

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

8:35 a.m.
Wednesday,
June 25, 2003

Auditorium, State Capitol Extension
1100 Congress Avenue
Austin, Texas

COMMITTEE MEMBERS:

MICHAEL JONES, Chairman
C. KENT CONINE, Vice Chairman
SHADRICK BOGANY
ELIZABETH ANDERSON
NORBERTO SALINAS
VIDAL GONZALEZ

STAFF PRESENT:

EDWINA CARRINGTON, Executive Director
RUTH CEDILLO
BILL DALLY
BROOKE BOSTON
ROBERT ONION
DELORES GRONECK
CHRIS WITTMAYER
TOM GOURIS

A G E N D A

ITEM PAGE:

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM 3

PUBLIC COMMENT4

Item 1 -Presentation, Discussion and Possible Approval of
Financial Items:

- (A)Multifamily Mortgage Revenue Bonds and
4% Tax Credits
 - (1) Proposed issuance of multifamily
mortgage revenue bonds for Timber Oaks
Apartments, Grand Prairie,
Texas in an amount not to exceed
\$13,200,000 and Issuance
of
determination notice in the amount
of \$640,007 for low income housing tax credits
for Timber Oaks
Apartments with TDHCA as the
issuer 53
 - (2) Proposed issuance of multifamily
mortgage revenue refunding bonds
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- (a)Issuance of determination notice to
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Local Bond Issuer:
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- (1) FY 2002-2003 Single Family HOME
Program Awards for Homebuyer
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(OCC) and Tenant Based Rental
Assistance (TBRA) 51

P R O C E E D I N G S

1
2 MR. JONES: Call the Board meeting of the Texas
3 Department of Housing and Community Affairs for June 25,
4 2003, to order. The first order of business is to call
5 the roll. Mr. Conine?

6 MR. CONINE: Here.

7 MR. JONES: Ms. Anderson?

8 MS. ANDERSON: Here.

9 MR. JONES: Mr. Bogany?

10 MR. BOGANY: Here.

11 MR. JONES: Mr. Gonzalez?

12 MR. GONZALES: Present.

13 MR. JONES: Mayor Salinas?

14 MR. SALINAS: Here.

15 MR. JONES: Mr. Jones, I'm here. We have six
16 members present, no members absent, so we do have a
17 quorum. The second order of business will be public
18 comment. I have a number of witness affirmation forms
19 that has been filed with us.

20 According to our statutes, rules and
21 regulations the people who would like make public comment
22 have an opportunity to do so immediately during this
23 period of public comment or at the time of the particular
24 agenda item.

1 As Chair, the only thing I say to you is get to
2 these board members when they're fresh. That's the only
3 advice I'll give you.

4 We have a number of witness affirmation forms
5 that have been submitted and the board really likes to
6 hear all we can and initially there will be no time
7 limits. If it does appear, though, that it's getting too
8 lengthy and might affect our business and we do have to
9 impose a time limit, I'll apologize ahead of time for
10 having to do that.

11 With that we will turn our attention
12 immediately to public comment, and first, Senator
13 Barrientos? Would you like to speak now, sir?

14 MR. BARRIENTOS: Please. Mr. Chairman, may it
15 please the board, my name is Gonzalo Barrientos and I am a
16 Senator from the District of Travis. Unaccustomed as I am
17 to these microphones, I will make my remarks very quickly,
18 having sat in a chair similar to that for several years.

19 I believe this is only my second time in the
20 history of this Agency to appear before you. That is for
21 several reasons. One is that I believe you should run
22 your own business, and two, we have a few other things on
23 our mind, especially right now come Monday.

24 At any rate, many years ago this Agency -- we

1 had the Texas Housing Agency -- some of you may remember.

2 That did not fare well, and I was fortunate to help pass
3 a bill which established -- or re-established -- this
4 Agency and re-established the housing effort in the State
5 of Texas. And since then, especially under your
6 administration, things have been going better, and better,
7 and better, so I commend you for your work to the people
8 of Texas.

9 I am here to support the effort for Villas on
10 Sixth Street -- Villas Apartment Homes -- a multifamily
11 community, about 160 units, 85 percent of which will have
12 rent ceilings. It is in an area of town which
13 traditionally has been called the east side.

14 If you are familiar with Austin, the east side
15 is traditionally where minorities have lived. Not so much
16 now; things in Austin are starting to spread all over.
17 That is to speak that individuals are living in different
18 parts of town. However, this is traditional east side.

19 But the north side of this portion of town has
20 traditionally been housing of African-Americans and the
21 south side of that portion has been of Mexican-Americans.

22 This is kind of in the center where the railroad tracks
23 go east and where there's redevelopment going on for the
24 benefit of the community and the capital city of Texas.

1 There will be economic development, retail
2 establishment, housing all around there. Sometime in the
3 future, who knows, rapid rail in that area. This fits
4 right in with the community efforts, which, along with the
5 housing, will include after school programs, learning
6 centers, and as traditional, these folks have law
7 enforcement offices.

8 So with that, please give all due consideration
9 and I'm sure there's so many wonderful projects throughout
10 the state of Texas. I saw some of my colleagues here a
11 while ago, and I'm sure they have some wonderful projects
12 going on.

13 Together I think that we can make, and continue
14 to make, our state of Texas the best in the country.
15 Thank you for your service.

16 MR. JONES: Thank you.

17 MR. BARRIENTOS: Any questions I'll be glad to
18 try to answer.

19 MR. JONES: Thank you for your being here and
20 we appreciate you allowing us to use your hall. Thank
21 you.

22 MR. BARRIENTOS: Let me tell you, this is the
23 people's house. I was thinking a while ago, I believe it
24 was \$175,000,000 or so that we spent to dig this hole and

1 build all this beautiful -- these beautiful halls here.
2 And this is the people's house, so it's all of ours.
3 Thank you.

4 MR. JONES: Thank you, sir. Senator Mike
5 Jackson.

6 MR. JACKSON: Thank you, Chairman Jones.

7 MR. JONES: Thank you, sir.

8 MR. JACKSON: I appreciate you all letting us
9 get done and -- or come testify -- and I have an airplane
10 to catch and get back into Houston, but I did want to be
11 here -- and I thought it was important enough for me to be
12 here today -- to speak in reference to a project that's
13 designated 03189, it is the Village at Morning Star in
14 Texas City.

15 And to give you a little bit of the history
16 there, the Housing Authority in Texas City has more than
17 300 seniors on a waiting list right now for housing. In
18 1998, the former mayor there, Chuck Doyle, initiated
19 efforts to obtain the state grants to build senior citizen
20 housing project, and you'll hear a little bit later on
21 today -- our current mayor, Carlos Garza, is here and can
22 far better eloquently describe some of the statistics
23 there.

24 But this proposed project that is before you is

1 a 78-unit senior living community. And is an original
2 project proposed by the City of Texas City through HUD and
3 funding there. They acquired the land, constructed the
4 roads, completed the utilities with the intent of
5 constructing the units for affordable housing at that
6 time.

7 Now the city is partnered with DMA Community
8 Partners, Inc., to build the complex and because of their
9 success on similar projects, I feel like they have a
10 win/win combination there. We really -- if you look back
11 at where these type facilities have been okayed and
12 funded -- you look at Harris County, which I also
13 represent -- I have Harris County, Galveston County and
14 Brazoria County -- Harris County has been very successful
15 in landing projects.

16 Fort Bend County has been very successful in
17 landing projects, and although these projects may score
18 one point below, we have seen that Galveston County has
19 really not had participation here, and I wish you would
20 really take a look at that and see if that can fit into
21 your overall viewpoint of how these things get funded.

22 The company has a reputable history with these
23 types of projects. The people of Texas City are all
24 behind this project and they are all in favor of the

1 Morning Star project. And I strongly believe this would
2 be a big asset for this community and for Galveston County
3 and the surrounding communities as well.

4 And just on behalf of my constituents that I
5 represent there, I would urge your favorable consideration
6 of this project as one that would be a possibility for
7 seeing come to fruition as you go forward. And I will
8 stop with that. I appreciate the work that you do. I
9 know that you have far more requests than you have the
10 ability to take care of and that seems to be what happens
11 a lot of times in this building.

12 You know we have some tough decisions to make,
13 but I appreciate the work that you do on these issues and
14 I'll be happy to advance any more information that you may
15 need if you find that so and would welcome any questions
16 or comments at a later date. Thank you all for having me.

17 MR. JONES: We sure do appreciate you being
18 here. Thank you so much for taking the time and helping
19 us this morning.

20 MR. JACKSON: Okay. Thank you.

21 MR. JONES: Thank you, sir.

22 Ms. Alison Brock?

23 MS. BROCK: Good morning.

24 MR. JONES: Good morning.

1 MR. BOGANY: Good morning.

2 MS. BROCK: My name's Alison Brock. I work for
3 Representative Sylvester Turner, and I was asked to
4 present -- or read off a letter -- by a group -- a citizen
5 group -- from our district in Acres Home concerning
6 project 03236 I believe it is -- the Little York Villas.

7 And this is a -- the Acres Home citizen council
8 represents several hundred citizens in this area -- in
9 Representative Turner's district. This letter is from
10 Charles Ingram, the president.

