

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
PROGRAMS COMMITTEE MEETING

9:00 a.m.
Wednesday,
May 30, 2001

Waller Creek Office Building
Room 437
507 Sabine
Austin, Texas

COMMITTEE MEMBERS:

JAMES DAROSS, Vice Chairman
SHADRICK BOGANY

STAFF PRESENT:

DAISY STINER, Executive Director

A G E N D A

<u>ITEM</u>	<u>PAGE :</u>
CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM	3
Item 1 - Presentation, Discussion and Possible Approval of Minutes of Programs Committee Meeting May 19, 2000	17
Item 2 - Presentation, Discussion and Possible Approval of Builder Incentive Partnership Pilot Program in Laredo, Texas	17
Item 3 - Presentation, Discussion and Possible Approval of Housing Trust Fund Awards for Construction of Affordable Housing and Youth Training of Which Respondents to RFP were George Gervin Youth Center, San Antonio, Texas; Community Development Corporation of Brownsville, Texas; Proyecto Azteca, San Juan, Texas; Harlingen CDC, Harlingen & San Benito, Texas; Walker-Montgomery CDC, New Waverly, Texas; South Texas Community College, McAllen, Texas; and American YouthWorks, Austin, Texas	31
Item 4 - Presentation, Discussion and Possible Approval of Section 8 Public Housing Authority Plan for the Year 2001 and Other Related Matters	39
Item 5 - Presentation, Discussion and Possible Approval of the HOME Multifamily LURA Amendment for Commonwealth Apartments	48
REPORTS	49
ADJOURNMENT	49

P R O C E E D I N G S

1
2 MR. DAROSS: I'll call to order the meeting of
3 the Programs Committee of the Texas Department of Housing
4 and Community Affairs. Which mike am I supposed to use?

5 In the absence of Mr. Brewer, I will be acting
6 as chairman of the meeting this morning. First order of
7 business is public comment. And I will -- I have four
8 witness affirmation sheets here. I will ask you all four
9 to come up and speak now. Or if you want to come and
10 speak at the time that the item you are here to talk about
11 is up for discussion. Ms. Langendorf?

12 MS. LANGENDORF: I'll go ahead now.

13 MR. DAROSS: Okay.

14 MS. LANGENDORF: Personal preference.

15 MR. DAROSS: Thank you.

16 MS. LANGENDORF: It is on Item 8. And --

17 MR. DAROSS: Thank you.

18 MS. STINER: It's Item 4.

19 MS. LANGENDORF: The Public Housing Plan. Good
20 morning. My name is Jean Langendorf, and I serve as the
21 Project Director for the Texas Home of Your Own Coalition
22 at United Cerebral Palsy of Texas.

23 The reason I'm here this morning is to ask your
24 consideration for some additions to the plan that you are
25 considering for the Section 8 PHA Plan.

1 We have reviewed it, and our concern is that
2 there is very little, if any -- there is a slight mention
3 of serving people with disabilities. We think it's
4 critical that there be an effort by the department in this
5 program to serve people with disabilities.

6 We're asking that you make a commitment to
7 obtain data on the number of families. Currently, the
8 plan indicates that there is not --

9 MR. DAROSS: I'm sorry for the noise here.

10 MS. LANGENDORF: That's okay. That there is
11 no -- that you all have no data on serving families with
12 disabilities. We think it's critical that the department
13 make efforts to obtain that kind of data.

14 On page 10, Strategy 1, Target available
15 assistance to Families with Disabilities -- we hope that
16 you would check some boxes and actually commit to applying
17 for special-purpose vouchers. They have come available.
18 I have talked to the department before about submitting
19 applications for these special vouchers.

20 We hope you all will check that. And in the
21 future, when they do become available, you could apply for
22 them. They're very critical to the population we hope to
23 serve. Affirmative market it to -- and also, that you
24 would check the area that you will affirmatively market to
25 low -- to local non-profit agencies that assist families

1 with disabilities, realizing also that we can ask you to
2 check it. We want you to make that commitment to actually
3 do that through the plan.

4 Page 1 in -- I'm sorry, I put executive
5 director. In your executive summary, and then on page 34,
6 the PHA Plan for Section 8 Homeownership, you mention that
7 you are going to be looking into a Section 8 Homeownership
8 Program. And you are looking at partnering with Fannie
9 Mae and rural development.

10 We would very much offer our partnership with
11 the Home of Your Own Coalition with our experience in
12 serving people with disabilities in other parts of the
13 state.

14 We would be -- we think it's critical. There
15 are particular issues. We have a lot of resources and
16 information that has been developed over the past five
17 years on this program, and we would hope that the
18 department would be interested in partnering with us to
19 implement a home ownership program for people with
20 disabilities. I'm happy to answer any questions, and hope
21 you will make those amendments to the plan. Thank you.

22 MR. DAROSS: Thank you.

23 MR. BOGANY: Thank you.

24 MR. DAROSS: I'm -- just noted that I neglected
25 to do a call of the roll for this meeting at the very

1 beginning of it. Robert Brewer, as I noted, is absent.
2 Shadrick Bogany?

3 MR. BOGANY: Here.

4 MR. DAROSS: Present. And James Daross is
5 present. All right.

6 The next public comment sheet we have is from
7 Susan Maxwell -- Susan M. Maxwell.

8 MS. MAXWELL: Since Jean has started that part
9 of the agenda, and that's what I wanted to talk on, I'll
10 just go ahead. I'm Susan Maxwell. I represent the Texas
11 Council for Developmental Disabilities.

12 Is this okay? Did you just pull that up?

13 MS. STINER: Yes, just push it up.

14 MS. LANGENDORF: Push it up.

15 MS. MAXWELL: Well, I'm not -- okay. We
16 were -- we reviewed the Public Housing Authority Section 8
17 Plan, and had a few comments. I think it's really
18 exciting that the department is going to start targeting
19 at least 25 Section 8 vouchers for home ownership.

20 Our council has supported the Home of Your Own
21 Coalition from the United Cerebral Palsy that Jean works
22 for. And they have put lots of people with disabilities
23 into home ownership. So I'm really hopeful that now there
24 would be kind of a collaboration with their experience,
25 because I'm sure that they have plenty that they can offer

1 you.

2 The next part of the plan is the statement of
3 housing needs and data collection. We know that the
4 department is working hard to get a data collection on a
5 base, and I encourage you to continue to collect data on
6 people with disabilities throughout the State of Texas.

7 And that would -- perhaps, this will be a great
8 opportunity to tell those parts that are administering the
9 program in the state and in the rural areas to start
10 paying attention to the needs of the people with
11 disabilities.

