and time again in the two or
6 three subsequent disasters we had in Hidalgo County,
7 flooding events, was the little that they had left after
8 the disaster they weren't willing to leave their homes and
9 expose to looters or to the elements.

10 So we developed this trailer and we put it out
11 for bids and we asked folks to bid on it and we took
12 delivery of this actually at the very end of December. We
13 had an unveiling just a couple of weeks ago and we unveiled
14 that to the public.

15 It's a 24-foot trailer, it's a mobile office
16 platform. We've outfitted it with laptop computers, we've
17 got a networking system where we're able to use our hot
18 spots and have our computer signal, our internet signal
19 available and safe, and we're able to take that into the
20 remote areas of the country during disasters.

21 Because we anticipated y'all being in Weslaco a
22 couple of weeks ago, we know there were scheduling issues
23 so the meeting came up here, so we decided that we would
24 bring our show on the road. So we actually have our
25 trailer located right on the corner of 12th and San Jacinto

1 for you all to go in and visit.

2 I also brought with me Mr. Ricardo Saldaña.
3 He's our emergency management coordinator in Hidalgo
4 County, and I wanted him to share a few words about what it
5 means to families facing crisis to have a mobile platform
6 like this.

7 MS. BINGHAM: Thanks, Mr. Longoria.

8 Good morning.

9 MR. SALDAÑA: Good morning. Ricardo Saldaña,
10 emergency management coordinator, Hidalgo County.

11 One of the great things about this is when Jaime
12 came on board as the director for CSA, we created a
13 partnership between us, Hidalgo County Office of Emergency
14 Management, and then we had a couple of events.

15 We've been through six federal declarations in
16 the last five years. The majority of them have been for
17 individual assistance. Jaime's office has done a
18 tremendous job doing the outreach for those families who
19 were impacted by these disasters.

20 We learned by one over the area devastated a lot
21 of homes, electricity was knocked down, no internet
22 services. They had to travel five to ten miles into town
23 to get those services where Mr. Longoria could establish an
24 office.

25 Then Harvey hit. Hidalgo County supported along

1 the Gulf Coast in Corpus, and Jaime and his team up in
2 Galveston, Montgomery County, they supported some of those
3 efforts to try to get to those families. That little horse
4 trailer that he mentioned about, he was able to reach some
5 of those communities along the river there. He was in a
6 Cambodian community up there, able to be -- a little
7 translation issues but he got them the help that they
8 needed.

9 Then we got hit with other disasters in the
10 Valley that his team went in. It was also difficult
11 because internet, electricity, we had to move these
12 families over. One time we had to bring in a crew for
13 Verizon to get us internet service to an area and it took
14 them a week to get it.

15 Well, with this tool being put in his toolshed
16 it's now going to be excellent because we can go to the
17 community, provide that service at their front lawn and
18 bring them all in there, handicap accessible, has
19 everything that he needs, electrical power, Wi-Fi to do the
20 work that he needs to do to provide those services to the
21 community.

22 Emergency management and the county service
23 agency in Hidalgo County have created a partnership. He
24 works real closely with us and we really appreciate that
25 because those services are provided to those families that

1 were impacted during their darkest moment, but we
2 appreciate you all supporting this effort.

3 Hopefully we can become a model for the rest of
4 the state of Texas where these units will be placed in the
5 regions and able to support some of those areas that have
6 been impacted and make it more effective to get those
7 services to those families.

8 Thank you.

9 MS. BINGHAM: Thank you. Thanks for coming.

10 MR. LONGORIA: Just to finish up, I wanted to
11 emphasize that we utilized CSBG funds, together with our
12 CEAP funds, recognizing that this mobile platform can be
13 used for a variety of different kinds of service
14 deliveries, and that is we can go into the little community
15 of Heidelberg, very isolated, only has a little county
16 park, doesn't even have a schoolyard, doesn't have any
17 church facility, it really is about 80 to 100 homes that we
18 can provide services to. So we'll pull that trailer in,
19 park that trailer, and deliver a variety of services,
20 census information, LIHEAP utility assistance, disaster
21 assistance, just a whole variety of things.

22 I'd really like to thank publicly TDHCA for your
23 staff in working with us to develop this idea and helping
24 us to develop the funding mechanism really to get this tool
25 into our community.

1 And I wanted to thank the people of Hidalgo
2 County and the counties of Wharton, Fort Bend, Galveston,
3 and Brazoria County for all of their input in helping us
4 develop this idea of mobile service delivery.

5 Specifically it was families on the banks of the
6 Brazos River that had mud in their homes, two to three feet
7 of mud in their homes, that came out and said, There is no
8 way that we were ever going to leave the little that we had
9 left.

10 So I invite you guys to join us today and
11 celebrate and to kind of take a tour of our facility.

12 MS. BINGHAM: Thank you. Thanks very much, Mr.
13 Longoria.

14 MR. WILKINSON: Thanks, Jaime.

15 He was supposed to see us last week in the
16 Valley, took the trailer all the way up here to show it to
17 us. I'm going to go see it, I encourage everyone else to
18 see it too.

19 This is a really interesting, innovative and
20 worthy use of the CSBG funds. I think it's a model
21 community action agency that others could follow. You
22 don't think of disaster and paperwork necessarily unless
23 you've been involved with it, and it's a lot of it, so
24 bringing the office to the person rather than telling the
25 person, oh, you need to truck it ten miles to the office,

1 is a good thing to do.

2 So thank you, Jaime, again.

3 MS. BINGHAM: Thank you, guys.

4 If there's no other public comment, I'll
5 entertain a motion.

6 MR. WILKINSON: I'm sorry. I think I have one
7 more.

8 Ernie, do you have a public comment? Come up.

9 After nearly a century with the Texas Department
10 of Housing and Community Affairs.

11 (General laughter.)

12 MR. WILKINSON: What's it really, 28 years?

13 MR. PALACIOS: 28-1/2 years.

14 MR. WILKINSON: 28-1/2, who's counting. Right?

15 Our number-two financial man in the building is
16 leaving us.

17 MS. BINGHAM: No way.

18 MR. WILKINSON: Short speech, please.

19 MR. PALACIOS: Thank you for your support, and
20 it's been a pleasure. I've made a lot of good friends, and
21 I'm going to miss you guys. Thank you.

22 MR. WILKINSON: Us too. Thanks, Ernie.

23 (Applause.)

24 MS. BINGHAM: Great. All right. Thanks to
25 staff for all your continued hard work. I really heard

1 some awesome stories today. Makes us feel good about what
2 we're doing.

3 Thank you to the Board for your service.

4 Thank you to the developer community and all of
5 our other partners. Appreciate your partnership.

6 Motion to adjourn?

7 MR. BRADEN: So moved.

8 MS. BINGHAM: All right. Motion. Second?

9 MR. VASQUEZ: Second.

10 MS. BINGHAM: All those in favor aye.

11 (A chorus of ayes.)

12 MS. BINGHAM: The meeting is adjourned.

13 (Whereupon, at 10:26 a.m., the meeting was
14 adjourned.)

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C E R T I F I C A T E

MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: February 27, 2020

I do hereby certify that the foregoing pages,
numbers 1 through 75, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Nancy H. King before the
Texas Department of Housing and Community Affairs.

DATE: March 3, 2020

(Transcriber)

On the Record Reporting
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