

BEFORE THE
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MEETING OF THE
PROGRAMS COMMITTEE

Waller Creek Office Building
Room 437
507 Sabine Street
Austin, Texas

12:35 p.m.
Friday,
May 19, 2000

COMMITTEE MEMBERS PRESENT:

DR. FLORITA BELL GRIFFIN, Chairman
JAMES DAROSS
ROBERT BREWER

STAFF:

DAISY STINER, Executive Director

*ON THE RECORD REPORTING
(512) 450-0342*

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE:</u>
CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM	3
PUBLIC COMMENT	
<u>Speaker</u>	
Gary Traylor	4
Item 1 - Presentation, Discussion and Possible Approval of Minutes of Programs Committee Meeting of April 14, 2000	21
Item 2 - Presentation, Discussion and Possible Approval to Transfer and Amend HOME Contract No. 535023 from the Corporation for Affordable Housing to the Housing Authority of Travis County and Providing Additional Funds in the Amount of \$75,000 to Finalize the Project	22
Item 3 - Presentation, Discussion and Possible Approval of Strategic Plan	23
REPORTS	
ADJOURN	
39	

1 P R O C E E D I N G S

2 DR. GRIFFIN: I'd like to call the meeting to
3 order in just a couple of minutes if everybody could get
4 settled. The Programs Committee members are hungry. And
5 if we could go through this agenda right quick, that would
6 mean we could get lunch before the 1:30 board meeting.

7 Do -- let me -- all right. The Programs
8 Committee meeting for the Texas Department of Housing and
9 Community Affairs, May 19, 2000. It's approximately
10 12:33. Call to order. Call to order. Role call. Let's
11 certify the quorum.

12 Florita Bell Griffin is here. Mr. James
13 Daross?

14 MR. DAROSS: Here.

15 DR. GRIFFIN: Mr. Robert Brewer.

16 MR. BREWER: Here.

17 DR. GRIFFIN: All members of the committee
18 being present, quorum has been certified. The first item
19 on our -- well, before I go there, do I have any witness
20 affirmation forms?

21 Are there any citizens or anybody in the
22 audience that would like to speak? If you would, if you'd
23 fill out a witness affirmation form, we'd be glad to hear
24 from you at this time.

25 (Pause.)

1 DR. GRIFFIN: You can see we're not as popular
2 as tax credits. If you state your name, you could just go
3 on and just fill it out and give it to us.

4 MR. TRAYLOR: Would that be all right?

5 DR. GRIFFIN: That would be just fine, sir.

6 MR. TRAYLOR: Thank you so much. I sure
7 appreciate that. I've got -- pardon me. Let me start by
8 saying, Dr. Griffin and members of the Programs Committee,
9 thank you for letting me speak to you this morning.

10 My name is Gary Traylor. I'm a consultant that
11 works with a member of communities in Texas in the Texas
12 Community Development Program and the State of Texas HOME
13 Program.

14 I'm here today -- and, by the way, we had a
15 Power Point presentation prepared for you all, but I know
16 in the interest of time you don't want to allow for the
17 set up of that, and I fully understand that.

18 DR. GRIFFIN: Well don't rush then. We
19 appreciate you not doing the Power Point, but you can take
20 your time and make your presentation. I don't want to
21 rush you if you went to that much trouble for us. At
22 least present what you, you know, have.

23 MR. TRAYLOR: Thank you very much. Appreciate
24 it. I'm here today representing several communities that
25 are operating owner occupied housing rehabilitation

1 programs with funds provided under the State of Texas HOME
2 Program.

3 The purpose of my presentation to you is to
4 discuss a problem these communities have encountered in
5 implementing their local programs and to request your
6 consideration of possible appropriate relief from the
7 problem that we have found.

8 The communities that I'm here representing
9 today are the cities of Sundown, Rusk, White Oak,
10 Stanford, Gladewater, Lufkin, and Lindale. And you might
11 note that these communities are widely dispersed in a
12 number of different areas of Texas and also represent a
13 broad range of populations as well.

14 We are not accompanied this morning by any
15 representatives -- any local elected officials from those
16 communities, because we are not an agenda item with you.
17 This is primarily an information presentation and a
18 request for possible future action. But we certainly
19 would be glad to bring representatives if that is
20 appropriate at some point.

21 DR. GRIFFIN: Your attendance is good enough.

22 MR. TRAYLOR: Thank you very much, Dr. Griffin.
23 The HOME program funds allocated to these communities
24 were awarded to each of them based on a competitive
25 selection process -- an annual competitive cycle.

1 Statutorily, the HOME program requires means
2 testing, as do most of the programs administered by this
3 agency, and the federal law restricts assisting people
4 under the HOME program with incomes above 80 percent of
5 median income. So you have to have an income of at or
6 below 80 percent of median income.

7 Now, that may be very usable for some of the
8 participating or entitlement jurisdictions in the HOME
9 program, but for non-entitlement jurisdictions in Texas
10 HOME grants, of course, are allocated following an annual
11 cycle of competitive applications.

12 The Department receives many more applications
13 than it has money to fund, as you know, and the
14 applications are reviewed and scored by the Department
15 staff. In fact, they are currently scoring applications
16 from a recent round of applications.