12 I also think it -- we think it's important that
13 we separate elderly from people with disabilities, because
14 a person that is elderly may have a disability. A person
15 who is elderly may be frail. Or a person who is elderly
16 may be like my parents and is still in business and
17 playing 18 holes of golf.

18 And so it's important to kind of keep these
19 distinguishing characteristics so we know what the true
20 needs are.

21 In Section C, Strategy for Addressing Need -- I
22 think in here, I don't know that the box -- it would seem
23 that the box should be checked. And of course, I know
24 that this is a funny federal form you're dealing with.
25 But the departments would necessarily have to require that

1 these monies pay attention to Section 504 of the
2 Rehabilitation Act.

3 And monitoring and compliance of this standard
4 would be, I would think, could be darn good to do. That's
5 on page 10. And in doing that, you would also be
6 collecting more data on what units are available for
7 people with disabilities.

8 The affirmative marketing to non-profit
9 agencies that serve people with disabilities needs to be
10 done, because the Olmstead decision, which I'm sure you
11 all have heard about, and the promoting independence where
12 we were granted really start moving in Texas to get people
13 out of institutions and into the communities.

14 And that includes nursing homes. And a lot of
15 people, I think, don't think about that. But there's a
16 lot of people in nursing homes who are there because they
17 have to be, not because they want to be. And accessible
18 housing will help them.

19 Finally, I know this part of the plan does not
20 include TDHCA, but I cannot help but mention it on behalf
21 of our council. We firmly stand against any public policy
22 that would result in the creation of segregated
23 communities of people with disabilities.

24 And on page 32, there is some indication that
25 the federal government may have designation of public

1 housing occupancy for elderly families or families with
2 disabilities in very segregated ways.

3 And so I thank you for this opportunity to give
4 comment, and welcome any questions. And I also have
5 written this up in case you want to refer to page numbers
6 and all that sort of thing.

7 MR. DAROSS: Please. I had a question. You
8 said something about on page 10?

9 MS. MAXWELL: Uh-huh.

10 MR. DAROSS: That there was a box that you
11 thought probably was meant to be marked but wasn't?

12 MS. MAXWELL: Page 10, it's Section C, Strategy
13 for Addressing Needs, Strategy 1, Target available
14 assistance to Families with Disabilities. And there's
15 something about no boxes are checked to -- by the --
16 you're going to be administering --

17 MR. DAROSS: Hold it.

18 MS. MAXWELL: -- the Section 8 vouchers to
19 comply with modifications mandated by Section 504.

20 MR. DAROSS: Just a second.

21 MS. STINER: The top. The second box.

22 MR. DAROSS: Yes. Okay. Is that right? That
23 there should be a check to that?

24 MS. STINER: I will direct the manager here.

25 MS. MAXWELL: Somebody is supposed to do it.

1 So --

2 MS. STINER: Well --

3 MS. MAXWELL: Yes. And I don't totally
4 understand how bureaucracies work. So I was concerned
5 when I saw that.

6 MS. STINER: Okay.

7 MR. DAROSS: Well, we'll get --

8 MS. STINER: We'll look at that. Sure. 504 is
9 required at public housing. Yes.

10 MS. MAXWELL: Yes, I know.

11 MS. STINER: Okay.

12 MS. MAXWELL: Thank you.

13 MR. DAROSS: Thank you.

14 MS. STINER: Come forward, Mister --

15 MS. HURD: I'm Willie Faye Hurd, Manager of the
16 Section 8 program. The reason that that box is not
17 checked at this time is because we have not applied for
18 no -- and there has just been available, vouchers for the
19 elderly.

20 These are special purpose vouchers. And at
21 present, TDHCA does not have these. This is one of the
22 things that we are going to be looking to in the future.
23 Thank you.

24 MR. BOGANY: Thank you.

25 MR. DAROSS: Okay. Thank you.

1 MS. STINER: Thank you for the clarification.

2 MS. HURD: Thank you.

3 MR. DAROSS: All right. The next witness
4 affirmation form is from Dennis Borel -- Borel.

5 MR. BOREL: Good morning. My name is Dennis
6 Borel. I'm with the Coalition for Texans With
7 Disabilities. And I guess I would say I'm here to speak
8 on the Section 8 Plan.

9 And I would say that the Section 8 Plan, as
10 I've reviewed it, doesn't necessarily mesh with the record
11 of TDHCA in providing affordable, accessible housing to
12 people with disabilities.

13 The two speakers ahead of you pointed out there
14 is a section where TDHCA failed to check that they would
15 do any of the five strategies -- or any of the five boxes
16 that were there.

17 One is pretty minimal, which is going ahead and
18 applying for special purchase -- special purpose vouchers
19 that will become available and are available. That seems
20 like a pretty minimal thing that TDHCA should incorporate
21 into the Section 8 Plan.

22 But basically, I want to talk about that there
23 are two things that may be going on that may not have been
24 taken into consideration during the development of this
25 plan, the Olmstead decision and the Promoting Independence

1 Plan that was referred to, which is moving people out of
2 institutions to community settings.

3 And we're talking about in excess of 70,000
4 people. You should know that this plan is not meant to
5 address 1,000 of those 70,000. It should eventually fit
6 them all. And there in fact are eight states in the Union
7 that have nobody supported by the state in an institution.
8 They've all been moved into communities.

9 This is the paradigm shift that is going on,
10 about a potentially up to a five-year plan here. That
11 should be taken into consideration. The other thing I
12 wanted to mention is a study released in December which
13 showed that people with disabilities are the only -- the
14 only demographic subcategory that actually lost real
15 income in the boom years of the 1990s.

16 Even the minorities -- single mothers, high-
17 school dropouts, all did better in this decade. The one
18 demographic group that did not is people with
19 disabilities. So you've got this Olmstead situation,
20 which is going to move people who may not be able to work
21 at all or work minimally out into the community.

22 Those that are out in the community have a
23 declining economic fortune. Okay. So this is a
24 population that is going to be growing -- a growing
25 clientele for you all. And a final thing, which I'm sure

1 you're very well aware of, is the state legislature in
2 this session paid special attention to housing for people
3 with disabilities as far as the TDH plan goes.

4 And House Bill 1811 as well as Senate Bill
5 322 -- there are several mentions there, which means that
6 this is an issue that is of increasing importance on the
7 state legislative level. I encourage you to check a box
8 or two in that area, if you would.

9 The data collection -- frankly, a very, very
10 strong and well-funded state agency shouldn't look in the
11 data collection and have no data available for families
12 with disabilities. Definitely support your efforts in-
13 house to strengthen that.