11 "I, along with several hundred members of the
12 Acres Home citizen council, wish to offer our strong
13 opposition to the proposed housing development, Little
14 York Villas, to be located at Newman [phonetic] and West
15 Little York.

16 "We are currently combating rampant crime and a
17 housing project just across the street from this proposed
18 development and feel certain that any further development
19 would pose added risk to the children who play nearby in a
20 park and the residents who strive every day to improve
21 their lives.

22 "If this development is built, it becomes
23 interwoven within the Acres Home community. Any problems
24 that surface with this development become our problem.

1 Any victim of crime as a result of this development is an
2 individual we must counsel and offer guidance to. Any
3 trash or hazardous debris left in the area at this
4 development becomes debris we are responsible for.

5 "Right now, if a citizen falls through the
6 rotting wood porch of a housing project whose neglectful
7 owner dismisses the complaints of rotting wood, this
8 citizen is next on our list in need of housing repair.

9 "Right now any youth who walks by a housing
10 project and is solicited to sell drugs at a nearby school
11 on behalf of an older drug user, becomes the next youth we
12 must visit in our county's juvenile facility.

13 "You all are here today to make a decision that
14 will have a profound affect upon the quality of life for
15 hundreds of children and residents in the Acres Home area.

16 Once you all make this decision, it then becomes a
17 property we are responsible for.

18 "We are proud of the Acres Home community and
19 we will fight to maintain its integrity. We cannot serve
20 our mission to protect our community if we are not given a
21 vote in its development."

22 Thank you for the opportunity to express -- on
23 behalf of the Acres Home citizen council -- thank you for
24 the opportunity to express their comments.

1 MR. JONES: Thank you.

2 MR. CONINE: Could you repeat the project
3 number and the title again?

4 MS. BROCK: Sure. It's project number 03236.
5 It's the Little York Villas.

6 MR. CONINE: Little York Villas, okay. Thank
7 you.

8 MS. BROCK: Thank you.

9 MR. CONINE: Thank you.

10 MR. JONES: Representative Rodriguez.

11 MR. RODRIGUEZ: Thank you, Mr. Chairman,
12 members of the board. My name's Eddie Rodriguez. I'm
13 State Representative for District 51 and that's here in
14 Austin; it's south Austin, east Austin, and southeast
15 Travis County. And I'm here to support -- to show my
16 support -- for Campbell-Hogue and Associates and
17 specifically the Villas on Sixth Street, which is
18 application number 03160.

19 I just want to talk really briefly about my
20 district. My district is predominately minority. It's 58
21 percent Hispanic or Latino and about 10 percent African-
22 American. It is also a working poor and modest income
23 district. It's -- about 74 percent of the families of
24 four make under \$50,000 a year.

1 So with that said, affordable housing is
2 affordability. How to afford to live in the City of
3 Austin, is really important to people in my district and
4 particularly how to afford a roof over your head and still
5 be able to have a good quality of life and save a little
6 bit of money for the future.

7 So affordable housing is very critical in my
8 district, particularly in east Austin, as Senator
9 Barrientos mentioned earlier, where it's predominately
10 minority and Hispanic in my district -- excuse me -- and
11 were gentrification is threatening the historically
12 minority community there due to its proximity to downtown.

13 Several months ago I wrote a letter to you
14 folks expressing my support for Campbell-Hogue and the
15 Villas at Sixth because I believe this development is a
16 good example of how to do affordable housing the right
17 way.

18 The Villas on Sixth has worked with the
19 surrounding community. I know this because I've worked
20 with the folks in the neighborhood. They were -- they had
21 worked with Campbell-Hogue for a number of months; they
22 have written letters of support; and Campbell-Hogue is
23 committed, I think, to -- very committed -- to the
24 community and the neighborhood plan, which is in place.

1 There are several neighborhood plans in that
2 area where the community had worked for several years to
3 get something together on how the people in that community
4 want to see their part of town look over the next ten,
5 fifteen, twenty years. And Campbell-Hogue is -- and the
6 Villas on Sixth -- is an example of what the folks want to
7 see.

8 The Villas on Sixth are committed to serving
9 the residents by -- they're partnered -- partnering --
10 with the YMCA and they're offering onsite learning centers
11 for after school or in programs and it's -- and that's
12 very critical, I believe, to affordable housing in the
13 district.

14 Another important aspect of the Villas on
15 Sixth, as I was mentioning earlier about that area being
16 so close to central -- in the central -- areas, that this
17 is going to be the first urban infill development in
18 Austin, which is -- and it's the only affordable housing
19 development near the downtown core.

20 And that's very critical. It's critical for
21 the City of Austin. You see that in larger cities as
22 well, where minorities that live around the downtown area
23 are gradually being forced out as downtown is becoming
24 much more attractive to more folks.

1 And so this is really critical, I believe, in
2 my district, to have this part of my district, which is
3 close to downtown, have something that's affordable so the
4 folks there may not have to -- in a short time -- have to
5 leave gradually and maybe have somewhere to go and
6 maintain the history and culture of that area.

7 And I understand that the Austin area is not
8 currently earmarked for tax credits, but it is also my
9 understanding that the dollars from other regions across
10 the state can be redirected to the Austin area, and I
11 would hope that the Villas on Sixth Street will be
12 considered as a forward commitment project and thereby be
13 considered for available dollars from other regions if
14 there's enough unallocated funds available.

15 So you all have received letters from various
16 neighborhood organizations, from a couple of state
17 representatives and a state senator, from a U.S. Senator,
18 from a U.S. Congressman, from the county judge and a
19 county commissioner, and I'm just happy to be listed as
20 one of those supporting the Villas and I'll be happy to
21 answer any questions at this time.

22 MR. JONES: Thank you, Representative.

23 MR. RODRIGUEZ: Thank you.

24 MR. JONES: We certainly appreciate you being

1 here.

2 MR. RODRIGUEZ: Thank you.

3 MR. JONES: Senator Parker?

4 MR. PARKER: Former senator.

5 MR. JONES: All right.

6 MR. PARKER: I'm going to just answer
7 questions, if any questions arise about the three projects
8 on this --

9 MR. JONES: I understand. Okay. I -- you
10 know, once you earn that title, it's looking like you
11 ought to get to keep it.

12 Donald Jones. Donald Jones.

13 Vincent Dodds. Mr. Dodds? Yes.

14 MR. DODDS: Can I defer until the project
15 that's coming up for review?

16 MR. JONES: You certainly may. Okay, Mr.
17 Velarde? Mr. Velarde.

18 MR. VELARDE: I'd like to defer to the regular
19 agenda?

20 MR. JONES: You bet. Nycole Estrada?

21 MS. ESTRADA: Hi. Good morning. My name is
22 Nycole Estrada and I'm here to speak on behalf of the
23 Suncrest Community in El Paso, Texas. I'm originally from
24 the island of Guam, and I'm studying at UTEP towards a

1 nursing degree.

2 I was introduced to the tax credit program
3 through a friend of mine who is already living in an
4 affordable-housing community. Through her description of
5 the property and lower income rents, we also decided to
6 look upon this type of housing. My mother and I now
7 reside at an affordable-housing community in the west side
8 of El Paso.

9 And if it weren't for this program, we would be
10 living with friends or family members. My current income
11 allows me to afford a comfortable two-bedroom, one-
12 bathroom apartment for less than \$400 a month. Not only
13 has this program been beneficial to us, but it is also
14 very close to my job.

15 I know by being under the -- under this
16 program, it has helped us a lot. It will help me a lot
17 better in my future and in accomplishing my goals. I
18 would appreciate your full support and approval of the
19 Suncrest Community. Thank you.

20 MR. JONES: Thank you. Mr. Robert Jaime?

21 MR. JAIME: Good morning.

22 MR. JONES: Good morning.

23 MR. JAIME: My name is Robert Jaime and I'm
24 here to speak to you regarding the Suncrest Community. I

1 recently moved from Phoenix, Arizona, back home to El
2 Paso, Texas. Currently my father and I are residing in a
3 tax credit community in the west side of El Paso. In the
4 fall I will be starting my paramedic training.

5 Thanks to this type of program, it has allowed
6 us to find housing at affordable price. I know from
7 speaking with other residents where we live, this program
8 has benefitted the quality of life for many people.

9 I hope that you will support this program now
10 and -- excuse me -- now that it will continue to be
11 supported in the future so that the families will, with
12 lower income, have the same opportunities that my father
13 and I have had.

14 We live in a nice quiet atmosphere in a
15 community that takes pride in their homes. I personally
16 feel that this program offers many family equal housing
17 opportunities. My father and I would appreciate your
18 approval and full support of the Suncrest Community.
19 Thank you for your time.

20 MR. JONES: Thank you, sir. Lorena de la Rosa? MS. DE LA

21 ROSA: Good morning.

22 MR. JONES: Good morning.

23 MR. CONINE: Good morning.

24 MS. DE LA ROSA: Oh, that was loud. My name's

1 Lorena de la Rosa and I have been living in a tax credit
2 affordable home for the past eight months. I reside there
3 with my husband and my three children.

4 Before moving to the Cactus Roads Town Homes, I
5 was living in a two-bedroom, one-bath apartment that I was
6 being charged \$475 a month -- that -- it's kind of big for
7 that -- but I moved in to the Cactus Roads apartments. I
8 live in a three-bedroom, three-bath and the rent's less
9 than \$500 a month, so that's great.