17 Prior to receive applications, TDHCA has very
18 generously made information available to prospective
19 applicants, including an explanation of the scoring system
20 that will be used to write the applications.

21 Due to high demand for these funds, the margin
22 that separates an unsuccessful applicant from a successful
23 applicant is very, very small. There's -- the winners and
24 losers in that application process are separated by a very
25 small number of points. The process is highly

1 competitive.

2 In this kind of an atmosphere, applicants and
3 their advisors -- and I count myself among them -- know
4 that if an application is to be in real contention for
5 these funds, it must be designed to address the
6 Department's scoring criteria.

7 Likewise, a presumption exists that the scoring
8 criteria that had been established by the Department are
9 intended to promote projects that reflect the public
10 policy of this state regarding housing needs.

11 Each of the communities that I am representing
12 here today have adopted local program guidelines that
13 further the commitments contained in their applications to
14 restrict eligibility in the handling of their local
15 programs only to the very low income; that is, those with
16 incomes at or below 30 percent of median income. So each
17 community has committed that 100 percent of those funds
18 will go to that group.

19 Now, the adoption of those guidelines was
20 necessary, because there is a restriction in the grant
21 contracts of each of these communities carried forward
22 from the original grant application that provides from
23 income targeting. So income targeting is a provision of
24 the grant contract that the communities had with TDHCA.

25 This particular provision is one from which no

1 deviation is allowed without going through a process to
2 formally amend the grant contract.

3 In addition, communities are currently
4 operating these programs under a policy that the agency
5 has here that they must expend their HOME program funds
6 within 14 months of the commencement date of the grant
7 contract or face the obligation of the funds that have not
8 been expended by that time.

9 And, of course, that's consistent with an
10 overall agency goal which you have established to increase
11 the amount of funds that are expended at a given time. I
12 know that many of the programs have come under fire, not
13 only maybe from you, but also from some of those in
14 Congress that are displeased with the rates of expenditure
15 somehow. So we know that this is necessary, and we're all
16 working very hard to increase those expenditure rates.

17 Now, the communities I'm representing today
18 also have made extensive efforts to publicize and market
19 their local HOME programs. The folks have done a very
20 good job.

21 In addition to newspaper advertisements, there
22 have been public service announcements made on local radio
23 stations and, in some instances, cable access channels.
24 We've had good contact with the community services network
25 in these communities.

1 We've worked with local churches. We've passed
2 out flyers in the neighborhoods. We've just done all
3 manner of things, including, I will admit in some cases,
4 even personal solicitation, you know, to -- by contacting
5 people saying, you know, we know that you may have had
6 some needs to improve your home, and are you sure that
7 you're not aware of this, and would you like to apply.

8 Now, the problem that we're having here is
9 that, as a result of these marketing efforts, there has
10 been extensive interest in the HOME program. But we have
11 been unable to identify a sufficient number of people in
12 these communities who meet the eligibility requirements of
13 the program and are of very low income.

14 Consequently, although we can stand here and
15 tell you that we have served every very low income person
16 who has responded to the marketing, who has submitted an
17 application, who has received technical assistance, had
18 the application completed. And, in fact, over half of the
19 funds in these communities on an average has been
20 expended. But we do have unexpended funds. Likewise --
21 I'm sorry.

22 DR. GRIFFIN: Can I stop you?

23 MR. TRAYLOR: Please.

24 DR. GRIFFIN: I think we get the --

25 MR. TRAYLOR: Gravity --

1 DR. GRIFFIN: -- point where you're going. Do
2 you have another major point to make?

3 MR. TRAYLOR: Yes.

4 DR. GRIFFIN: Okay. If you'll make that, then
5 I have some questions to ask you --

6 MR. TRAYLOR: Yes, ma'am.

7 DR. GRIFFIN: -- if we can --

8 MR. TRAYLOR: Yes, ma'am.

9 DR. GRIFFIN: Okay.

10 MR. TRAYLOR: Would you hand -- out the -- to
11 the committee real quick. What I wanted to show you --
12 and I think you can see from the slides that we have
13 here -- is that we believe that the primary culprit for
14 this problem is the application of the zero to 30 percent
15 income bracket as the definition for very low income
16 people and the fact that those incomes exceed the public
17 assistance levels in some of these areas. And we just --
18 we're having a problem.

19 And I -- Dr. Griffin, you probably, by virtue
20 of -- I know the very patient participation you all have
21 had this week in the hearings -- probably have heard some
22 other comments expressed like this.

23 DR. GRIFFIN: That's why I need you to put
24 yours in --

25 MR. TRAYLOR: Very good.

1 DR. GRIFFIN: I need you to put yours in
2 writing.

3 MR. TRAYLOR: I'll be happy to --

4 DR. GRIFFIN: That you have --

5 MR. TRAYLOR: -- very happy to.

6 DR. GRIFFIN: You're working with these
7 communities.

8 MR. TRAYLOR: Very happy to.

9 DR. GRIFFIN: Do you have any more communities
10 that you're working with that you -- what you're saying is
11 you can't find the people at or below 30 percent? Am I
12 hearing you right?