14 And finally, working with a organization like
15 HOYO, Home of Your Own, would be a very wise move, indeed.

16 And the Coalition of Texans With Disabilities would very
17 much support that. Thank you for your time. James, glad
18 you came in. I just -- right on top, but I appreciate
19 your efforts, all of you.

20 MR. DAROSS: Thank you.

21 MR. BOREL: Thank you very much. Any
22 questions? Thanks.

23 MR. DAROSS: Thank you. And the last
24 affirmation form I have is from David Danenfelzer. Was
25 that close?

1 MR. DANENFELZER: That's close enough.

2 MR. DAROSS: All right. Thank you.

3 MR. DANENFELZER: I am David Danenfelzer, and
4 I'm representing the Enterprise Foundation. The
5 Enterprise Foundation is a national non-profit
6 corporation. But we've worked in Texas for over ten years
7 now in several cities, and in fact, on a statewide basis
8 for the past three years with local -- locally-based non-
9 profits, as well as regional non-profits and organizations
10 on affordable housing issues.

11 We are here to talk about or discuss some of
12 the issues that have been already spoken about -- the
13 Section 8 PHA Plan. As noted by some of the earlier
14 speakers, we also take note that the plan does not require
15 data be collected on persons with disabilities, on waiting
16 lists, or in Section 8 tenant-based rental assistance
17 programs.

18 This data would greatly improve the service
19 provision and allow the agency to target localities with
20 critical needs in these areas.

21 There are small counties, rural areas in the
22 state that have higher concentrations of persons with
23 disabilities because of the location of health services
24 and other programs and services that are provided by other
25 state agencies or federal agencies.

1 And there is a critical need for these services
2 to be provided -- public housing to be provided to these
3 populations.

4 Not having this data also kind of -- basically,
5 it goes against the idea that we have in our society
6 identified protected classes under several federal
7 regulations and rules. Persons with disabilities are a
8 protected class.

9 By not taking this data, we are ignoring that
10 status in the housing field. And I don't believe that is
11 what's, for lack of a better word, I don't believe it's
12 kosher. I think we should be identifying all of the
13 protected classes within our public housing services, and
14 making sure that they are treated equally throughout the
15 state.

16 We've also taken note that on page 10, Strategy
17 1, the missing checks -- we believe that it should be
18 required that the steps for persons with disabilities --
19 to allow them -- that the agency should make known that
20 applying for special-purpose vouchers -- the special-
21 purpose vouchers are available.

22 The application is no harder than any other
23 application, and making that check will make a big
24 difference for persons with disabilities.

25 Also, we believe that marketing to non-profits

1 who assist these families already will make a big
2 difference as well. We've really seen in different
3 programs that we've run throughout the state the
4 cooperation by state agencies, local public housing
5 authorities, and non-profits and coalitions on a local
6 basis have really made a difference.

7 One of our big successes recently was 20
8 universally designed single-family apartment homes in
9 Lufkin and Nacogdoches. These homes are available,
10 they're open, and they're a wonderful, wonderful project
11 which we hope to repeat in other areas with the help of
12 local PHAs by combining the strengths of non-profits as
13 well.

14 I would also like to note that the PHA plan
15 does not ask for enough assistance by these locally based,
16 regional-based, and statewide-based non-profit
17 organizations which bring a lot to the table.

18 Planning is one of the things that I think we
19 can all agree we not only spend a lot of money, but
20 sometimes waste a lot of money in the State of Texas on.
21 And the reason we end up doing that is because we don't
22 plan purposefully.

23 We don't include all the groups who are
24 involved in the process, who have an interest and a say.
25 And then we end up having to do the whole planning process

1 over again. So we'd like you to require, and we request
2 you to add this into your plan, so that more and more
3 voices can be heard -- the voices that need to be heard in
4 this process.

5 We would like to thank the committee members
6 and the board members of the Texas Department of Housing
7 and Community Affairs for allowing these comments to be
8 read into the public record. Thank you.

9 MR. DAROSS: Thank you. That is the last
10 witness affirmation sheet I have. Is there anyone else
11 who would like to make public comment before the
12 committee? Any further public comments? No one else who
13 would like to make public comments?

14 (No response.)

15 MR. DAROSS: All right. We will then turn to
16 the agenda for the committee meeting. The first item is
17 Presentation, Discussion and Possible Approval of Minutes
18 of Programs Committee Meeting of May 19, 2000.

19 Since Mr. Bogany was not on the committee at
20 that time, and since Mr. Brewer is not here, I suspect we
21 need to pass that until the next meeting. It's waited
22 since May 19 of 2000. I suppose it can wait another
23 month. We'll just pass that.

24 On Item 2 on the agenda is Presentation,
25 Discussion and Possible Approval of Builder Incentive

1 Partnership Pilot Program in Laredo, Texas.

2 Ms. Stiner?

3 MS. STINER: Thank you, sir. In the last
4 session, the department had added to its legislative
5 mandate to create a program that would provide incentives
6 for builders to build housing for lower-income families.
7 And should that housing not be sold to a family, then to
8 provide funding to a non-profit until that housing could
9 be sold.

10 So this is the promised attempt to come up with
11 a Builder Incentive Pilot Program. I'm going to ask Homer
12 Cabello to come forward and make the presentation on
13 behalf of the staff.

14 MR. CABELLO: Good morning.

15 MR. DAROSS: Good morning.

16 MR. CABELLO: I hope you're all doing well. As
17 Ms. Stiner -- oh, for the record, my name is Homer
18 Cabello. I'm the Director for the Office of Colonia
19 Initiatives. As Ms. Stiner indicated, this piece of
20 legislation was incorporated into the Texas Government
21 Code under Chapter 2306, Subchapter EE.

22 The Builder Incentive Program provides for the
23 development of affordable housing, and does not encourage
24 the growth the -- the further growth of colonias. As Ms.
25 Stiner indicated, it was created to provide incentives to

1 builders to build homes at or below \$70,000, or
2 guaranteeing the purchase of the home if it is not sold
3 within 30 days after completion.

4 The concept is to -- that anticipates to
5 provide the incentive for builders to work in the lowest
6 end of the market, while minimizing their risk. We
7 have -- the department had identified the City of Laredo
8 as the location to implement this pilot program. We have
9 two Fannie Mae representatives here today in our audience,
10 Mr. Ray Flores from the Dallas office, and Ms. Ninfa
11 Moncada from the San Antonio office, which they will be
12 leveraging their dollars --

13 MR. DAROSS: Welcome to the meeting. Thank
14 you.

15 MR. CABELLO: The partners that we have
16 identified in the City of Laredo would be Laredo
17 Homebuilder Association, of which two builders will build
18 the homes under this concept.