10 And the community itself, it's very convenient
11 for my children just to walk to school. I feel that this
12 program is not -- excuse me, I'm getting nervous.

13 I feel that this program is not only a benefit
14 for this city but for the community itself. I have never
15 had any -- I have never experienced -- any problems with
16 the community or my neighbors. We are starting our
17 neighborhood watch.

18 I feel proud to call Cactus Roads our home and
19 I would appreciate your full support on Suncrest
20 Community. Thank you.

21 MR. JONES: Thank you. Mr. Monty?

22 MR. MONTY: I'll defer to the line item, sir.

23 MR. JONES: Certainly. I'm going to
24 mispronounce this name and I apologize ahead of time.

1 Yolanda Griner?

2 MS. GINER: It's Yolanda Giner.

3 MR. JONES: I'm sorry.

4 MS. GINER: That's okay.

5 MR. JONES: I apologize, I --

6 MS. GINER: I'd like to defer.

7 MR. JONES: Okay, thank you.

8 MS. CARRINGTON: You have one more chance to
9 get it right.

10 MR. CONINE: Yes, that's right.

11 MR. JONES: Thanks so much. All right, here we
12 go. Mrs. Bast.

13 MS. BAST: [indiscernible].

14 MR. JONES: I was hoping you would. Corrine
15 Vonberg?

16 MS. VONBERG: I'd like to defer, please.

17 MR. JONES: Yes, ma'am. Mr. Monty, you're up
18 again.

19 MR. MONTY: [indiscernible].

20 MR. JONES: Mr. Hartman?

21 MR. HARTMAN: I'll defer, Mr. Chair.

22 MR. JONES: Mr. Hilgers, Paul Hilgers?

23 MR. HILGERS: Thank you, Mr. Chairman, members
24 of the board. My name is Paul Hilgers. I'm the Community

1 Development officer for the City of Austin and I'm here to
2 speak on application number 03160, and to make just a few
3 key points.

4 One is to support a senator and state
5 representative and others that are here in favor of Villas
6 on Sixth Street. I am in charge of the city's
7 Neighborhood Housing and Community Development department
8 and the Austin Housing Finance Corporation.

9 This particular project is extremely crucial to
10 this part of Austin and I would impress upon you the
11 criticality of timing and the opportunity for us to get
12 this project funded.

13 This project is a vital opportunity to provide
14 what will be complementary housing to the development that
15 is occurring in this Fourth, Fifth, Sixth Street area. It
16 will help provide an alternative and help stem the very
17 increasing pressures of gentrification, which are
18 occurring in this neighborhood.

19 This property will be lost to higher end market
20 rate housing -- more market rate housing -- most likely if
21 this property is not allowed to be developed at this time.

22 For these reasons the City of Austin is very supportive
23 of this project. It meets all of our SMART housing
24 standards, which means that it receives a special

1 development review and special advocacy through our
2 process.

3 In fact, this project is so critical to
4 Austin's development of the east side, that the Austin
5 Housing Finance Corporation, the board of which is the
6 city council, has decided that it will be a co-owner of
7 this development.

8 So we request -- because of these factors -- we
9 request that you move this to underwriting, and with all
10 due respect, to staff recommendations -- being a staffer I
11 obviously have serious respect for the recommendations of
12 staff -- but because of the criticality of the timing of
13 this issue, we would ask that you find a creative way to
14 find alternative funding through forward funding,
15 unclaimed resources or any other methods that you're
16 available -- that are available to you, and I thank you
17 for the opportunity to be able to speak in favor -- on
18 behalf of this project.

19 MR. JONES: And we appreciate you being here.

20 MR. HILGERS: Thank you so much.

21 MR. JONES: Thank you so much. Mayor Garza?
22 Mayor?

23 MR. GARZA: Good morning, Chairman Jones and
24 members of the board. I appreciate the opportunity to

1 address you this morning on a matter of importance to our
2 community. It's the same matter that Senator Mike Jackson
3 just earlier talked about.

4 My name is Carlos Garza and I am the mayor of
5 the City of Texas City. I'm here this morning to ask you
6 to consider an award of tax credits to the Village at
7 Morning Star, project number 03189, who proposes to
8 develop 78 units of senior housing in Texas City on
9 approximately 5.3 acres of land.

10 The City of Texas City acquired this land back
11 in 1996 for the purpose of developing senior housing. The
12 site is a great location for senior citizens. It is one
13 block from major shopping, including a grocery store,
14 pharmacies, several banks, beauty salons and restaurants.

15 It is also located in one of the city's enterprise zones.

16 In 1998, two years after the city acquired the
17 property, the city built curb and gutters and
18 infrastructure at a cost of about \$300,000. It was
19 subsequently rezoned multifamily which has been consistent
20 with our city's comprehensive plan.

21 I think it's important to point out that there
22 was no opposition by the residents in that area -- that
23 live in homes in that area -- to this rezoning. And I
24 think that's indicative -- I believe it's indicative -- of

1 the support that this project has in our community and the
2 recognition of our citizens of the need for senior housing
3 within Texas City.

4 We have also invested in upgrading the
5 utilities, the paving and sidewalks along a major
6 thoroughfare -- 34th Street -- which constitutes the
7 eastern boundary of the proposed site.

8 Since 1996 we have worked diligently toward
9 developing this housing for our senior citizens. We
10 selected an experienced developer with a strong track
11 record of producing affordable senior housing throughout
12 the State of Texas, DMA Development Company and its
13 president, Diane McGiver [phonetic].

14 To ensure a competitive proposal and one that
15 would be able to serve seniors with the lowest income, our
16 Housing Authority in Texas City has approved 25 units of
17 project-based housing choice vouchers on a ten-year
18 renewable contract. I understand that some applications
19 on the recommended lip have contingencies on getting extra
20 city funds. Ours are in place.

21 As I mentioned, we expedited the rezoning of
22 this site to comply with this authority's -- the housing
23 and -- this board's deadlines set by this Agency. This
24 project, as indicated earlier, has the support of Senator

1 Mike Jackson, for which we are exceptionally grateful,
2 Representative Craig Allen and the County Judge, Jim
3 Yarborough. We have also provided testimony to your staff
4 at the Houston public hearing.

5 It is my understanding that this project has
6 been assessed a score of 98, which I have been told is
7 indicative of a worthy and deserving project. The Morning
8 Star project has also applied for funds from TDHCA's
9 Housing Trust to ensure the project's feasibility and the
10 application received a score of 153, the highest score in
11 Region Six and the third highest in the State of Texas.

12 This says to me that we indeed do have a
13 quality project binding by these standards, but we are one
14 point shy of making the scoring cut. I understand that
15 you as a board are allowed to make your decisions from
16 factors other than sheer points, and the factor that I
17 would like you to consider is that of geographic
18 dispersion and community need.

19 Texas City is a community of about 42,000
20 residents, yet we must compete with the Houston
21 metropolitan area for funding in many programs, not just
22 housing. Without a doubt, our needs are as great as those
23 in Harris County and in Fort Bend County.

24 Our construction costs are the same. Our

1 insurance costs, because of our proximity to the coast,
2 are a bit higher. But since our affordable rents are
3 about 25 percent lower, and our markets do not support a
4 larger, more cost-effective apartment project, we compete
5 with larger metropolitan cities for funding such as this.

6 With the exception of the project selected for
7 the rural set-asides, all projects recommended in Region
8 Six, as indicated by Senator Mike Jackson, are located in
9 the Houston SMSA. There is a total of 944 units, which
10 includes 400 units of senior housing in Harris County and
11 182 units of senior housing in Fort Bend County.

12 Texas City, on the other hand, has never
13 received an allocation of tax credits for senior housing.

14 In fact, the entire history of tax credit program,
15 Galveston County, which has a population in excess of
16 261,000, has received only 32 units as senior housing tax
17 credits.

18 This housing is needed in our community. We
19 have approximately 300 seniors on a waiting list for 2
20 small HUD elderly projects and for housing choice
21 vouchers. It is my understanding that you as a board have
22 approximately \$645,000 in credits to award.

23 Texas City respectfully requests \$416,000 in
24 credits. I am asking you to give every consideration to

1 selecting our community and this project for an award of
2 tax credits using the credits still available to you for
3 allocation.

4 Again, I appreciate your time, I appreciate
5 your attention, and most certainly appreciate your
6 favorable consideration of this project. Thank you so
7 much.

8 MR. JONES: Thank you, Mayor. Appreciate you
9 being here.

10 MR. GARZA: Thank you, Chairman Jones.

11 MR. JONES: Mr. Eduardo Hagert?

12 MR. HAGERT: Good morning, Commissioners, Ms.
13 Carrington, Chairman Jones, board members. My name is
14 Eduardo Hagert. I'm Senator Eliot Shapleigh's Chief of
15 Staff. Senator Shapleigh wanted me to read a letter that
16 he sent for the record. It says the following:

17 "Dear Ladies and Gentlemen of the Board. This
18 letter is in strong support of the Suncrest Town Homes low
19 income tax credit development, application number 03223,
20 in El Paso. El Paso supports allocation of credits to
21 Region Thirteen and specifically this application in
22 support of the affordable housing needs of our community.

