

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
PROGRAMS COMMITTEE MEETING

8:30 a.m.
Tuesday,
August 21, 2001

Room E1.012
Capitol Extension
1400 Congress Avenue
Austin, Texas

COMMITTEE MEMBERS:

ROBERT BREWER, Chair
JAMES DAROSS, Vice Chairman
SHADRICK BOGANY

STAFF PRESENT:

DAISY STINER, Executive Director
DELORES GRONECK

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P R O C E E D I N G S

1
2 MR. BREWER: The Texas Department of Housing
3 and Community Affairs Programs Committee meeting is called
4 to order at 8:32 on August 21, 2001. I'm going to do the
5 roll call.

6 Robert Brewer, Chair, present.

7 James Daross?

8 MR. DAROSS: Here.

9 MR. BREWER: And Shadrick Bogany?

10 MR. BOGANY: Here.

11 MR. BREWER: Okay. Let's -- we have three. We
12 do have a quorum.

13 Okay. Our first order of business -- do we
14 have any witness affirmation forms?

15 MS. GRONECK: No, sir. The lady from the Ark-
16 Tex Council of Governments, one of the agenda items, is
17 here. She has a witness affirmation form if you ask her
18 questions.

19 MR. BREWER: Oh, okay.

20 MS. GRONECK: Otherwise, she won't.

21 MR. BREWER: Other than that, we have no
22 witness affirmation forms?

23 MS. GRONECK: No.

24 MR. BREWER: Okay.

25 The first order of business is the

1 presentation, discussion and possible approval of minutes
2 of Programs Committee meeting of May 19, 2000. Do we have
3 a motion for approval?

4 MR. DAROSS: I move they be approved.

5 MR. BOGANY: Second.

6 MR. BREWER: All in favor? Aye.

7 (A chorus of ayes.)

8 MR. BREWER: The motion passes.

9 The second one is the presentation, discussion
10 and possible approval of minutes of May 30, 2001.

11 MR. DAROSS: I move they be approved.

12 MR. BOGANY: Second.

13 MR. BREWER: All in favor?

14 (A chorus of ayes.)

15 MR. BREWER: Passes.

16 Item 2: The presentation, discussion and
17 possible approval of Fiscal Year 2001 Housing Trust Fund
18 Predevelopment Program Award for Ark-Tex Council of
19 Governments, Texarkana, Texas. Stacy Higgins is going to
20 brief that.

21 Good morning, Stacy.

22 MS. HIGGINS: Good morning.

23 MS. STINER: Good morning.

24 MS. HIGGINS: I'm Stacy Higgins. I'm the
25 Senior Planner for the Housing Trust Fund.

1 On June 1, the Department put out a request for
2 proposals, looking for up to two administrators for our
3 predevelopment loan program. A little background on the
4 program: The funds are available to nonprofits and units
5 of local government for all predevelopment-type
6 activities. The goal is to help them get prepared to
7 eventually apply for ours, as well as others' development-
8 type funds.

9 On July 3, we received seven proposals in
10 response. Out of the seven, Ark-Tex Council of
11 Governments was the only to score a perfect 100. We are
12 recommending the full amount to go to Ark-Tex; that would
13 be \$840,000 for the actual loans, plus \$100,000 for an
14 administrative fee. All proceeds from the loans,
15 including interest, will be transferred back to the trust
16 fund for future programs.

17 Let's see. Ark-Tex -- their proposal -- they
18 had by far the most expansive marketing program of all the
19 proposals received. They identified five different areas,
20 including mail-outs and telephone campaigns, working with
21 Housing and Urban Development and working with local
22 lenders, as well as providing workshops across the state,
23 to solicit applicants.

24 That, along with the fact that they're in an
25 area that we have not served primarily and that we are

1 trying to help more, along with the statewide allocation
2 of these funds, is the main reasons we are recommending
3 Ark-Tex. So unless you have any questions --

4 MR. DAROSS: How many times have we ever got an
5 application that scored 100?

6 MS. HIGGINS: For predevelopment? I don't
7 think we have.

8 MR. DAROSS: That's pretty remarkable.
9 Congratulations.

10 MR. BREWER: Any questions?

11 (Pause.)

12 MR. BREWER: Do I have a motion?

13 MR. DAROSS: I move that we recommend approval
14 to the Board of the Housing Trust Fund Predevelopment
15 program for Ark-Tex Council of Governments.

16 MR. BOGANY: Second.

17 MR. BREWER: All in favor? Aye.

18 (A chorus of ayes.)

19 MR. BREWER: Item 3: Presentation, discussion
20 and possible approval of funding in the amount of \$10,200
21 for Habitat for Humanity of El Paso, Inc., to resolve an
22 incorrect amount award approved for the 2001 Housing Trust
23 Fund Capacity Building Program.

24 Stacy, are you going to do that one, too?

25 MS. HIGGINS: Right.

1 MR. BREWER: All right.

2 MS. HIGGINS: This is a situation where, of the
3 64 proposals -- we had about ten different pieces of data
4 that staff was inputting -- one of the numbers was put in
5 incorrectly. And so that basically sums up what happened.
6 We're doing this to correct that and get them the correct
7 amount.

8 MR. DAROSS: I move for approval.

9 MR. BOGANY: Second.

10 MR. BREWER: All in favor? Aye.

11 (A chorus of ayes.)

12 MR. BREWER: Motion carries.

13 MS. HIGGINS: Thank you.

14 MR. BREWER: Okay. Item 4: Presentation,
15 discussion and possible approval of the letter of
16 endorsement for the Housing Bond and Credit Modernization
17 and Fairness Act, S. 677. Michael Lyttle?