19 The Metro Affordable Housing -- it's a non-
20 profit organization which provides housing counseling and
21 works with low-income families to get them ready for home
22 ownership and help them address their credit issues and
23 anything to that nature.

24 And in partnership with Fannie Mae, the
25 International Bank of Commerce, IBC, will also be

1 leveraging its dollars with us. IBC and Fannie Mae will
2 be providing the interim construction dollars that they
3 will lend to the builders in order to buy the underlots
4 and to build the homes.

5 IBC and Fannie Mae will leverage a minimum of
6 \$1 million into this initiative. The department is
7 requesting approval to utilize 500,000 of collateralized
8 mortgage obligations, commonly known as CMO funds, that
9 have been transferred to the Housing Trust Fund for this
10 program, and to provide a guaranteed purchase of the new
11 homes if the homes do not have a qualified purchaser
12 within 30 days of the date of completion.

13 As Ms. Stiner mentioned, if the unit is not
14 sold, the department will provide funds to the non-profit,
15 which is Metro Affordable Housing, to buy the home from
16 the builders and to actively carry the responsibility to
17 selling the homes within six months after purchase.
18 Both -- not -- Metro will pay the department back upon the
19 sale of the home.

20 Just briefly, the partnership, as I
21 mentioned -- Fannie Mae will be participating in two ways.

22 First, its American Community funds will provide the
23 interim construction funds for the builders involved in
24 the program. Through a participation agreement with IBC,
25 Fannie Mae will purchase half of the construction line,

1 and IBC will manage the construction loan.

2 Fannie Mae will also work with its seller
3 services in Laredo to provide the mortgage -- the
4 permanent mortgages for these homes. The potential
5 lending partners are Valley Mortgage, CTS Mortgage, IBC
6 Bank, and Falcon National Bank.

7 Currently, the Laredo -- the City of Laredo has
8 an attractive mortgage -- bond program, which offered down
9 payment assistance, which we will try to utilize. And
10 also, Fannie Mae has a conventional mortgage product that
11 provides 1 percent down from the borrower, which will
12 represent \$700 for this program.

13 IBC has been in Laredo for over 40 years. It
14 is the largest Hispanic privately held bank incorporation
15 in the United States, with its owners in Laredo, Texas.

16 Metro Affordable Housing -- it's a non-profit
17 home buyer education provider in Laredo. It will partner
18 with the builders to market the project and identify pre-
19 approved home buyers to purchase the newly built homes.

20 The department's \$500,000 will be used in two
21 ways. We -- the \$500,000 of program funds will be set up
22 into two accounts. The first account will be funded with
23 420,000 to be the guarantee of the six homes at the sales
24 price not to exceed \$70,000 per home.

25 We're starting off with six homes. And if, you

1 know, we don't sell within 30 days of completion, we will
2 fund a non-profit to sell the home.

3 The second account will be funded with 80,000
4 to be used for down payment and closing cost assistance,
5 up to 10,000 a home. But we're going to try to not
6 utilize those funds in order to continue revolving those
7 funds for future projects.

8 The -- upon completion of the -- of those six
9 homes that will now have been sold, it is anticipated to
10 replicate the process two additional times to build 17
11 homes. So the monies leveraged by IBC and Fannie Mae and
12 IBC will obviously increase if we revolve this project two
13 additional times.

14 Finally, we, the staff, recommend that the
15 board approve the utilization of \$500,000 of CMO funds
16 that was previously transferred to the Housing Trust Fund
17 to implement the Builder Incentive Partnership Pilot
18 Program in the City of Laredo, as I mentioned.

19 It is recommended not to implement this pilot
20 program in the eleven regional areas at one time until
21 full implementation takes place. Do you have any
22 questions or comments?

23 MR. BOGANY: I have several questions. In
24 regards to the department's strategic plan, it talked
25 about the partners that were available, Fannie Mae and

1 Laredo Home Builders, Metro Affordable Housing.

2 One of the concerns I had is that there is no
3 mention of partnership with the Laredo Association of
4 Realtors down there to help market these particular pieces
5 of property.

6 And it always concerns me with affordable
7 housing is that people put it together and they never
8 include the people with the strongest urge to dream. That
9 makes it all work and put the glue together to make it
10 work.

11 We're going to be paying a marketing fee
12 through the Metro Affordable Housing. The first concern I
13 have is that what kind of marketing plan they're going to
14 do. And my second concern is that do they have a broker
15 on staff so they can put the properties in MLS so people
16 who are working with affordable housing customers will
17 know that the properties are available?

18 And I guess one of the concerns you're going to
19 have is that how are we going to pay these people? And my
20 thought is that everybody in this deal is making money.
21 The title company is making money. The banks are making
22 money on the loans. You've got a cap on the profit on the
23 builders. And I looked at that. And that's okay.

24 But it looks like you ought to have some
25 minimum fee or the marketing fee to be able to go out to

1 the people who are selling houses out there to help get
2 this program together. It always concerns me that a lot
3 of these programs don't ever get off the ground.

4 I don't want to see us buying six houses back.
5 I doubt if we'd have to. I don't want to see us buying
6 any houses back. And I think if you bring in the people
7 who do it for a living, to be in this partnership, that
8 you'll have a better and easier product.

9 The other concern I have was with the design of
10 the houses being a minimum 1,000 square feet. Personally,
11 I think you ought to bring a realtor to help you say these
12 are what people want or would like to have if you could
13 make this work.

14 So many times, these houses are being built
15 with no design at all. And I can cite many instances even
16 in the Houston area where they're doing affordable housing
17 with one bath with three bedrooms. And people -- now,
18 most people are going to want to try to have an extra
19 bath. And that was my concerns.

20 MR. CABELLO: I clearly understand. Being a
21 licensed realtor myself, I have -- I clearly understand
22 where you're coming from.

23 We did talk about getting the realtors
24 involved. But Metro, the non-profit, has a long waiting
25 list of families that it's been working with in trying to

1 fix its credit problems and lower its debts in order to
2 get them ready for home ownership.

3 So the issue about finding low-income families
4 to get into these homes -- well, we have a long -- Metro
5 has a long waiting list that they feel that people are
6 getting close to get into the homes.

7 Now, the builders have incorporated a realtor
8 fee in to settle the home in case a realtor does bring one
9 forward. But we did not discuss about putting it on the
10 MLS system.

11 In reference to the three-bedroom/one bath, we
12 did have lengthy discussion about wanting -- because the
13 low-income families along the border tend to be large --
14 about five members. We will recommend that they do have
15 three-bedroom/two-bath home, or at a minimum, a one-and-a-
16 half bath, because that is an issue that large families do
17 tend to mention to realtors. But that's my response.
18 And --

19 MR. BOGANY: Okay. The other question, and
20 this is -- because I don't know affordable Metro, but do
21 they have a broker on staff there? Now, they may have
22 helped the people get their credit cleaned up. They may
23 have helped everything get done.