23 "I urge the board to give their full support to
24 this application in accordance with the qualified

1 application plan and the process adopted by the TDHCA
2 board. Very truly yours, Eliot Shapleigh."

3 And he just wanted to add that the need for
4 development for low income housing development in El
5 Paso -- it's great and he just wanted to voice his strong
6 support for this proposal. Thank you.

7 MR. JONES: Thank you, sir. Mr. David Saling?
8 Mr. Terry Campbell?

9 MR. CAMPBELL: Chairman Jones, board members,
10 Terry Campbell, Campbell-Hogue and Associates representing
11 Villas on Sixth. I think we've heard a number of good
12 comments regarding our proposal and for a project that did
13 not make the short list, I don't think I've seen more
14 support.

15 I guess my question is, is there a way to add
16 this particular proposal to the agenda so that it can be
17 treated as an agenda item and at that point then the board
18 would have the opportunity to consider sending that
19 proposal to the underwriting staff. Is that something we
20 can do today or -- ?

21 MR. JONES: I don't believe we can add things
22 to our agenda. I would look at our counsel.

23 MR. WITTMAYER: The agenda includes all
24 applications [indiscernible].

1 MR. CAMPBELL: Today.

2 MR. JONES: Perfect.

3 MR. CAMPBELL: It does. Thank you.

4 MR. JONES: So it can be considered, but we
5 can't add it to the agenda.

6 MR. CAMPBELL: Well, in light of that then, I
7 would simply ask that the board consider sending the
8 Villas on Sixth to underwriting, in the event that there
9 are tax credits available from 2003, return credits, or
10 potentially 2004 carryforward. Thank you very much.

11 MR. JONES: Thank you, sir. Mr. Bobby Bolling?

12 MR. BOLLING: If I can defer until the agenda
13 item?

14 MR. JONES: Mr. Arthur Fiero?

15 MR. FIERO: Good morning Mr. Chairman, board
16 members.

17 MR. JONES: Good morning.

18 MR. FIERO: My name is Arthur Fiero. I'm from
19 El Paso, Texas. I reside in District 8. Anthony Cobes,
20 the mayor pro tem, asked me if I would come out and read
21 the resolution that city council passed on June 17 in
22 reference to the Suncrest Town Homes, project 03222.

23 Unfortunately, as many of you and many of us
24 know, we're at the mercy of our calendars, the mercy of

1 our agendas, and the mercy of our wife controlling them.
2 Anthony's out of town and he's going to be gone for a
3 couple more days and he couldn't make this trip, but it
4 was so important to him, he asked me if I would come down
5 and read the resolution to the board, if you don't mind.

6 "The resolution that the City of El Paso
7 expresses to the Texas Department of Housing and Community
8 Affairs, its opposition of public-housing project known as
9 Suncrest Town Homes, project 03223.

10 "Where Suncrest Town Homes is a partnership
11 between the El Paso Housing Authority and Investment
12 Builders, and whereas Suncrest Town Homes, project 03223,
13 is proposed to be located in District 8, which is
14 represented by Anthony Cobes, mayor pro tem.

15 "And whereas this project is proposed to be
16 located near five other public housing projects, which has
17 created an over abundance of public housing in the general
18 vicinity and over 591 units existing and another 200
19 planned by the El Paso Housing Authority by the end of
20 this year. Nine hundred and eleven within a quarter mile
21 of the proposed site.

22 "Whereas Suncrest Homes -- Townhouse Homes --
23 will add another 160 public-housing units to the area
24 which is reaching the point of discrimination by forcing

1 poor families to live in one isolated area with little or
2 no flexibility to live elsewhere.

3 "And whereas the model of creating clusters of
4 hundreds of families into a mass public housing project in
5 order to accommodate local housing authorities has been a
6 failure nationwide and whereas this [indiscernible] to
7 assimilate disadvantaged poor families into working class
8 society.

9 Signed by the mayor of El Paso, Joe Wardy.

10 I appreciate your time. I need to go find
11 Senator Barrientos because -- for 165,000 -- million, I'm
12 sorry -- you could put a little stool at this podium.
13 Thank you.

14 MR. JONES: Thank you.

15 MR. CONINE: I've got a question.

16 MR. JONES: Go ahead. We have a question, sir. MR.

17 FIERO: Sir?

18 MR. JONES: We have questions.

19 MR. FIERO: Thank you, sir.

20 MR. CONINE: How is the El Paso Housing
21 Authority board members -- how are they selected?

22 MR. FIERO: If I could defer that to the
23 housing authority staff that's here. Again, I'm just a
24 member of District 8 and I was asked to read the

1 resolution to the board members and the committee today.

2 MR. SALINAS: I think they are appointed by the
3 mayor.

4 MR. CONINE: Are they?

5 MR. SALINAS: I appoint mine.

6 MR. CONINE: Well, they're different in every
7 city and I'm just curious how they -- whether there was --

8 MR. FIERO: It's my understanding -- but again,
9 I would defer to the staff that's here from the El Paso
10 Housing Authority.

11 MR. CONINE: Okay. I can ask later.

12 MR. JONES: Yes? Excuse me.

13 MR. BOGANY: I had a question --

14 MR. FIERO: Yes, sir?

15 MR. BOGANY: -- and I guess this regards to the
16 City of El Paso. Did you guys approve them building this
17 apartment complex for the zone for that area and said,
18 Hey, did it go through your standards of going through a
19 planning and zoning commission there and was approved and
20 you guys voted to approve this project?

21 MR. FIERO: Again, I'm a constituent in
22 District 8. I imagine it did go through on promises, but,
23 again, I can defer to the staff from the El Paso Housing
24 Authority that's here.

1 MR. BOGANY: Okay. I'd like to know that if
2 they're here.

3 MR. FIERO: Yes, sir. They are here.

4 MR. BOGANY: Okay.

5 MR. FIERO: It's a -- it's like a bus load --
6 five loads here.

7 MR. JONES: If anybody -- just to kind of keep
8 things orderly -- if there's anybody wherever -- the
9 housing authority that has a witness affirmation form, if
10 you would come to the podium now, I'll let you speak now
11 and you can answer the questions and also provide us with
12 your information.

13 MR. FIERO: Thank you for your time.

14 MR. JONES: Thank you, sir. I need you to
15 identify yourself, sir.

16 MR. MONTIEL: Yes, and I'll fill out the form
17 as soon as --

18 MR. JONES: Don't we already have a form?

19 MR. MONTIEL: No, sir, you don't.

20 MR. JONES: Okay. Right.

21 MR. MONTIEL: My name is Rudolph Montiel. I'm
22 the president and CO of the Housing Authority of the City
23 of El Paso.

24 MR. JONES: Thank you.

1 MR. CONINE: How is the board selected?

2 MR. MONTIEL: The board is selected on
3 staggered two year terms by the mayor.

4 MR. CONINE: By the mayor. So they're all
5 appointees of the mayor.

6 MR. MONTIEL: Indeed.

7 MR. SALINAS: But you have a new mayor.

8 MR. MONTIEL: That is correct.

9 MR. SALINAS: You have a new mayor.

10 MR. MONTIEL: We -- the city has just selected
11 a new mayor and four new council members.

12 MR. JONES: Mr. Bogany?

13 MR. SALINAS: This zone where these apartments
14 are supposed to get approved today are zoned for --

15 MR. MONTIEL: They're zoned for apartment
16 construction -- for multifamily construction.

17 MR. SALINAS: So there was no opposition as far
18 as the area where they're going to be -- this area was
19 selected for this kind of apartments?

20 MR. MONTIEL: Indeed. The zoning is with the
21 property.

22 MR. SALINAS: Thank you.

23 MR. JONES: Yes, sir?

24 MR. BOGANY: So the City of El Paso has passed

1 the planning and zoning commission, and you guys, I guess,
2 passed and voted as a city council this was okay to put
3 these units here. Where my concern is, is then why would
4 you turn around and do a resolution saying that you don't
5 want the units there if you allowed them to get to that
6 point -- to even get to us?

7 You know, it seems as though you passed them
8 and then gave them to us and says you guys make a decision
9 on it. And I do have a problem with the concentration of
10 so many units in one spot. I -- and I don't see how the
11 city council didn't have a problem with it.

12 I think the project, you know, the persons
13 doing them, the companies doing this, you know, good
14 project, do good units, but the issue I got, if you look
15 at the map, they're all in one spot and I just don't
16 understand why the City of El Paso -- and I met Mr. Cobes,
17 he was in Dallas and he mentioned it to us there, and he
18 gave me some information, then he sent me a letter so I --
19 I mean he's been kind of hitting me left and right with
20 information about this project.

21 But I'm just curious, you know, looking at the
22 map that we have that he sent to us, it just seems to be a
23 heavy, heavy concentration.

24 MR. MONTIEL: Mr. Bogany, we at the Housing

1 Authority are equally dismayed that the information
2 presented is erroneous. You can see 75 percent of our
3 public housing units in El Paso are below the freeway in
4 the predominately Hispanic south side of El Paso, Segunda
5 Barrio, central area of El Paso, and the lower valley.