13 MR. TRAYLOR: That's exactly correct.

14 DR. GRIFFIN: To take funds.

15 MR. TRAYLOR: That's exactly --

16 DR. GRIFFIN: And we're getting beat up because
17 we don't provide -- they're saying we're not sensitive to
18 the very low. But there are funds out there that cannot
19 be spent and --

20 MR. TRAYLOR: What we need so badly for you all
21 to do is to allow these -- these communities don't want to
22 lose these funds. We now have a long list of people who
23 are low income that have been waiting for this fund. We
24 don't want to lose them.

25 The thing we would like to get the authority to

1 do is to get some appropriate contractual relief from the
2 Department beginning to work -- beginning at the lowest
3 incomes, going up the list, to spend the remaining dollars
4 that exist in these communities.

5 And we have -- we would certainly even be happy
6 to accept a requirement that said -- that would say that
7 under no circumstances would a recipient be assisted whose
8 income exceeded the very low income limits for, say, one
9 of the metropolitan areas like Dallas, Fort Worth, or
10 Houston.

11 That would still give us enough leeway to make
12 enough folks locally eligible that we could expend the
13 remaining dollars. And most of the people that we're
14 talking about denying assistance to have incomes of less
15 than \$12,000 a year.

16 DR. GRIFFIN: Mr. Traylor, I'm going to -- I'll
17 make my comment -- what my thoughts are and then I'll open
18 it up to the committee. And then I'm sure no decisions
19 can be made today. It will be up to staff to see what we
20 can do.

21 But my comment on this is that whereas you --
22 I'm a businesswoman so -- you know, in business you've
23 got -- you give a little and you get a little. Right?

24 MR. TRAYLOR: Yes.

25 DR. GRIFFIN: And what I -- and you need us to

1 make the decision that will help you expend these funds so
2 these communities will not lose it.

3 MR. TRAYLOR: Yes, ma'am.

4 DR. GRIFFIN: We need the community support as
5 we get beat up here going through this process -- and
6 we're going to be going through it for a while until, you
7 know, the session gets back in.

8 We need support of communities like this. We
9 need it in writing. We need people that are prepared to
10 come, that remember whatever it is that we're able to do,
11 and speak up and not sit back -- I'm just --

12 MR. TRAYLOR: We're very happy to.

13 DR. GRIFFIN: -- pleased -- I'm -- you know, I
14 get emotional --

15 MR. TRAYLOR: I know you're very --

16 DR. GRIFFIN: I'm not meaning any harm with my
17 voice raising.

18 MR. TRAYLOR: I appreciate the fact you do.

19 DR. GRIFFIN: I'm just putting my -- I'm just
20 telling you how I feel. We need people to sit up -- speak
21 up of what we're doing and what we're trying to do,
22 because we're getting massacred behind lies.

23 You know, you would think from hearing about us
24 that we're not concerned at all about these people --
25 these folks in this income bracket. And I'm sure that

1 these cities that you named here, you know, don't even
2 represent all of the cities out there who have money at
3 the lowest -- who aren't able to make it do with the --
4 you know, the powers that be will want to make it sound
5 like, you know, we're just not doing what we're supposed
6 to do.

7 MR. TRAYLOR: Well, the communities and the
8 local community service organizations are very frustrated
9 by this, because they see such great need that they're
10 unable to address and --

11 DR. GRIFFIN: I -- what I need is for you to
12 address -- you can address it to me or you can address it
13 to the chairman of the board -- I just definitely need a
14 copy of it. I need a letter that talks to me about this
15 presentation --

16 MR. TRAYLOR: I've got it.

17 DR. GRIFFIN: -- succinctly. And tell me that,
18 you know, they've the 30 percent money and you can't spend
19 it --

20 MR. TRAYLOR: Exactly.

21 DR. GRIFFIN: -- you know. And so you need
22 guidelines changed so that you can serve folks that are --
23 you know what I mean?

24 MR. TRAYLOR: Yes, ma'am.

25 DR. GRIFFIN: And then I'll open it up for

1 other committee members' comments. And then ultimately, I
2 guess, Ms. Stiner, it would be up to staff to tell us if
3 anything can't -- if anything can be done and how in the
4 future we can offer to the lowest of the low and still
5 cover ourselves so that the communities don't lose the
6 money if they do the very best they can to spend it.

7 So, fellow committee members, your comments are
8 welcome. And then we'll hear --

9 MR. DAROSS: I think what you're saying is
10 exactly right. There's a basic lack of understanding at
11 the legislative level on what the problems are faced that
12 you're talking about here.

13 MR. TRAYLOR: I think you're right. And, you
14 know, the goals of Rider 3, for example, are very laudable
15 goals. And they're goals that most of the communities
16 generally agree with. It's just that the particular
17 numbers that are being used are creating a ceiling that's
18 working against the very thing they're trying to
19 accomplish. And --

20 DR. GRIFFIN: Well, you're the professional in
21 that area? I need you to tell me that in writing.

22 MR. TRAYLOR: I'll be glad to. Thank you very
23 much for the opportunity.

24 DR. GRIFFIN: Please attach your vita with
25 that.

1 MR. TRAYLOR: Okay. Sure will.

2 MR. BREWER: Well, I just have a question for
3 Pam Morris. Pam, you have looked at this presentation
4 yourself, have you?