24 But I can go to any housing agency, and I can
25 tell you now they'll tell you they have a long list of

1 people wanting to buy houses. I sit on the board at HOH
2 down in Houston. They'll tell you they've got a long list
3 of people wanting to buy houses.

4 But it's still, you can go to different
5 affordable home projects, and you'll still see affordable
6 housing sitting there. And my -- just concern is the
7 expertise at affordable housing. Do they have a broker on
8 staff?

9 Do they have somewhere where they can put these
10 houses in the MLS computer through their broker on staff
11 so all the realtors or people in that area can know, Oh,
12 I've got a house where you could -- usually, we're the
13 first place of contact. And so I'm just concerned if
14 they've got that expertise on board, or in this project.

15 MR. CABELLO: As far as having a real estate
16 broker, I do not know. I do not believe they do have a
17 broker. But the Metro non-profit is a non-profit
18 component of the Laredo Housing Authority.

19 MR. BOGANY: Okay.

20 MR. CABELLO: So they do have expertise in
21 public housing. But in reference to putting it on the
22 MLS, we didn't discuss that.

23 MR. BOGANY: Okay.

24 MR. DAROSS: Yes, Ms. Stiner?

25 MS. STINER: Is there anything to preclude us

1 from looking at the design of the program again? I know
2 we've gone through it, but to ensure that there is some
3 expertise there in terms of consummating a sale once it's
4 happened?

5 I know we've talked about the experience from a
6 non-profit, but there's nothing to preclude since they
7 have already considered a fee for a realtor, the amount of
8 incorporating the real estate community in the
9 partnership. Is that possible?

10 MR. CABELLO: Yes, it's possible.

11 MS. STINER: Because I think that -- I know
12 that we haven't put together the partnership agreement
13 yet. So there's still some room --

14 MR. CABELLO: Exactly.

15 MS. STINER: -- to look at that. Is that
16 something that --

17 MR. CABELLO: Yes, we can easily incorporate
18 that and making sure it gets put on the MLS system and
19 it's known by the realtors in both --

20 MS. STINER: Okay.

21 MR. BOGANY: And the last comment I have --
22 it's -- what I'm trying to see done is the maximum
23 exposure for these houses so the program will be
24 successful, not for them to sit there, and not for us to
25 buy one back.

1 I can't see why all of them won't sell. But I
2 think the maximum exposure is what we're looking to make a
3 successful program and pilot to move it to the next area
4 or whatever.

5 But you know, it begins, I would think,
6 differently, if the houses sit there and we're paying a
7 construction loan or interest or any of that. So I'm just
8 looking for the maximum exposure.

9 MR. CABELLO: I understand it. It's almost
10 like a physical -- not getting the proper marketing.

11 MR. BOGANY: All right.

12 MR. DAROSS: I have one small question. Is the
13 down payment assistance portion due on a sale?

14 MR. CABELLO: If there -- if we utilize the
15 Laredo bond program, we won't use the down payment closing
16 costs. But if they use, say, the Fannie Mae 1 percent,
17 and the families don't have the money to close the deal,
18 that's when we'll utilize our money, is at closing.

19 MR. DAROSS: No, what I'm talking about is when
20 the initial purchaser sells the house at some point down
21 the road, is the down payment assistance then repayable
22 back to us as part of that sale?

23 MR. CABELLO: I was looking at it more as a
24 grant. I didn't --

25 MR. BOGANY: That's forgiven?

1 MR. CABELLO: Well --

2 MR. BOGANY: As -- if they stay there a certain
3 period of time?

4 MR. CABELLO: Well, we didn't --

5 MS. STINER: Our traditional program is
6 repayable on sale, but since this a pilot program, we are
7 anticipating to structure DPAP differently than we do in
8 our traditional DPAP program.

9 MR. CABELLO: No, I think we ought to stay with
10 what the department is doing. We'll incorporate that in
11 the partnership agreement, that it will be repayable upon
12 sale.

13 MR. DAROSS: Yes. I mean, that would allow us
14 to revolve it there. All right. Can we have a motion to
15 refer this to the board?

16 MR. BOGANY: I move that we refer it to the
17 board.

18 MR. DAROSS: Do you believe we need to make
19 that in a motion with the suggestions that we've just
20 talked about -- the inclusion of the Multiple Listing
21 Service and some involvement with realtors and the due on
22 sale? Or would -- or is that just part of what would go
23 along with referral to the board?

24 MS. STINER: I would suggest that it goes along
25 with referral to the board. I have not participated in

1 the discussions with the partnerships when these things
2 have been laid out.

3 I don't think the partnership agreements have
4 been consummated yet, but these would be subject of
5 additional negotiations with them, unless the board
6 instructs and directs the department to enter into those
7 negotiations with these specific things.

8 And Homer, I'm kind of looking for you to --
9 for some feedback on where I'll be with our partners, with
10 Fannie Mae and the rest of them.

11 MR. CABELLO: I know that Mr. Flores was going
12 to present it to his committee soon to get those approved.
13 Let's ask Fannie Mae. See what they think.

14 MR. FLORES: We don't have any problems with
15 the suggestions.

16 MS. STINER: Great. Good. That's all I was
17 concerned about, if the partners --

18 MR. DAROSS: All right. Well, we'll --

19 MR. CABELLO: I didn't think they would.

20 MS. STINER: So I would suggest that you put it
21 as part of your motion.

22 MR. DAROSS: Okay. Well, why don't we put that
23 as part of the motion.

24 MR. BOGANY: Okay. Move that we refer it to
25 the board with the -- including a partnership with the

1 Laredo Association of Realtors and the current down
2 payment/repayment program on any home that we may sell,
3 the recouping fund.

4 MR. DAROSS: All second it? All in favor?

5 (A chorus of ayes.)

6 MR. DAROSS: Aye. It passes. Thank you. Next
7 item on the agenda is Presentation, Discussion, and
8 Possible Approval of Housing Trust Fund Awards for
9 Affordable Housing and Youth Training. Ms. Stiner?

10 MS. STINER: Thank you, sir. As the board will
11 recall, the department participated in a pilot education
12 [phonetic] program several sessions ago. I guess it was a
13 couple of sessions removed, where we worked with a local
14 organization to demonstrate how our funds may be used to
15 successfully develop affordable housing utilizing at-risk-
16 youth as laborers in the building of affordable housing.