6 Actually, only 9 percent of our public housing
7 units are on the west side of the city. So to
8 characterize this as a concentration of public housing
9 units is completely disingenuous. Moreover, within a
10 quarter-mile area, the resolution cites 900-and-something
11 public housing units.

12 The reality of it is, we only have 184 public
13 housing units there; one community, the Jackie Robinson
14 Community. As far as planning to build more, that's
15 completely incorrect as well. In fact, a subdivision that
16 we own across the street has just been sold to eleven
17 private builders to create a market rate mixed income
18 community.

19 So the Housing Authority has no more plans to
20 build additional public housing units there on the order
21 of magnitude specified in the resolution. In the mixed
22 income community, we will be building ten single-family
23 homes and we will put public housing families in there,
24 and then convert those to private home ownership in the

1 very near future.

2 MR. BOGANY: Question.

3 MR. MONTIEL: Yes, sir.

4 MR. BOGANY: The red dots there are the public
5 housing --

6 MR. MONTIEL: Yes, sir.

7 MR. BOGANY: -- in the area? Where is this
8 community located?

9 MR. MONTIEL: This community -- and I'll speak
10 louder, excuse me -- this community is located here.

11 MR. BOGANY: Okay. So that's why you were
12 saying the majority of the units are on the other side of
13 the freeway?

14 MR. MONTIEL: Right. They're all in here in
15 the predominately Hispanic, much lower income areas of El
16 Paso. So we believe that actually what we have done is
17 attempted now to begin the process of deconcentration.
18 This would actually be a good thing because we're building
19 it on the affluent west side of El Paso.

20 MR. BOGANY: Okay. All right.

21 MR. SALINAS: I've always believed that the
22 city and their plans on how they build their city -- they
23 selected this area to be housing or -- I mean --

24 MR. MONTIEL: Yes, sir. It conforms with the

1 master plan for that city --

2 MR. SALINAS: The master plan, and it --

3 MR. MONTIEL: -- and it was approved by the
4 previous mayoral administration.

5 MR. SALINAS: Yes, and it is a good plan and
6 we've seen the housing -- how they included the housing,
7 the business there -- they've done a good job in El Paso,
8 and I think this is a good project for them to have on the
9 west side.

10 And we were -- later we went through that area
11 and saw so many things happening to El Paso. I don't know
12 why this resolution's coming out of city council. Maybe
13 because it's a new mayor, but their plans are -- have
14 always been -- outstanding and they're affordable homes
15 and what they've done for this Agency has been very, very,
16 very good.

17 And I think that the area was zoned for that
18 and it should be for that and no question from us.

19 MR. MONTIEL: Yes, sir.

20 MR. SALINAS: My problem is when they don't
21 zone it and they want to do something there --

22 MR. MONTIEL: Correct.

23 MR. SALINAS: -- you know, and we have a little
24 problem with Houston and I'm only going to mention it

1 because they don't have any zoning.

2 They don't have any zoning; they can't control
3 it. But we do have zoning in the rest of the cities. And
4 thank God that we do that so we don't have any business
5 getting into it, so just to prove this project would be a
6 great thing for El Paso on the west side.

7 MR. MONTIEL: Thank you, sir.

8 MR. BOGANY: Thank you.

9 MR. MONTIEL: Mr. Jones, thank you so much for
10 it.

11 MR. JONES: Thank you. Appreciate it. If
12 you'd fill out the form and turn it in to the award
13 committee. Thank you greatly. Mr. Robert Joy or Jay?

14 MR. JOY: I'd like to defer, please.

15 MR. JONES: Okay. Mr. Vaughn Mitchell.

16 MR. MITCHELL: No comment at this time
17 [indiscernible].

18 MR. JONES: Okay, does that mean you'd like to
19 speak at the agenda item?

20 MR. MITCHELL: Possibly so.

21 MR. JONES: Possibly, okay. Mr. George Fuller.

22 MR. FULLER: I have no comment at this time.

23 MR. JONES: There's a lot of that going around.
24 Mr. Keith Puhlman.

1 MR. PUHLMAN: I'd like to defer to the agenda
2 item, sir.

3 MR. JONES: Yes, sir. Mr. Trey Salinas. Mr.
4 Salinas? Mr. Trey Salinas? Mr. McKinnon Morton? Mr.
5 Morton?

6 MR. SALINAS: Sorry, Mr. Chairman, I just
7 wanted you to be very sure to favor the Villas on the
8 Sixth --

9 MR. JONES: Okay.

10 MR. SALINAS: -- application.

11 MR. JONES: We got you. Thank you. And you're
12 Mr. Morton, right?

13 MR. SALINAS: Salinas.

14 MR. JONES: Oh, excuse me. Okay, Salinas.
15 Thank you, sir. McKinnon Morton? Oh, excuse me.

16 MS. MORTON: That's okay.

17 MR. JONES: Ms. Morton.

18 MS. MORTON: Good morning. My name's McKinnon
19 Morton and I would like to go on record in support of the
20 Campbell-Hogue project of the Villas on Sixth.

21 MR. JONES: Thank you.

22 MS. MORTON: Thank you.

23 MR. JONES: Kalinda Howe.

24 MS. HOWE: Good morning. I, too, would like to

1 go on record supporting Campbell-Hogue's project Villas on
2 Sixth, item number 03160. Thanks.

3 MR. JONES: Thank you so much. Isaac Kinungi?

4 MR. KINUNGI: [indiscernible].

5 MR. JONES: Okay, do you want to wait until the
6 agenda item?

7 MR. KINUNGI: When you start on the agenda,
8 right? Are you on the agenda? We want to appeal. It's
9 on the agenda today? Oh, yes? And we can say anything?

10 MR. JONES: Certainly. You can speak to the
11 board, sir.

12 MR. KINUNGI: Good morning.

13 MR. JONES: Good morning.

14 MR. KINUNGI: My name is Isaac Kinungi. I work
15 for J & P Properties and ours in an appeal to the board
16 regarding project number 03138 in Selma, Texas. Ours is
17 an appeal to reinstate seven points that were denied due
18 to two threshold items in the application which we feel
19 should have solved and made [indiscernible].

20 The two items -- one was the support letters
21 and we received support letters from the neighborhood
22 organization called Guadalupe Way United. And if look at
23 their filed documents, is on number three. The Department
24 argued that the record was not specific, but we believe

1 that it was specific since it mentioned the development
2 city and ran closing bidders on the only proposed project
3 in Selma.

4 However, when the Department sent the
5 deficiency notice, we had a clarification from the same
6 organization -- that is item number four -- and they
7 clarified the project they were supporting was Ram
8 Crossing [phonetic].

9 The other item, now on that item we were denied
10 two points, which we appeal to the board to reinstate. On
11 item number two was on the proof of delivery. We
12 initially sent letters to the area representative,
13 Elizabeth -- a Miss Jones -- as you can see on number
14 eight.

15 And when we called the district, they confirmed
16 that she represented the area.

17 We also have attached the same letter from the
18 same representative who had endorsed on a similar project
19 which was proposed in the area on an area application for
20 the 2002 tax credit, which is a clear indication that she
21 represented the area.

22 When the Department called the office, you
23 know, to tell us the new representative was Edmund
24 Grandfell [phonetic], we called the district and they said

1 according to the 2003 registration, that is the time which
2 was starting in the year 2000, he was the new
3 representative.

4 So we sent -- according to the Department
5 deficiency notice -- we wrote another letter to Edmund
6 Grandfell, which is on number seven, but the issue here
7 was the proof of delivery.

8 And when you go to the QAP, the QAP says the
9 proof of delivery is in the form of a certified mail
10 receipt and is not express it where -- whether the
11 certified mail receipt is from the U.S. Post Office or the
12 recipient.

13 Or when the recipient brought back the
14 certified receipt, it was not signed. And I took it to
15 the Department for clarification and it was not signed.
16 But they confirmed that they had received -- and it's also
17 attached in item number six.

18 Those were the two items that made the project
19 in Selma to be denied seven points, and we are appealing
20 to the board to reinstate the project so that -- to the
21 initial requested points, 94. Thank you.

22 MR. JONES: Thank you, sir. Yes?

23 MR. BOGANY: Can I ask the staff to respond to
24 him?

1 MR. JONES: Certainly.

2 MS. CARRINGTON: Mr. Bogany's asked staff to
3 respond so Brooke Boston, who is the Director of
4 MultiFamily Finance Production, would you like to address
5 the issues that have just been raised?

6 MS. BOSTON: Actually, this appeal is not on
7 the agenda today. It was received on Monday and is on the
8 appeal for -- on the board agenda -- for July, so --

9 MS. CARRINGTON: Okay. Thank you.

10 MR. JONES: Thank you. Mr. Joseph Agumadu?

11 MR. AGUMADE: Good morning, Mr. Chairman --

12 MR. JONES: Good morning.

13 MR. AGUMADE: -- and the members of the board.

14 I'm here to speak on behalf of the developer regarding
15 the Little York Villas, project number 03236. And last
16 week, I was regarding a few positions [indiscernible]
17 that's on record on the project.

18 Last week we had information that there was
19 some opposition and -- from some of the residents. And
20 yesterday there was a meeting held at 2:00 p.m. at the
21 home -- Acres Home multipurpose center. It was attended
22 by the president of the homeowners association, Reverend
23 Ingram and twenty other residents. It was basically to
24 discuss some of their concerns.