18 MR. LYTTLE: Good morning, Mr. Chair and
19 Committee members and Ms. Stiner. As you're aware, the
20 Agency is part of the National Council of State Housing
21 Agencies, which is a national group of essentially state
22 housing and finance agencies across the country. They are
23 actively involved in raising the awareness of this piece
24 of legislation that's going on right now and being
25 considered by Congress.

1 The NCSHA is actively endorsing this
2 legislation; they have asked the State of Texas, too, to
3 come on board in that respect. We have to be very
4 careful, since we are technically a state agency and not a
5 finance corporation; therefore, in an effort to raise the
6 awareness of the -- of our Texas congressional delegation,
7 we've proposed sending this letter out from the Board
8 Chair that would essentially pique their interest, if you
9 will, in the legislation.

10 This piece of legislation will do several
11 things; one of them is to repeal the 10-year limit on bond
12 yields, and that will save Texas approximately \$160
13 million per year in bond authority from the calculations
14 we've received. And according to our information, you
15 know, we could be talking as many as 2,200 home loans for
16 qualified Texans in addition to what we have now.

17 Therefore what we'd like to do is send this
18 letter to the Texas congressional delegation and follow it
19 up with some phone calls and, essentially, raise their
20 awareness of this legislation.

21 MR. BREWER: Have you all talked to Mr. Jones
22 about this previously?

23 MR. LYTTLE: Yes. I have talked with Mr. Jones
24 about it and shared the letter with him.

25 MR. BREWER: Okay.

1 MR. LYTTLE: And we've also visited with
2 Governor Perry's staff on this letter, and they have no
3 adverse reaction to it; they simply want to yield the
4 matter to our Board.

5 MR. BREWER: Okay. How about the -- our
6 oversight committee? Is that the Urban --

7 MS. STINER: Urban Affairs --

8 MR. BREWER: -- Affairs?

9 MS. STINER: -- Committee.

10 MR. BREWER: Mr. Carter is it?

11 MS. GRONECK: Mr. Carter. We have not done
12 that. We certainly can --

13 MR. BREWER: Okay.

14 MS. GRONECK: -- get the Texas delegation aware
15 of the national effort.

16 MR. BREWER: Yes, because --

17 MR. DAROSS: I think there was something in his
18 newsletter about that.

19 MR. BREWER: Were there?

20 MR. DAROSS: I believe so.

21 MR. BREWER: Okay. So it's -- all right.

22 Okay. Do we have a motion?

23 MR. BOGANY: So move.

24 MR. DAROSS: Second.

25 MR. BREWER: All in favor? Aye.

1 (A chorus of ayes.)

2 MR. BREWER: Motion passes.

3 Thank you, Mike.

4 MR. LYTTLE: Thank you.

5 MR. BREWER: Item 5: Presentation, discussion
6 and possible approval of HOME Program award in the amount
7 of -- what is that? Is it 500,000?

8 MR. DAROSS: Yes.

9 MS. STINER: Yes, 500,000.

10 MR. BREWER: Okay.

11 MS. STINER: We left the zero off.

12 MR. BREWER: 500,000 for the United Cerebral
13 Palsy for homebuyer assistance and rehabilitation.

14 Pam Morris?

15 MS. MORRIS: Good morning. I'm Pam Morris, the
16 Director of Housing Finance Programs.

17 MS. STINER: Good morning.

18 MS. MORRIS: We -- in our 2001 consolidated
19 plan, we had added the language that we wanted to endorse
20 and support the initiative of the Home of Your Own
21 Coalition.

22 The partnership is comprised of state and local
23 direct service providers, state government agencies,
24 disability advocacy groups, community groups and statewide
25 lending institutions. They use the funds for home

1 ownership, where a portion of the funds are for down-
2 payment assistance for people with disabilities, and then
3 part of the funds are for architect barrier removal in
4 order to get it accessible for their requirements.

5 We're recommending a \$500,000 award. It should
6 be an 18-month contract, and it includes an administrative
7 fee of 6 percent, which equates to 30,000. And they will
8 be serving approximately 20 households under this contract
9 statewide, 100 percent with persons with disabilities.
10 Two of those households will be restricted to 30 percent
11 AMFI and below, and the remainder can go up to 80 percent
12 AMFI.

13 MR. BOGANY: So I recommend approval.

14 MR. DAROSS: Second.

15 MR. BREWER: We have a motion to approve. All
16 in favor? Aye.

17 (A chorus of ayes.)

18 MR. BREWER: Motion carries.

19 On the Item 6, Presentation and discussion of
20 appeals policy, if the Committee is in agreement, I would
21 rather table this and let it go straight to the Board, and
22 we'll hear it at the Board level. It's just going to be
23 information; it's not a decision today to be made. But
24 it's up to you if you want to do that.

25 MR. DAROSS: That's fine with me.

1 (Pause.)

2 MR. BREWER: Okay. Well, then we'll table Item
3 6 on Presentation and discussion of appeals policy.

4 Daisy, do you have anything?

5 MS. STINER: No, sir, no reports from the staff
6 or department.

7 MR. BREWER: Okay.

8 Then the -- then we'll adjourn the Texas
9 Department of Housing and Community Affairs Programs
10 Committee meeting as of -- what is it? -- 8:43.

11 (Whereupon, at 8:43 a.m., this meeting was
12 concluded.)

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MEETING OF: TDHCA Programs Committee
LOCATION: Austin, Texas
DATE: August 21, 2001

I do hereby certify that the foregoing pages,
numbers 1 through 13, 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.

08/29/01
(Transcriber) (Date)

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