5 MR. TRAYLOR: I think she's generally aware of
6 its content --

7 MR. BREWER: Yes.

8 MR. TRAYLOR: -- but she hasn't seen that
9 material.

10 MR. BREWER: But do you have anything other
11 than what he's saying that this is the problem? Because
12 one thing I will mention, sitting through this Sunset
13 review, a gentleman -- and I wish I could remember his
14 name, but I don't -- from a rural area made a
15 presentation. And he made these points also that this 30
16 percent -- that it's just not happening in the rural areas
17 for reasons that you have shared also.

18 MR. DAROSS: But it's across the board too. I
19 mean you heard Demetrio Jimenez up there saying he had
20 1,000 applicants and only 74 of them qualified.

21 MR. BREWER: Right.

22 DR. GRIFFIN: But then I also heard in the --
23 you know, in the meeting that information gets switched to
24 make it look like we weren't even trying to work in the
25 rural areas. And I'm not getting ready to get beat up any

1 more.

2 So I want to help do what you want to do, but
3 I'm surely going to use the information you give me to
4 smear it in the faces of the folk who --

5 MR. TRAYLOR: Dr. Griffin, we'll be more than
6 happy to provide that to you.

7 DR. GRIFFIN: Thank you.

8 MS. MORRIS: I have to agree with Mr. Traylor.
9 We've obviously -- just since I've been involved with the
10 HOME program, have heard a number of comments with regard
11 to expenditure rate on the 30 or below, and I do
12 understand the situation.

13 I think where we can improve the communication
14 with the Legislature is show them every market -- every
15 area of the state and what we're dealing with. I don't
16 know if we can ever get to where we can actually define
17 the population of the 30 and below, and I think that's
18 where we need to show them what the need is there and
19 that -- like we've always said, when we take away from one
20 we -- when we give to one we take away from someone else.

21 And we have a lot of families that are in that
22 50 to 40 percent range that could qualify that don't get
23 the funds.

24 I may get -- what has happened is because of
25 that goal, it's been automatic that, well, everybody's

1 just got to set aside for it, you know, period, whether
2 you -- and that works for your area or not because of what
3 we feel the pressure is under.

4 But I think we need to be a bit proactive in
5 showing them an analysis of what our subrecipients are
6 dealing with and get feedback from them on each contract
7 that has that set aside.

8 DR. GRIFFIN: I assure you we will be proactive
9 from now on.

10 MS. MORRIS: Right. So I think that will
11 really help us. And have the ability to amend a contract
12 or a set aside should we see frustration or see that there
13 is just not an ability to penetrate that particular
14 market -- to have a backup plan to go back to the board
15 and say it didn't work; we need to set aside a different
16 target area or whatever and defend that without just
17 thinking, you know, you've got to do it at all cost or you
18 have your funds deobligated.

19 DR. GRIFFIN: Well, do you have any ideas on
20 what we can do here, or would you like to just come back
21 and tell us after you --

22 MS. MORRIS: I think we could come back. I
23 think going through this --

24 DR. GRIFFIN: Okay.

25 MS. MORRIS: Obviously Jeannie and I, the new

1 HOME manager, have an enormous list of items on our agenda
2 to get looked at and get reviewed so we can better run the
3 program. But we can get some analysis started.

4 DR. GRIFFIN: What kind of time are we looking
5 at for your clients though? How close are you to your 14
6 months?

7 MR. TRAYLOR: Well, time is running out for a
8 couple of them more so than some more. And, in addition,
9 some of these communities also have applications pending
10 with the Department and a long waiting list of low income
11 people. And, certainly, they will continue to market the
12 program to the very low. But it's just real -- we just
13 hate to run up against the time frame and lose the money.

14 MR. BREWER: Yes, well, let me ask you this
15 then because this here is going to be pretty involved. Do
16 we in the agency at this time -- do we have the ability to
17 grant extensions until we can resolve this problem or not?

18 MR. MORRIS: Yes, sir. Ms. Stiner can make
19 that decision on extensions, as long as only staff has
20 analyzed and made a recommendation that this is the
21 activity.

22 MR. BREWER: Yes. And I have one other
23 questions for Daisy. Daisy, I think that, you know, as
24 this thing unravels and we can put something together,
25 would it be appropriate for the agency to go with a letter

1 to LLB if this is an unrealistic thing or something
2 that -- I mean, I'm taking that this is a commitment we
3 have from the Legislature that we have to do this.

4 So the -- I would imagine the only opportunity
5 we have to point the position to would be a letter through
6 LLB or not?

7 MS. STINER: To -- there are opportunity to
8 report the difficulties in various -- in a department
9 faced with meeting any of the mandates if -- during the
10 legislative process, not only to the LLB, in addition to
11 the GBO, the Government Budget Officer, but also to the
12 Legislature itself.

13 I think if we can share that kind of
14 information with them and point out the barriers and how
15 we may overcome that, if we find that that's the
16 conclusion, we may be able to go back to them.

17 But I think the problem that we're describing
18 here in this one program would be, you know, a problem
19 that may not be unique to this program. But it would have
20 to be looked at within the parameters of all of our
21 programs because it's -- this is a Department wide
22 initiative for this zero to 30.