1 And we talked through all the issues and then
2 we came to an agreement where we agreed to work together.

3 Since then we received a letter -- or shortly before
4 that -- we received a letter from the elected official, a
5 state representative, Sylvester Turner, regarding the
6 project.

7 Some issues was, you know, of concern and those
8 are being discussed right now. And we have agreed to meet
9 again in two weeks to hash some of the issues out.

10 Just for the record, I want to state that there
11 are some, you know, very good support on this project from
12 the -- some of the elected officials including the county
13 commissioner and a city council member, Carol Mim Galloway
14 [phonetic] and also just to kind of let you know that we
15 have support on this project and I [indiscernible] to take
16 that into consideration. Thank you very much.

17 MR. JONES: Thank you, sir.

18 MR. AGUMADE: All right.

19 MR. JONES: Mr. John Trevino?

20 MR. TREVINO: Good morning, Mr. Chairman, and
21 members of the board. My name is John Trevino. I'm a
22 board member of the Capital Metropolitan Transportation
23 Authority. Excuse me.

24 This past Monday in a regular board meeting,

1 the Authority unanimously adopted the resolution which is
2 being passed to you and which we approved and commend the
3 Villas on Sixth for their endeavor.

4 Capital Metro, as we are known here in Austin,
5 is itself involved in redevelopment adjacent to this
6 property, Mr. Chairman, and we see a potential of mixed-
7 use development in our area. This is the area that was
8 described by Representative Eddie Rodriguez as one of low
9 income minority, primarily Hispanic.

10 And now that this area has been vacant for many
11 years -- I remember playing in this area as a kid -- and
12 that area has been vacant. Now we have a private sector
13 coming in and wanting to do something.

14 It is probably the only significant affordable
15 housing project in Austin that I can remember. It is
16 something that's sorely needed in our community. We think
17 that this fills a need that our community has been asking
18 for for a number of years.

19 I might point out also that the Villas on Sixth
20 Street has worked very diligently with the neighborhood
21 organizations that are situated there. And they have
22 agreed to comply with the neighborhood planning process.

23 We think that this will be a tremendous
24 addition to our community, so we ask you to look favorably

1 on the Villas on Sixth Street and give it your approval.

2 Thank you, sir.

3 MR. JONES: Thank you, sir. Frances Teran?

4 MS. TERAN: Good morning and thank you very
5 much for the opportunity to address you this morning. I'm
6 Frances Teran. I'm the president and CEO of the Mexican-
7 American Unity Council in San Antonio, Texas, and I'm here
8 to speak on behalf of project 03207, Velacio Del Sol
9 [phonetic].

10 Prior to submitting an application for tax
11 credits, we went through a lengthy process of reviewing
12 the application requirements and targeting our limited
13 resources to submitting the application and meeting all
14 the qualifications of the application.

15 We were initially in the at-risk category and
16 ranked number one under at risk and have subsequently been
17 taken out of the at-risk category. We're here to request
18 that we be placed back under at risk and have that --
19 restored to our number one ranking there.

20 We looked at the QAP, section 49.3 under
21 definitions, and noted the definition of the development
22 that would qualify it at risk and our proposal does meet
23 those qualifications.

24 Velacio Del Sol is a 202 project. It is over

1 20 years old. It is located in downtown San Antonio on an
2 incredibly prime piece of real estate that could be used
3 for a number of other types of projects. However, we are
4 committed to keeping that property as a senior-housing
5 development.

6 The property is in need of repair because of
7 its age -- plumbing, electrical -- the property is also
8 not air-conditioned -- no central air -- so we would like
9 to address all of those issues through this allocation of
10 tax credits.

11 We feel that we meet the qualifications and
12 that we should be placed back under that category. As I
13 said, the property is extremely valuable. We are talking
14 about not only preserving the 106 units of affordable
15 housing, but also adding 94 additional units.

16 At any given time, we could, if we so desired,
17 maintain a waiting list of over 600 people for -- to --
18 who want to live in the downtown area and in this
19 location.

20 We are located immediately across the street
21 from a hospital, we are two to six blocks from every major
22 financial institution in San Antonio, we are a few blocks
23 from a major grocery chain. It is an ideal location.
24 Just by getting on a city-operated trolley, our residents

1 can be in the downtown area in a matter of minutes.

2 We are requesting that this be reconsidered and
3 we would also request that if we cannot receive this
4 allocation of tax credits in this round, that we would be
5 considered for a 2004 forward commitment. Thank you.

6 MR. JONES: Thank you. Mr. Stuart Shaw?

7 MR. SHAW: Chairman, I want to defer.

8 MR. JONES: Mr. Paul Sedanta?

9 MR. SALDANA: Paul Saldana. I just want to be
10 shown on record as supporting the Villas allocation.

11 MR. JONES: Thank you. Mr. Frank Fuentes?

12 MR. FUENTES: Mr. Chairman, honorable members
13 of this committee. May it please the board, my name is
14 Frank Fuentes. I am the chairman for the United States
15 Hispanic Contractors Association and I am here in support
16 of the Villas on Sixth Street, which is application number
17 03160.

18 This is a \$17 million project. The economic
19 impact that a \$17 million project would have in the
20 community -- I can't even begin to tell you the impact --
21 it would be tremendous.

22 But more importantly, the people that would
23 work on a project of this size, of this nature, it would
24 provide them -- I'm talking about the laborers, I'm

1 talking about the roofers, I'm talking about the people
2 that will actually dig the trenches to lay the plumbing
3 lines -- people that sometimes don't earn that much
4 money -- not only will they get an economic opportunity,
5 but they would also have an opportunity to live in a
6 place -- because this is a project that would provide --
7 has an 85 percent restricted rent.

8 Here is an opportunity for not only for people
9 to build the project, but also an opportunity for them to
10 live in a project that they will build. These are people
11 that consistently build other people's dreams, but here
12 they are going to be able to not only work on the project,
13 but fulfill their own dreams.

14 So, sirs, madams, I would respectfully and
15 humbly ask that you would send this project for
16 underwriting. I'm not sure what the procedure is, but if
17 there is a possibility, I would humbly request that that
18 would happen.

19 Again, Mr. Chairman, and honorable members of
20 this board, I thank you for this opportunity and, again,
21 thank you.

22 MR. JONES: Thank you, sir. Mr. Donald Jones?

23 MR. DONALD JONES: I'll defer comment.

24 MR. JONES: Rose Estrada?

1 MS. ESTRADA: Good morning.

2 MR. JONES: Good morning.

3 MS. ESTRADA: My name is Rose Estrada and I am
4 from east Austin and I have a small business on East Sixth
5 where the Villas on Sixth, application 03160, and I am
6 here in -- to say that I hope that you approve the monies
7 or whatever -- this is new to me -- but like the gentleman
8 was saying in the Hispanic contractors association --
9 is -- it is very vital -- that we need that housing
10 project in that area.

11 Not only that, we need for the economy
12 development in that area, plus the redevelopment of that
13 area because of a lot of that area is decayed. So we need
14 something new in that area and I hope that you will
15 approve whatever is needed to place it there.

16 MR. JONES: Thank you, ma'am. Now at this
17 point in time we will close our period of public comment.

18 I believe I have called on everyone who's filled out a
19 witness affirmation form.

20 And with the exception of those individuals who
21 deferred to the agenda item 2B -- I believe everyone
22 wishes to speak to 2B -- you have been called. Has anyone
23 not been called?

24 (No response.)

1 MR. JONES: We will be in closed until the time
2 for public comment. With that and with the board members'
3 permission, it would be my suggestion that we take a --
4 excuse me? Yes, ma'am?

5 I would like to take this opportunity first to
6 thank Senator Royce West for graciously allowing us to be
7 here today and sponsoring us for this building. I would
8 also like to recognize and thank Nancy Bragg from the
9 Lieutenant Governor's office who is here. Nancy, thank
10 you for being here. Eric Opiela?

11 MS. CARRINGTON: Opiela.

12 MR. JONES: Thank you. Appreciate you, Eric.

13 MS. CARRINGTON: He'll get it right, Eric.

14 MR. JONES: I'm getting there. And Jeremy
15 Mazur from Senator Bill Callegari's office. We appreciate
16 you being here. Thank you all for being here. With that,
17 and with the boards permission, it'd be my suggestion we
18 take a five-minute break, then we'll turn to item one on
19 the agenda.

20 (Whereupon, a short recess was taken.)

21 MR. JONES: We'll turn, with the board's
22 permission, to Item 3A-1. Ms. Carrington?

23 MS. CARRINGTON: Thank you, Mr. Chairman. We'd
24 like to move to Item 3A-1. In case there's anybody in the

1 audience that is here for the awarding of the HOME funds
2 in single family, we did post this notice on our website
3 earlier this week, and I'd like to read the statement that
4 we have on our website into the record.

5 "The 2002-2003 Home Investment Partnership
6 program funding recommendations scheduled for the June 25,
7 2003 board meeting have been postponed until the TDHCA
8 July 30 board meeting. We apologize for any inconvenience
9 this may have caused.

10 "The postponement is due, in part, to scoring
11 ties that occurred in several of the uniform state service
12 regions and a delay by HUD in the signing of TDHCA's 2003
13 grant agreement. In some instances, applications that had
14 scoring ties were not awarded a pro rata share of the
15 remaining regional funds.