17 That has been a successful initiative. When we
18 prepared our plan for this particular fiscal year, we
19 noted that we didn't have a source of funding for the
20 program, but it was such a successful program, that we
21 wanted to continue the initiative.

22 So we've spent this time trying to identify
23 funds that may continue this program. We came to the
24 board some several months ago having identified a million
25 dollars to continue the initiative. Subsequent to that,

1 the staff issued a request for proposals.

2 So this is the combination of those responses.

3 And I'm going to ask that this -- Mr. Hoffpauir -- Keith
4 Hoffpauir, who is the Manager of the Housing Trust Fund to
5 come forward and make the presentation to the committee
6 this morning.

7 MR. HOFFPAUIR: Good morning, everyone.

8 MR. DAROSS: Good morning.

9 MR. HOFFPAUIR: My name is Keith Hoffpauir.
10 I'm the Manager for the Housing Trust Fund. And this
11 morning, we are here to present our recommendations for
12 funding under our -- we felt like calling it YouthWorks or
13 Youth Build. And those names were taken. And we didn't
14 want to seem partial, so we went ahead with Construction
15 of Affordable Housing and Youth Training.

16 A little brief history -- in April, we
17 published a request for proposals making a million dollars
18 available for organizations experienced in developing
19 affordable housing which utilized at-risk youth.

20 In addition to training these youths in the
21 area of housing construction, the organizations must also
22 have in place an educational component to the program that
23 will provide the youth with an opportunity to complete
24 their high-school education.

25 Additionally, support services also need to be

1 included, such as a training stipend, counseling, life
2 skills training, peer tutoring, parenting and childcare
3 skills, gang prevention and job placement, just to name a
4 few.

5 Each organization also must establish an
6 advisory board and a participant council to aid and guide
7 the development of policy and the implementation of the
8 program.

9 Additionally, housing constructed under this
10 program must serve persons and families at 80 percent and
11 below of area median income, and must be energy-efficient
12 and sustainable.

13 The funds provided under this program will
14 serve as interim construction financing for the housing
15 development. Construction and funding will be made
16 available in the form of zero-percent interest loans with
17 25 percent of the loan amount being forgiven upon
18 confirmation that all program guidelines and performance
19 criteria have been met.

20 The deadline for receiving these responses was
21 May 22. At five o'clock on May 22, we received seven --
22 by five o'clock we received seven responses requesting a
23 total of \$1,406,684.

24 In our review of the applications, one
25 application was returned for not meeting threshold, and as

1 a result of the scoring process, the four highest-scoring
2 responses totalling \$982,694 are now being recommended for
3 approval.

4 If you'll allow me, I'll briefly go through
5 those being recommended for funding and what they are
6 proposing to provide.

7 The highest-scoring applicant was Brownsville
8 Community Development Corporation and their YouthWorks II
9 Program located in Brownsville, Texas. They will be
10 training 15 youths and providing six single-family homes
11 to be constructed. They requested \$250,000. And that is
12 what we are recommending for them.

13 Next in line, with a score of 90, was the
14 George Gervin Youth Center. Their project was the Future
15 Builder's Youth Education and Training Program. They are
16 located in San Antonio, Texas. They will be training 30
17 youth constructing four units, and we're recommending an
18 award in the amount of \$250,000 for this organization as
19 well.

20 The next organization is Harlingen Community
21 Development Corporation with their Youth Build Program.
22 They will be providing housing in Harlingen and San
23 Benito, utilizing ten at-risk youth and creating five
24 single-family residences. And we are recommending an
25 award in the amount of \$248,400.

1 Then the Walker-Montgomery Community
2 Development Corporation. The project name is Cherry
3 Circle Estates in New Waverly, Texas. They intend to
4 train 50 youth and provide four units of affordable
5 housing. We are recommending an award of \$234,294 for
6 this organization.

7 This will result in a total of 19 affordable
8 housing units being developed utilizing these at-risk
9 youth, with 105 at-risk youth being trained throughout
10 this process. That concludes my summary of the awards. I
11 will be happy to answer any questions anyone may have.

12 MR. DAROSS: I have a couple of questions.
13 There is a considerable variance in the cost per units in
14 grants here. And it results in considerable variance in
15 the total project cost.

16 So my two questions are, was the price per unit
17 a factor in reaching the recommendation that you made, and
18 if so, what kind of factor.

19 And second, are we sure that the additional
20 funds, in addition to our funds, are going to be available
21 to make sure these projects complete?

22 MR. HOFFPAUIR: Well, with regard to the first
23 question, with regard to cost per unit, what we did -- and
24 we've included a copy of the scoring for -- and the
25 scoring criteria under the heading, Operating budget.

1 We've provided those comparisons. I'll try to answer your
2 questions along those lines.

3 We did take an average of the cost per unit
4 based on three separate factors and ranked these
5 applications accordingly, as to how they fit in within
6 their group. These programs are going to vary a great
7 deal in cost per unit because of a lot of different
8 factors associated with providing these programs.

9 But we based -- we took one average based on
10 Housing Trust Fund dollars only, and provided scoring for
11 that. We also take an average cost of Trust Fund dollars
12 per at-risk youth -- excuse me, Housing Trust Fund dollars
13 per at-risk youth, and calculated an average based on that
14 and compared that against the population of applicants.

15 And we also looked at the cost per unit based
16 on the total funding identified, which we took to be the
17 total project cost. And we made those three comparisons
18 among the application population.

19 With regard to how we know if those other funds
20 are going to be available, in some cases, we don't know
21 for sure because many of these applicants are providing --
22 are going to be applying under HUD Super NOFA [phonetic]
23 for at-risk youth training, which is one of the reasons
24 that this program went ahead and scored these and prepared
25 this -- prepared these recommendations for this board

1 meeting, so that they could gain additional points for
2 applying for those HUD funds.

3 But we do know that they will be applying for
4 them. They will be receiving credit in their applications
5 for receiving the funding recommendation from us. And
6 then they -- you know, they're hopeful of receiving HUD
7 funds under this program.

8 But we tried to do this, given the HUD deadline
9 for the Super NOFA, we're trying to do this as closely as
10 you could call in a partnership effort with HUD as we can
11 given the circumstances.

12 MS. STINER: Mr. Chair --

13 MR. DAROSS: Yes?

14 MS. STINER: So our funds are going to be made
15 subject to all funding be in place. Is that correct?

16 MR. HOFFPAUIR: We -- well, we didn't specify
17 that, but we would certainly not want to put our funds
18 into a project where the other funding sources have not
19 been identified yet. So we will -- you know, we will
20 review that prior to closing on the award.