23 But then it may be very good information to
24 have that contributes to that particular discussion.

25 MR. TRAYLOR: One other thing I want you all to

1 really know is that none of these communities are
2 requesting general relief to go all the way up to 80
3 percent of median income.

4 They really -- in fact, we would even encourage
5 the Department, maybe in future competitions, to remove
6 this particular design criteria from their scoring system
7 because of the problems it's causing, and, instead,
8 possibly have a requirement for communities to provide all
9 of this assistance to the very low income.

10 If they exist, if they are found, if they
11 apply, they should be -- they should receive priority.

12 DR. GRIFFIN: Thank you. I need letters.

13 MR. TRAYLOR: I'll get you one.

14 DR. GRIFFIN: Thank you.

15 MR. TRAYLOR: Thank you again.

16 DR. GRIFFIN: Thank you much.

17 MR. TRAYLOR: Appreciate it.

18 DR. GRIFFIN: Thank you. Thank you for the
19 time it took to prepare this also. Do I have any other
20 witness affirmation form? Anyone else wish to speak to
21 this committee? (Pause.) All right.

22 The first item on our agenda is the
23 presentation, discussion, and possible approval of minutes
24 for the Programs Committee meeting of April 14, 2000.
25 What is your pleasure?

1 MR. BREWER: I move that we approve the minutes
2 as written.

3 MR. DAROSS: Second.

4 DR. GRIFFIN: It has been moved and properly
5 seconded that the minutes for the Programs Committee
6 meeting for April 14, 2000, be approved as written. All
7 in favor let it be known with the sign aye.

8 (A chorus of ayes.)

9 DR. GRIFFIN: Opposed, nay.

10 (No response.)

11 DR. GRIFFIN: The motion carries. Item number
12 2, presentation, discussion, and possible approval to
13 transfer and amend HOME contract number 535023 from the
14 Corporation for Affordable Housing to the Housing
15 Authority of Travis County and providing additional funds
16 in the amount of \$75,000 to finalize the project. Ms.
17 Stiner?

18 MS. STINER: Thank you, Madame Chair. David
19 Long, who's standing before you, will make the
20 presentation on what categorized as a restructuring of a
21 prior financial commitment -- well, beyond a commitment --
22 a financial loan to one of our HOME developments. Mr.
23 Long, will you make the presentation on behalf of staff?

24 MR. LONG: Yes. Thank you, Ms. Stiner. Madame
25 Chair, members of the committee. What you have before you

1 is -- well, it's a presentation to transfer an existing
2 HOME award, along with the other items that are listed
3 there, including some additional funds to finish the
4 project.

5 Also attached in the board book were letters
6 from both entities that we're dealing with, the original
7 awardee, Corporation for Affordable Housing and the
8 Housing Authority of Travis County have agreed to transfer
9 fund and accept the award.

10 What we're looking to do here is move this
11 project off of ground zero. What it is it's been sitting
12 in an incompletely -- uncompleted condition for a
13 considerable amount of time. I've made three site
14 inspections to the project.

15 The five units that were of new construction,
16 along with a rehab unit, are in various phases of
17 construction and all need additional funds.

18 In addition to this transfer taking effect and
19 just changing the name, we're also going to be amending
20 the award -- the HOME award itself to allow that the new
21 replaced awardee would be -- Housing Authority of Travis
22 County would have access to the bonds of the original HOME
23 award of \$34,000 and would also grant them an additional
24 \$75,000 of non-HOME funds coming from unrestricted housing
25 finance monies in order to complete the houses.

1 Under the HOME award guidelines, they cannot
2 use monies for a same activity. And the conditions of
3 these houses we had actually had money spent to put in air
4 conditioning units and some other activities. Those
5 contractors were not paid and those air conditioning units
6 have been repossessed by the original contractors, leaving
7 slabs with wiring and whatnot available.

8 We could not use the balance of funds to go
9 back and put those new units back in, because that's been
10 an activity -- it's already been paid for with HOME funds.

11 So our additional monies, outside of HOME
12 award, will allow them to use these funds to put in and
13 replace the activities that had already paid for with HOME
14 funds. In other words, they can't use HOME funds for the
15 same award activity twice.

16 The \$75,000 is being requested to not only
17 replace -- to finish the activities that they had already
18 started, but also to complete these units. Again, they're
19 in various phases of construction completion and aren't
20 going anywhere at this point in time. Corporation for
21 Affordable Housing has told us they are not going to
22 finish these units.

23 MR. DAROSS: Are they still in existence?

24 MR. LONG: Yes, they are.

25 DR. GRIFFIN: And they have -- they got the

1 money from us to have -- they had the money to pay and
2 they didn't pay. Is that what you're saying? They had
3 the money, for instance, for the air conditioners?

4 MR. LONG: An example to that would be -- to
5 answer your question the answer would be yes. I'm not --
6 I have not had an audit done of their books, and I don't
7 know that we're looking to do that at this time.

8 But I can tell you is there was a lien filed by
9 the general contractor -- M and M lien filed by the
10 general contractor. And we made them go out and clear
11 that lien so that we could move forward with this proposed
12 transfer. We did get confirmation that that judgment had
13 been lifted and that that lien had been cleared.