16 "Correcting these award amounts may affect
17 other applicants who previously were recommended for
18 funding. In an effort to be fair and consistent and
19 accurate for all applicants, TDHCA staff has requested
20 that the recommendations be postponed to correct any
21 discrepancies.

22 "This will result in the presentation of all
23 single family and multifamily HOME funding recommendations
24 being made at the July 30 TDHCA board meeting."

1 Thank you.

2 MR. JONES: Thank you and we appreciate your
3 help in that regard. I would also just like to point out
4 to my fellow board members that the July board meeting
5 will probably be delightfully long, so we will get to
6 spend a lot of time together and if I can't see Mr. Conine
7 at least every week, I just miss his pretty face too much,
8 you know.

9 Speaking of Mr. Conine, let's turn to Item 1 on
10 the agenda. Mr. Conine.

11 MR. CONINE: Thank you, Mr. Chairman. We've
12 got two multifamily mortgage revenue bond proposals. Ms.
13 Carrington.

14 MS. CARRINGTON: Thank you, Mr. Chairman.
15 Before I go to those, I have two things I want to say and
16 the first one is that I want to thank the TDHCA board
17 members for you all's dedication and your commitment and
18 for your willingness to have two board meetings in June.
19 You'll notice that we have 100 percent of them here today.
20 Delores does a wonderful job and we thank you all for
21 being here. I appreciate that.

22 MR. JONES: She hounds us to death. And I
23 would like to note that you're being very gracious about
24 the two board meetings because it -- but just for the

1 record, it was done over the Chairman's protest. Vehement
2 protest.

3 MS. CARRINGTON: Vehement protest.

4 MR. JONES: And screams.

5 MS. CARRINGTON: Yes.

6 MR. JONES: Thank you.

7 MS. CARRINGTON: Yes. Thank you, Mr. Jones,
8 for being here, and the rest of the board members. And
9 the second thank you I'd like to provide is to the
10 Multifamily Finance Production staff who have the bulk of
11 the agenda today, and that is for the recommended list for
12 the tax credits, and also for the recommendations on the
13 housing trust fund awards.

14 If I may, Mr. Jones, may I ask our Multifamily
15 Housing Production staff to stand up?

16 MR. JONES: Yes, ma'am.

17 MS. CARRINGTON: All right. I'd like to stand
18 up and acknowledge you all. Thank you.

19 MR. JONES: That way everybody will know who to
20 shoot at. You all thought she was being nice.

21 MS. CARRINGTON: With that, Mr. Conine, I will
22 move to the first item on the agenda, the Timber Oaks
23 Apartments, Grand Prairie, Texas. This is a 264-unit
24 proposed new construction development.

1 It's a priority one bond transaction. It has a
2 tax-exempt and a taxable component, 10,900,000 in tax-
3 exempt bonds with an interest rate of 6.75; 2,300,000 in
4 taxable bonds, interest rate of 8.75.

5 The anticipated closing date of this
6 transaction is July 22. The amount of the tax credit
7 allocation that is being recommended by the Department is
8 \$640,007 in tax credits. On the tax credit
9 recommendation, there was one condition -- well, there are
10 three conditions to commitment, which are our fairly
11 standard conditions -- however, condition number two,
12 receipt of evidence of consistency with the local
13 consolidated plan of Grand Prairie by the date of the
14 board meeting, or staff recommendation will be
15 rescinded -- we have received a copy of the consolidated
16 plan of the City of Grand Prairie and we have reviewed the
17 plan and believe that it is consistent with the
18 consolidated plan of Grand Prairie.

19 With that, Mr. Conine, I will end.

20 MR. CONINE: Let me move for the adoption of
21 the mortgage revenue bonds for the Timber Oaks Apartments,
22 now not to exceed 13,200,000, and the tax in the issuance
23 of determination notice in the amount of \$640,007 for low
24 income tax credits and that's resolution number 03-50.

1 MR. BOGANY: So -- second.

2 MR. JONES: Motion's been made by Mr. Conine.
3 It's been seconded by Mr. Bogany. We have a motion on the
4 floor. Discussions, questions, comments? Hearing none, I
5 assume we're ready to vote. All in favor of the motion,
6 please say aye.

7 (A chorus of ayes.)

8 MR. JONES: All oppose the motion say nay.

9 (No response.)

10 MR. JONES: The motion carries.

11 MR. CONINE: Want to go on to the second?

12 MS. CARRINGTON: Yes, sir.

13 MR. CONINE: Go ahead.

14 MS. CARRINGTON: Okay. Item 1A-2 on the
15 agenda, the proposed issuance of multifamily mortgage
16 revenue refunding bonds for Reading Road Apartments in
17 Rosenberg in an amount not to exceed \$12,200,000.

18 The issuance of these bonds initially was
19 approved by the board in January of this year. The board
20 was told at that time that the development would be coming
21 back for a refunding.

22 There's a Freddie Mac commitment, a Freddie Mac
23 credit enhancement involved in this transaction, and the
24 developer was unable to get Freddie Mac on board in time

1 in January, and so when the bonds were issued, the bonds
2 were issued as a private placement in January.

3 The restructuring of this transaction is still
4 the same amount of funds, it's 12,200,000; 10,250,000 in
5 tax-exempt; 1,950,000 in taxable bonds. However, with
6 this restructuring of the transaction, it is substantially
7 lowering the interest rate, also providing credit
8 enhancement, triple A rated bonds on the transaction.

9 It is currently under construction and the
10 Department staff is recommending the refunding of the
11 bonds for Reading Road Apartments.

12 MS. ANDERSON: Move.

13 MR. CONINE: Move.

14 MR. SALINAS: Second.

15 MR. JONES: The motion to be included --

16 MS. ANDERSON: Second.

17 MR. JONES: Was that --

18 MS. ANDERSON: Well, I moved --

19 MR. JONES: I think Ms. Anderson made the
20 motion initially.

21 MR. SALINAS: I seconded. Can it be approved?

22 MR. JONES: And the Mayor seconded it.

23 MR. SALINAS: Could I ask the maker of the
24 motion if she'd accepts the resolution 03-51 on that one?

1 MS. ANDERSON: Absolutely.

2 MR. SALINAS: Thanks.

3 MR. JONES: We have a motion on the floor.

4 It's made and seconded. Further questions, comments,
5 discussions? Hearing none, I assume we're ready to vote.

6 All in favor of the motion, please say aye.

7 (A chorus of ayes.)

8 MR. JONES: All opposed the motion, please say
9 nay.

10 (No response.)

11 MR. JONES: The motion does carry.

12 We will then turn to Item 2A on the agenda.

13 Ms. Carrington?

14 MS. CARRINGTON: I'd like to ask my Chair of
15 the finance committee if he likes his colored maps.

16 MR. CONINE: I love them.

17 MS. CARRINGTON: Okay. Thank you, Mr. Conine.

18 The next item on the agenda is the issuance of
19 determination notice, tax exempt bond transaction with a
20 local issuer. And the local issuer on this transaction is
21 the Capital Area Housing Finance Corporation.

22 The property is located in Cedar Park, Texas,
23 Cedar Park Ranch Apartments. The Department is
24 recommending a credit allocation in the amount of

1 \$413,771. This transaction is a priority-one bond
2 transaction.

3 It is proposed to be an elderly -- a
4 transaction for elderly residents, and also proposed to
5 have home funds allocated from the Department with this
6 transaction.

7 And staff is recommending the issuance of the
8 commitment notice for \$413,771 in low income housing tax
9 credits.

10 MR. CONINE: Move for approval.

11 MR. GONZALEZ: Second.

12 MR. JONES: We have a motion by Mr. Conine. I
13 think it's been seconded by Mr. Gonzalez. Further
14 questions, comments, discussions?

15 MS. ANDERSON: I have a question --

16 MR. JONES: Yes.

17 MS. ANDERSON: -- please. This development,
18 you know, includes a HOME award, and I -- if I read the
19 underwriting report correctly, it indicated that the HOME
20 award is not necessary for the deal being financial
21 feasible and so I was trying to understand why we are
22 doing that -- why we're proposing that.

23 MS. CARRINGTON: If I may, I'd like Tom Gouris
24 to respond to that, Ms. Anderson.

1 MR. GOURIS: Tom Gouris, Director of Real
2 Estate Analysis. We underwrote the transaction with the
3 HOME funds included because there is a concurrent
4 application for HOME funds.

5 It -- they would meet all of our requirements
6 for HOME funds, and therefore we would recommend them if
7 we were making HOME recommendations today. That will
8 probably happen next month at the July meeting.

9 The need for the HOME funds is there in that
10 the developer fee -- more of the developer fee -- would
11 have to be deferred without those HOME funds, and so the
12 cushion that's in the transaction would be better with the
13 HOME funds included.

14 MS. ANDERSON: I'm just looking at -- okay,
15 well it's -- so then the application -- or the
16 underwriting report -- indicates that the proposed
17 deferred developer fees amount to less than 15 percent of
18 the total fees? Let's see -- so what would happen to the
19 HOME -- what would happen to the deferral of developer
20 fees if the HOME -- the loan -- was not in the deal?