21 MS. STINER: I guess my point is that if the
22 other funds are not available, then it wouldn't be the
23 same development that we are proposing to participate in?

24 MR. HOFFPAUIR: Right.

25 MS. STINER: And because these funds have no

1 timing element per se, we would be able to come back to
2 the board and none of these --

3 MR. HOFFPAUIR: These funds --

4 MS. STINER: Well, if -- say -- if the ones
5 that -- if several of the ones we've selected are not
6 successful in getting HUD funds, then we'll have to go
7 back out for another proposal -- request for a proposal in
8 order to completely get this initiative funded for this
9 year?

10 MR. HOFFPAUIR: Yes, these funds are considered
11 local funds, and as such there is no time frame on them
12 with respect to the way they are with general revenue
13 dollars.

14 MR. DAROSS: All right. So if we recommend
15 approval and the board approves it, then the approval is
16 for this project with these funds in place? And if the
17 other funds do not materialize, then it would just not --
18 automatically drop out, I suppose?

19 MR. HOFFPAUIR: Right.

20 MR. DAROSS: Okay.

21 MS. STINER: Okay. Yes. I would -- yes, if
22 the -- because these were not funding a hundred percent.
23 None of these were a hundred percent funded?

24 MR. HOFFPAUIR: No, not at all.

25 MS. STINER: So yes, we're a partner in the

1 proposal, and if other funds do not materialize, then that
2 project would -- that development wouldn't move forward?

3 MR. HOFFPAUIR: Right. It would not be able to
4 be completed as it's designed.

5 MS. STINER: Okay.

6 MR. DAROSS: Right. Have the motion recommend
7 approval?

8 MR. BOGANY: Recommend approved subject to Ms.
9 Stiner's statement in regards to that of the other fund.
10 Recommend approve it subject to that they are able to
11 obtain the other funds.

12 MR. DAROSS: Do you all second that? All in
13 favor?

14 (A chorus of ayes.)

15 MR. DAROSS: Thank you, Mr. Hoffpauir.

16 MR. HOFFPAUIR: Thank you.

17 MR. DAROSS: The next item on the agenda is
18 Presentation, Discussion and Possible Approval of the
19 Section 8 Public Housing Authority Plan for the Year 2001.
20 Ms. Stiner?

21 MS. STINER: Thank you, Mr. Chair. We're going
22 to ask Mr. David Burrell, who is Director of Housing
23 Programs, to come forward and make the presentation. I
24 think you've heard -- well, I know you've heard -- I don't
25 think.

1 You've heard some comments this morning from
2 the public with regard to the plan. And I think he has
3 some proposals that he and the staff have worked out in
4 response to those comments. Mr. Burrell, will you make
5 the presentation, please?

6 MR. BURRELL: Good morning. I'm David Burrell,
7 Director of Housing Programs. We do have a proposal to
8 you all this morning to approve our Section 8 PHA plan,
9 which is Public Housing Authority Plan.

10 This plan would outline what we plan to do
11 during the next year in our Section 8 program. As a
12 result of the public comments this morning, we would like
13 to make a proposal to you all that we get this plan
14 approved with a couple of changes.

15 We clear it under page 10, checked the box
16 where we would apply for special-purpose vouchers which
17 will be targeted to the elderly if those are available.
18 As of today, we haven't received any information from HUD
19 on those. But if they are available now, we will go ahead
20 and apply for those.

21 Then under Strategy 1, the Target for Families
22 with Disabilities, we clear it. Check the box which says
23 apply for special-purpose vouchers targeted to families
24 with disabilities, should they become available.

25 As of today, we don't have any information on

1 that being available. But if HUD has some, we will apply.

2 Then also the next one, we can affirmatively market to
3 local non-profit agencies that assist families with
4 disabilities.

5 As to the other major items which they had,
6 which -- the collection of data for assessing needs, we
7 are not currently able to because of budget constraints.
8 We are not able to prepare that type of collection
9 statewide.

10 But we're hoping that through our housing-
11 resource center, which has been directed by the
12 legislature this session to do housing needs, we're hoping
13 that maybe we can get them to help us along with being
14 able to collect additional data when we get our central
15 database up and running.

16 So we would like to continue working with the
17 groups that are representing the persons with
18 disabilities. We do need to go ahead, though, and try to
19 get a plan approved now. HUD requires that we have an
20 approved plan on file with them. And we have that due
21 now.

22 They do, however, allow us to go through the
23 year as we see needs change, we can go back and make
24 amendments to this plan. And so we're recommending that
25 we approve the plan with the changes we've recommended

1 here now, and that we'll just continue working with the
2 groups. And if we see that we can make some additional
3 changes, we will make those recommendations to HUD.

4 MS. STINER: Mr. Burrell, on the one check mark
5 on page 11, I think Ms. Hurd answered that before where we
6 talked about carrying out the modifications needed in
7 public housing based on Section 504.

8 Is the reason we did not check that is because
9 the type of housing? I'm just -- let me not even
10 interject my reasoning. Can you talk to us about why that
11 box is not part of the plan?

12 MR. BURRELL: That's a very expensive area to
13 move into when you start to -- making substantial
14 modifications --

15 MS. STINER: Is it a requirement under the --
16 this program, Section 8, as it is a federal program?

17 MR. BURRELL: No, not -- we have some minimum
18 requirements, but we're not required to do all the 504.
19 I'll let Ms. Hurd speak to that. She can give you more
20 detail.

21 MS. STINER: I would -- we were talking just
22 briefly about this. And I thought it had more to do with
23 the public housing, where you have congregate housing
24 versus where you have the single-family structures with
25 single ownership by single landlords. But let me hear

1 from -- let us hear from you, Ms. Hurd. And --

2 MS. HURD: Yes, Ms. Stiner. Your thinking is
3 along that line. When we think of Section 8, the choice
4 of the housing is really up to the client. It's not up to
5 the PHA. And as a result, a disabled client can choose
6 housing that is not accessible to the handicapped. It is,
7 you know, their choice.

8 And so that's the reason that the program does
9 not gear toward the effort of the 504. We do encourage
10 landlords to amend their units to fit the needs of the
11 handicapped. But we -- mandatory, we can't make them do
12 it.

13 MR. BOGANY: Is it possible to provide those
14 sort of funds available to the landlord at a -- if they
15 were willing to do that? If -- at a interest rate or
16 anything like that?