14 MR. DAROSS: Well, I like what's going on
15 here -- that we can transfer this to somebody else and get
16 it done. I want to go after this original --

17 DR. GRIFFIN: I do too.

18 MR. LONG: And that -- again, we can take that
19 as a second activity under this same thing. That's not a
20 problem. I was just trying to move this project forward
21 to get it completed and get low income individuals into
22 these houses.

23 MR. DAROSS: Good. If we've got an awardee out
24 there that's taking our money and is not spending it for
25 what it's supposed to be taken for, then, number one, you

1 go after them financially, number two, maybe criminally.

2 DR. GRIFFIN: Let's go.

3 MR. DAROSS: I mean, that's fraud.

4 MR. LONG: That would be our legal department
5 we can work with --

6 DR. GRIFFIN: Please work diligently.

7 MR. LONG: -- him closely on that. What I
8 would like to point out is this activity -- or this
9 transfer has been discussed not only with internal staff
10 but with both awardees.

11 In addition, we've had some communications with
12 HOME -- HUD staff in the HOME program. And, while we
13 don't have it in writing, they've concurred with all that
14 we've proposed to them.

15 I do believe that as we move forward we can
16 keep them fully informed as to what's going on to make
17 sure that we're looking at doing this.

18 I think what we'd like to also make note of is
19 the fact that this was originally a rental unit project,
20 and we're proposing that it be owner occupied. We will
21 still stay within the income limits that HOME requires and
22 move this forward.

23 The other activity that's being proposed is
24 right now the rental unit -- excuse me -- the rehab unit
25 that's out there has a -- has, in my mind in looking at

1 it -- and if you ever want to drive by Manor and look at
2 this thing -- it's probably -- it's been in existence for
3 a considerable period of time.

4 And I think any additional monies put into this
5 unit are a waste of funds. Currently there's \$3,240 that
6 have been put into the unit to start the rehab on it. No
7 additional monies have gone into that.

8 And the proposed awardee that we're looking at,
9 Housing Authority of Travis County, is asking for
10 permission to either continue the rehab on it, but
11 probably remove it and put in similar construction to tie
12 into the other five new units that were there.

13 And I personally think that would look best for
14 the city. It would complete the unit in a more uniform
15 construction look also.

16 DR. GRIFFIN: Okay. Would you get us -- make
17 sure that it -- the three of us get information on the
18 Corporation for Affordable Housing, along with a list of
19 its board members that --

20 MR. LONG: Sure.

21 DR. GRIFFIN: -- the people that were on the
22 board. I guess we gave money in '97?

23 MR. LONG: It was on a draw process. They've
24 drawn it out since the original award.

25 DR. GRIFFIN: Which started in '97?

1 MR. LONG: In '97. That's correct.

2 DR. GRIFFIN: I want a list of every board
3 member who served on that board since the time we awarded
4 that money to that non-profit please.

5 MR. LONG: Yes, ma'am.

6 DR. GRIFFIN: Thank you.

7 MR. LONG: Okay.

8 MR. DAROSS: I move that we recommend approval
9 to the board of transferring and amending HOME contract
10 number 535023 from Corporation for Affordable Housing to
11 Housing Authority of Travis County and providing the
12 additional funds of \$75,000.

13 MR. BREWER: I second.

14 DR. GRIFFIN: Item 2 has been -- it has been
15 moved and properly seconded that item 2 -- and I won't
16 read the whole thing -- Judge, you did it so eloquently --
17 be approved as per staff presentation. All in favor, let
18 it be known by the sign aye.

19 (A chorus of ayes.)

20 DR. GRIFFIN: Opposed, nay.

21 (No response.)

22 DR. GRIFFIN: The motion carries. Item 3,
23 presentation, discussion, and possible approval of the
24 Strategic Plan. Ms. Stiner, you can speak. However,
25 we've had time -- we've had the plan, we've had time to

1 look at it. Does the committee have any questions? Do we
2 need a presentation?

3 MR. DAROSS: I have a couple of comments.

4 DR. GRIFFIN: Okay. Go ahead.

5 MR. DAROSS: And it's really just a matter of
6 presentation. It looked like it was thrown together in a
7 real hurry. You need to work on the presentation of it --
8 the fonts, the way it's laid out. And I'm pretty sure the
9 word workforce doesn't have an S in it.

10 DR. GRIFFIN: Ms. Stiner, I probably should
11 have let you speak first. You want to go on?

12 MR. DAROSS: You need -- we need to use a spell
13 checker on it.

14 MS. STINER: Thank you, Madame Chair. We have
15 a draft plan that we have sent to you, and we'll certainly
16 reformat and clean it up from that perspective. But we'll
17 ask John Garvin to come forward, who -- director of
18 Strategic Planning, to make the presentation. And there
19 are a couple of comments that we need to do in terms of
20 amendments.

21 DR. GRIFFIN: We don't have to have -- unless
22 you have questions on items in it.

23 MR. DAROSS: No.

24 MR. BREWER: Yes, I do.

25 MR. DAROSS: Starting with the cover.

1 DR. GRIFFIN: Oh, you do?

2 MR. BREWER: I do.

3 MR. DAROSS: Misspelled year. 2001 to 2005 --

4 I think that's years.

5 MR. GARVIN: Yes. We've got all the edits
6 fixed up. This is kind --

7 MR. BREWER: Mr. Garvin, I did read it. It was
8 good reading, and I slept very good last night too.
9 And -- but one thing in it that I didn't see that I just
10 had the question -- do we need to address asbestos in
11 that, because we talk a lot about lead-based paint and
12 things like that. But asbestos is awfully expensive when
13 we do rehabs and things like that. But I didn't see that
14 in there, and I don't know if it's really mandatory that
15 you do that.

16 MR. GARVIN: Oh, no, it's not. Most of what's
17 in there isn't mandatory. We do have a lot of lead-based
18 paint because HUD has been changing the regulation --

19 MR. BREWER: Right.

20 MR. GARVIN: -- on lead-based paint. We can
21 add something to asbestos.

22 MR. BREWER: Well, doing -- rehab is -- it's so
23 prevalent in the older --

24 DR. GRIFFIN: Oh, I agree.

25 MR. BREWER: -- in almost all your rehabs.

1 DR. GRIFFIN: I agree.

2 MR. BREWER: And there's a lot of money
3 involved.

4 DR. GRIFFIN: Yes, I agree.

5 MR. GARVIN: Uh-huh. Okay. We can add
6 something to the final. If I could comment on the
7 formatting, we have been having some terrible virus
8 problems here, and -- in time to get it to you all to
9 read. But the virus -- there are 18 different formats,
10 and spellcheck's been done.

11 Do you want me to talk about what we talked
12 about this afternoon?

13 MS. STINER: Yes, sir.

14 MR. GARVIN: Okay. Do you want me to go over
15 the process how the plan was made or just get to the --
16 cut to the chase.

17 MS. STINER: Well, I think the committee --

18 MR. DAROSS: The committee's hungry.

19 MS. STINER: Yes.

20 DR. GRIFFIN: The committee's very hungry.

21 MS. STINER: The committee is hungry, but there
22 are a couple of --

23 DR. GRIFFIN: Hit the highlights.

24 MR. GARVIN: Right. Let me just tell you
25 what's going on in light of the Sunset recommendations

1 that have been discussed with us for a couple of days.

2 We don't want this to be representative of what
3 we think our plan needs to be. This is not a regional
4 plan; it doesn't take -- it addresses the transition from
5 statewide need basis funding process to a regional need
6 funding process with a simple 1112 [phonetic] and all
7 that.

8 So it's a transitional plan, and it's only -- I
9 actually wanted to get an extension so we could
10 incorporate -- Ms. Stiner wants the recommendations -- a
11 lot of the recommendations implemented and started soon so
12 we can get up to the two-year time period.

13 So this plan is not that plan. And I want to
14 make it very clear that this is due June 1, so we have to
15 do it according to the legislation.

16 But, in order to have the plan that the
17 Sunset's talking about as the Strategic Plan, legislation
18 has to be changed from the Low-Income Housing Plan
19 legislation to put that into the Strategic Plan.

20 DR. GRIFFIN: And I suggest that we go with the
21 plan we were going to do -- do it the way that we were
22 going to originally do it. If you have some things you
23 want to add, do it.

24 My recommendation is don't push yourself
25 because of Sunset. You go on and do it the way it ought

1 to be done, which is the way we're doing it. Make
2 whatever corrections -- whatever you want to add to it,
3 and you don't have to explain it. Just leave it like
4 that.

5 MS. STINER: Well, that --

6 MR. GARVIN: We have written an introduction
7 that we plan on updating it.

8 MR. DAROSS: Yes, I'd --

9 MS. STINER: I was going to say --

10 MR. DAROSS: -- rather do that.

11 MS. STINER: -- the plan itself lends itself to
12 amendments down the road.

13 DR. GRIFFIN: Yes.

14 MR. DAROSS: Yes.

15 MS. STINER: So if, in fact, we can move
16 forward we were trying to decide on how -- along that
17 continuum, when do you start at least preparing for the
18 amendments. But it's -- what you've just described is as
19 practical as what we were anticipating.

20 DR. GRIFFIN: Oh, absolutely. Because that's
21 where you get caught up. You've got your game plan of how
22 it's supposed to move. You know what you're supposed to
23 do. You do it that way. You don't let any outside forces
24 change that. And then you let us fight it out.

25 MR. GARVIN: Okay.

1 MR. DAROSS: I agree.

2 MR. GARVIN: There are a couple of things --

3 MS. STINER: There were a couple of comments --

4 MR. GARVIN: -- that were added --

5 MS. STINER: -- you had additional to that, and
6 you will make them quick --

7 MR. GARVIN: Right. I'm good at making
8 comments quick.

9 MS. STINER: -- so that the committee can have
10 a lunch and get back for the board meeting.

11 MR. GARVIN: Yes, my stomach's grumbling too.
12 There's several new things based on the instruction which
13 is we're to include a compact with Texans, we are to do
14 customer satisfaction assessment related to Senate Bill
15 1563. And there's a new form out for definitions and
16 measures.

17 DR. GRIFFIN: Whoa, whoa. What?

18 VOICE: Well, you said quick.

19 DR. GRIFFIN: I'm sorry. I meant --

20 MR. GARVIN: Quick to a Yankee is different.

21 DR. GRIFFIN: Yes. And I appreciate it, but we
22 don't know what -- and I don't.

23 MR. DAROSS: You don't say quick to a guy
24 from --

25 DR. GRIFFIN: Okay. Okay.

1 MR. BREWER: John, start over.

2 MR. GARVIN: Okay. I'll go in between. The
3 instructions this year call for a very different plan --
4 very different kind of Strategic Plan.