17 MS. HURD: Mr. Bogany --

18 MR. BOGANY: Bogany.

19 MS. HURD: Not through this particular program.

20 MR. BOGANY: Okay.

21 MS. HURD: There could be other programs in the
22 agency, but not the Section 8 program.

23 MR. BOGANY: Okay.

24 MR. DAROSS: Well, I guess the response, then,
25 on carrying out the modifications, is it's not required of

1 us to do that. And --

2 MS. HURD: No. And that's -- as Mr. Bogany has
3 said, it's a very costly activity. We are -- to
4 participate in any 504 as far as making available
5 applications for the handicapped and people with
6 disabilities, our offices must be 504-accessible.

7 MR. DAROSS: Ms. Langendorf?

8 MS. LANGENDORF: Under the law, Section 504,
9 they have to make a reasonable accommodation. Under
10 Section 504, you're receiving federal funds for the person
11 with a disability.

12 MS. HURD: Yes. And we do that in all our
13 offices. We call the local operator offices.

14 MS. LANGENDORF: No, I'm talking about the
15 agreements. If a person has to have modification, the
16 landlord has to make those modifications -- provide them
17 funds to make those modifications.

18 MS. HURD: We don't have at this time funds for
19 those.

20 MS. STINER: Let's speak to -- and it's a
21 very -- Jean?

22 MS. LANGENDORF: It's federal law.

23 MS. STINER: Yes, I understand what the law
24 says. But I'm not sure that every unit that's in the --
25 what we have, tenant-based assistance, that the landlord

1 is required to do 504 modifications before tenants with
2 disabilities can live there. That's not the law.

3 MS. LANGENDORF: No, I'm saying if a person
4 with a disability has a voucher, and they need a
5 modifications, this landlord has to allow those
6 modifications to be made and provide -- you all have to
7 provide those modifications for that --

8 MS. STINER: Well, we can certainly look at
9 that. That hasn't been an interpretation of how we've
10 looked at that requirement. And I couldn't -- and that's
11 the reason I made a reference to this when we first
12 opened, because this -- these units are owned by single
13 landlords and were not a PHA with congregate housing.

14 That was one of the reasons why the
15 interpretation of the law that reasonable accommodations
16 have been looked at to be the offices where the PHAs
17 exist. But it hasn't been applicable to every single unit
18 of housing that's available to the disabled.

19 Again, I would urge that the committee and
20 board adopt a plan. We'll continue to work with you with
21 this. We can amend this plan as we move forward and get a
22 better interpretation of this.

23 We've looked at it on several occasions, and
24 that's been the interpretation that we've come away with.

25 MR. DAROSS: Well, I would like to have this

1 issue revisited, not only for the Section 8, but for any
2 other programs that could possibly be modified to carry
3 this out.

4 I know my developer friends would have a heart
5 attack, but frankly, I'd like to see 504 as a threshold
6 for everything. But we've got his plan here. It's not
7 required of the agency. And we're choosing not to put it
8 in this particular program.

9 MS. STINER: At this particular time, we'll
10 continue to work with them on that and get further
11 clarification on it. I'm not talking to you --

12 MR. DAROSS: All right. Any other comments on
13 this item?

14 MR. BOGANY: I have just one comment. I would
15 like to see us set up a -- some sort of advisory committee
16 with the disability to different organizations, because
17 undoubtedly, they know where the data is, or have access
18 to the data.

19 It'd be nice if we could put together some sort
20 of advisory committee to give us some sort of information
21 that we don't know so that we can work this thing out over
22 time, and different organizations get together, provide us
23 with the individuals who have it and maybe just put
24 together and run a -- just a temporary advisory committee
25 and see if we can partnership and put together a program

1 that we can come back and find the money, or find a way to
2 put it in this particular program, or redo this program,
3 or I guess, amend it so to speak.

4 And it would be nice to see if we could partner
5 with them, because they have the data. They know which
6 organizations have all the list of people with
7 disabilities. And you don't have to recreate it. Just
8 get it from them in a partnership and see if we can make
9 this work.

10 MS. STINER: Mr. Chair?

11 MR. DAROSS: Yes, ma'am?

12 MS. STINER: Mr. Bogany, a quite excellent
13 recommendation. That's been a recommendation that's been
14 before the board for some time now. And the chair of the
15 board has instructed the staff to put that together, a
16 post-sunset bill and how the agency was going to be
17 organized.

18 And I think that's one of the first things we
19 need to work toward in terms of setting that kind of
20 advisory committee for the disabled community.

21 MR. BOGANY: Thanks.

22 MR. DAROSS: There a motion on the PHA Plan?

23 MR. BOGANY: I move we accept it with the
24 changes.

25 MR. DAROSS: Second that. All in favor?

1 (A chorus of ayes.)

2 MR. DAROSS: Thank you. The last item on the
3 agenda is the Presentation, Discussion, and Possible
4 Approval of the HOME Multifamily LURA Amendment for
5 Commonwealth Apartments.

6 MS. STINER: Thank you. This item was
7 postponed to the last board meeting. And Suzanne
8 Phillips -- Ms. Suzanne Phillips here -- sorry, Ms. Pam
9 Morris is the Director of Housing Finances here to make a
10 presentation on behalf of the board -- I mean, on behalf
11 of the staff.

12 MS. MORRIS: Thank you. Good morning. Pam
13 Morris, Director of Housing Finance Programs, which
14 includes the HOME program. There was a presentation last
15 month to the board with -- recommending an amendment to
16 LURA -- land-use restriction agreement, to lower the set-
17 aside units for the Commonwealth Apartments in Nacogdoches
18 from what the current LURA states as 70 units, and they
19 wanted it to be lowered to 14.

20 Due to the comments that were made by the
21 board, we asked that -- the item was pended, and we did
22 meet with the borrower, the property manager, and TDHCA
23 staff to discuss the details of this project.

24 It is our recommendation at this time that the
25 item be pulled as a pending item -- the recommendation be

1 pulled. We are recommending that the borrower close on
2 their loan into permanent, which has not occurred as of
3 yet.

4 Until that transaction occurs, we will relook
5 at their performance and their financial feasibility and
6 see if there is any hardship on the project before we
7 would bring it back as a recommendation to lower the
8 number of units.

9 MR. DAROSS: Okay. Good enough. Thank you.
10 There are no other agenda items for the committee. Any
11 other questions or reports?

12 MS. STINER: No, sir. No reports were
13 submitted.

14 MR. DAROSS: All right. At this time, I will
15 adjourn the committee meeting.

16 (Whereupon, at 10:10 a.m., the Program
17 Committee Meeting was concluded.)

C E R T I F I C A T E

1
2
3
4
5
6
7
8
9
10

MEETING OF: TDHCA Programs Committee
LOCATION: Austin, Texas
DATE: May 30, 2001

I do hereby certify that the foregoing pages,
numbers 1 through 50, 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.

06/05/01
(Transcriber) (Date)

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