5 They wanted a better look at regional need, and
6 which we incorporated what we had in the low-income
7 housing plan on the census data what kind of housing need
8 per region -- uniform state service region.

9 DR. GRIFFIN: What instructions are you
10 referring to?

11 MR. GARVIN: The LBB and GOBP send over
12 instructions every two years --

13 DR. GRIFFIN: Okay. Very good.

14 MR. GARVIN: -- which were distributed to all
15 the directors to apportion. It includes a very new thing
16 called a compact with Texans, which says if you have a
17 complaint or an information request, just who is the
18 contact -- where you go. And that's been the Housing
19 Resource Center. And it describes a process for
20 responding to information requests and such.

21 Senate Bill 1563 requires agencies to include
22 in their Strategic Plan a report on customer satisfaction.

23 And we use other public hearings. We do as our
24 assessed -- customer satisfaction assessment tool.

25 So we laid out what our hearings include, how

1 its information on our program, how they're held
2 statewide, how they're held every year, how there's a lot
3 of them, and what the summary of public comment included
4 in the low-income housing plan is what we use as a tool to
5 look at how they're being assessed.

6 There's a new format that you all will find --
7 I think you'll find very useful, although the format is
8 prescribed -- and I don't like that format either, but
9 some of the formats are prescribed.

10 It's a definition of performance measures,
11 which include the purpose and importance, which is a real
12 useful tool, method of calculation, data limitations --
13 like that -- serving different income categories, how the
14 funds -- and if the funds are designed to serve those
15 income categories. So it's got good stuff there.

16 And that's pretty much the -- oh, I -- and you
17 got today information services Strategic Plan --

18 DR. GRIFFIN: Just --

19 MR. GARVIN: -- at Appendix G.

20 DR. GRIFFIN: -- keep it -- you know, just stay
21 calm and just do what you know you're supposed to do.

22 MR. GARVIN: Okay.

23 DR. GRIFFIN: Don't be rushed because that's
24 when product comes out substandard. So just do it the way
25 you know you're supposed to do it, and let's just take it

1 from there.

2 MR. GARVIN: Okay.

3 DR. GRIFFIN: As we've seen this week, whether
4 you do it the way they want you to do it or do it the way
5 you were going to do it, you still get beat up either way.

6 So why should you get high blood pressure over it? Just
7 do it the way you were going to do it.

8 MR. GARVIN: And we actually won the best
9 practice for our state low-income housing plan last year,
10 so I think our plan is pretty good.

11 MR. BREWER: Well, one thing I would like to --
12 because I did read the whole thing, John. And I thought
13 there was some really good information. And having sat
14 through the hearing the last couple of days, I think an
15 awful lot of the questions that the Commissioners asked
16 and things like that -- that that would be a tremendous
17 referral document -- I really do.

18 Do we -- will we or is it worth the thought
19 that when you get that thing finalized and it's published
20 to give the committee members to --

21 DR. GRIFFIN: It goes to the legislature.

22 MR. BREWER: It does go to them.

23 DR. GRIFFIN: And they already have all that
24 information.

25 MS. STINER: Our Strategic Plan is submitted

1 to --

2 MR. GARVIN: And so is our low-income housing
3 plan. And between those two plans just about every
4 question could -- is there.

5 MR. BREWER: Because -- it did. I tell you,
6 after the questions were asked I got out of that
7 booklet --

8 MR. GARVIN: I was flipping through it --

9 DR. GRIFFIN: They had the information.

10 MR. GARVIN: They had all that.

11 DR. GRIFFIN: They had the same information.

12 They have a big document that answered all the questions
13 that they asked. And they didn't like the answers because
14 they were positive. So then they tried to pretend like
15 they weren't there. Is that not true? You were there.

16 MR. GARVIN: No comment.

17 DR. GRIFFIN: Okay.

18 MR. DAROSS: Do we need to recommend to the
19 board --

20 MR. BREWER: Do we need to vote on this?

21 MR. DAROSS: -- the approval of this? Okay, I
22 would so move.

23 DR. GRIFFIN: Yes. Okay.

24 MR. BREWER: I second.

25 DR. GRIFFIN: It has been moved and properly

1 seconded that the Strategic Plan be recommended to the
2 board with the approval. And I will gladly summarize the
3 comments that we had regarding it. All in favor let it be
4 known with the sign aye.

5 (A chorus of ayes.)

6 DR. GRIFFIN: Opposed, nay.

7 (No response.)

8 DR. GRIFFIN: The motion carries. Do we have
9 other comments? I hope you don't get indigestion. This
10 meeting is adjourned. We need to be back in 20 minutes.

11 (Whereupon, at 1:15 p.m., the meeting was
12 concluded.)

C E R T I F I C A T E

3 MEETING OF: Programs Committee

4 LOCATION: Austin, Texas

5 DATE: May 19, 2000

I do hereby certify that the foregoing pages,
numbers 1 through 40, 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.

(Transcriber) (Date)

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