21 MR. GOURIS: It -- they would go up by a
22 million dollars.

23 MS. ANDERSON: By a million dollars?

24 MR. GOURIS: Yes, but --

1 MS. ANDERSON: So we didn't send it?

2 MR. GOURIS: Right. No, the entire HOME amount
3 would have to be filled with deferred developer fee.

4 MS. ANDERSON: Okay, I'm with you. And then I
5 have one other quick question, okay.

6 MR. CONINE: Of Mr. Gouris?

7 MS. ANDERSON: In the market study, when they
8 talk about the low end market, submarket demand for rental
9 units, on page 4 the underwriter indicates there's a
10 demand for 57 to 99 senior rental units per year and then
11 this says we're -- this is a proposal for 180 units -- so
12 what am I missing? I'm not used to seeing that kind of
13 specific language around senior units, so I --

14 MR. GOURIS: It's based on household -- it's
15 based on growth.

16 MS. ANDERSON: On growth.

17 MR. GOURIS: Yes, that's the growth amount of
18 the demand.

19 MS. ANDERSON: Okay. Thank you.

20 MR. JONES: Further questions, comments,
21 discussion?

22 (No response.)

23 MR. JONES: We have a motion on the floor.
24 It's been seconded. I assume we're ready to vote, then.

1 All in favor of the motion, please say aye.

2 (A chorus of ayes.)

3 MR. JONES: All opposed to the motion, please
4 say nay.

5 (No response.)

6 MR. JONES: The motion carries.

7 We will then turn to Item 2B on our agenda, and
8 at this point we will take public comment on Item 2B on
9 the agenda. First one is Mr. Vincent Dodds. Mr. Dodds.

10 MR. DODDS: Thank you, Mr. Chairman, board.
11 I've come to show my support and I'm in favor of the
12 Suncrest Town Homes in El Paso, Texas, property number
13 03223.

14 MR. JONES: Thank you, sir.

15 MR. DODDS: Thank you.

16 MR. JONES: Mr. Alfonso Velarde? Mr. Velarde?
17 Mr. Monty. I think Mr. Monty will speak to both
18 Whispering Sands and Suncrest Town Homes.

19 MR. MONTY: Thank you. Chairman Jones and
20 board members, I'm here today to speak on behalf of
21 Suncrest Town Homes. My name is Ike Monty. I'm president
22 of Investment Builders. We're partnering with the El Paso
23 Housing Authority of the City of El Paso. This project is
24 before the board and has staff approval.

1 I know that many of you have been to El Paso
2 and, if you remember, one of the other developments that
3 you toured was also on the west side of El Paso. The west
4 side of El Paso is the more affluent part of the city.

5 The west side of El Paso has better schools,
6 better shopping, better services, new libraries. If
7 you're in El Paso and you want to live on the west side,
8 the Suncrest Town Home community will have 16 market rate
9 units, 144 affordable units.

10 This is an opportunity for lower income
11 families to live on the west side. The project is zoned
12 for multifamily and we stand behind our statements earlier
13 that we believe that the affordable housing should be
14 disbursed throughout the city and there is a lack of
15 affordable housing on the west side.

16 This is not a public housing development. I --
17 usually when I speak in front of various municipalities, I
18 always let them know that if there's a problem, they have
19 my number and there -- this is not, again, a public
20 housing project. I'm accountable to you, the board, and
21 if there's problems, I've always been -- there hasn't been
22 many, if any, but I've always taken care of them.

23 We followed the QAP, we have the second highest
24 scoring nonprofit development in the city, and we look for

1 your favorable consideration. We appreciate the hard work
2 of the staff and we think that we've always been a good
3 partner with this board. Thank you very much for the
4 time.

5 MR. JONES: Thank you, Mr. Monty. Yolanda --
6 I'm just going to leave it at that, so Conine won't make
7 fun of me. He's hurt my feelings today.

8 MR. BOGANY: He called you a lawyer?

9 MS. GINER: Good morning. I'm happy to fill in
10 that blank, it's Giner, Yolanda Giner.

11 MR. JONES: Thank you.

12 MS. GINER: I am just here in support of the
13 Suncrest project and I really don't have any other
14 comments but that. Thank you.

15 MR. JONES: Thank you so much. Cynthia Bast?

16 MS. BAST: Good morning. I'm Cynthia Bast from
17 Locke, Liddell and Sapp. I'm here in support of the
18 Suncrest Town Homes, project number 03223. It is the
19 number two scoring project in the nonprofit set-aside in
20 this state.

21 Your board establishes a QAP that has selection
22 criteria that articulate your priorities for what you
23 think makes good housing in this state. And Investment
24 Builders studied those priorities and put together an

1 application that creates a very desirable project and thus
2 their number two score.

3 The town home style project, mixed income units
4 for the lowest income, which is a TDHCA priority, it
5 involves a nonprofit and a HUB, additional special
6 financing available from the housing authority and it's on
7 the west side of El Paso in a very desirable area.

8 It's unfortunate that this new city council,
9 they don't -- only been on the job a couple of weeks when
10 they passed this resolution -- seems to misunderstand this
11 project on several levels. They seem to misunderstand it
12 as referring it to as public housing, which it is not;
13 referring to a concentration issue, which you have
14 previously seen was dispelled.

15 But we're confident that we can educate this
16 city council on why this is an important affordable
17 housing project for the City of El Paso. And we
18 appreciate the staff's recommendation that this project be
19 placed on the list. Thank you.

20 MR. JONES: Thank you. Corrine Vonberg?

21 MS. VONBERG: Good morning. Corrine Vonberg.

22 I'm --

23 MR. JONES: Good morning.

24 MS. VONBERG: -- glad to be before you again

1 one more time and to let you know that I am in full
2 support of this project and would appreciate your support
3 as well. Thank you.

4 MR. JONES: Thank you. Bobby Bowling?

5 MR. BOWLING: Good morning ladies and
6 gentlemen, members of the board, Ms. Carrington. I'm here
7 to speak in favor of my projects in El Paso, Tropicana
8 Palms, Capistrano Palms and Diana Palms. The first thing
9 that I'd like to point out to you all is that my project,
10 Diana Palms, scored 107 points. It is the highest-scoring
11 project in the State of Texas.

12 My other two projects scored 106 points,
13 Capistrano and Tropicana Palms. You have four projects in
14 the State of Texas that have made it through to this
15 point, that scored 106 points, two of them are on the list
16 recommended for funding and the other two, mine, are not.

17 Also, by the way, your Diana Palms 107 score is not
18 recommended for funding.

19 Now I understand the set-aside process and I
20 understand how a project like mine can get squeezed out.
21 I understand that there's nonprofit set-asides mandated by
22 the federal government. You all have elderly set-asides,
23 rural set-asides and at risk, acquisition rehab set-
24 asides.

1 However, I do think that -- also my projects
2 have a tax credits per unit value that are less than the
3 bang for the buck from TDHCA tax credits on my projects.

4 If you did the calculation, you'll find that I'm asking
5 for less tax credits per unit than just about every
6 project in the state.

7 Getting back to the set-asides, I understand
8 the social needs and the political process of needing to
9 fill those set-asides, but I also understand that you set
10 up a scoring system, as Ms. Bast just eloquently presented
11 to you, that sets forth your social and kind of political
12 criterion that you look for in a project. I did that.

13 I make an emotional appeal to you at this
14 point, from my personal point of view. I examined your
15 QAP thoroughly and I put together a project with more
16 social services, more social criterion than any other
17 project in the State of Texas.

18 I understand, again, the set-aside criterion,
19 but what I'm appealing to you about today is, I saw in
20 your board book because I reviewed it on the internet last
21 week, that you all still have \$650,000 of unallocated
22 funds in this round that the federal government has given
23 you to spend.

24 And I understand there's other applicants that

1 aren't on the staff list, that are going to kind of be
2 competing for that money, or maybe you're going to get a
3 presentation from staff as to what to do with that money.

4 I think that in this instance, when you have the highest-
5 scoring projects in the state not recommended for funding,
6 and you have money left unallocated, that this is a
7 natural, to go ahead and fund these projects.

8 You also have future forward allocation
9 commitments that the federal government allows you to set
10 aside -- I think up to 10 percent for next year. And you
11 all made a policy decision, I think last year, that at
12 least you communicated to the developers at the workshops,
13 that those were going to be used for specific instances
14 and just kind of very extreme circumstances. I think
15 these projects are one of those extreme circumstances.

16 I couldn't have scored higher, really, on the
17 projects that I presented as evidenced in comparison with
18 the rest of the state, and I followed the rules in your
19 QAP and I attempted, I think, and accomplished, the
20 accomplishment of your goals better than any other
21 applicant in this state. And I think it would be wrong
22 not to fund my projects.

23 I also have the support of my state reps and my
24 state senators that have come before me to represent the

1 other project in El Paso. All their sentiments are
2 contained within my application. I didn't ask them or
3 represented to them to come reiterate their letters of
4 support in your projects.

5 And that's -- that pretty much takes care of
6 what I wanted to say about my projects, but if you would
7 allow me, Chairman Jones, indulge me a little bit to give
8 you some information about the process in El Paso because
9 I think there's some misinformation that's being
10 circulated this morning?

11 The way these projects work, and with the
12 project that's come before you with so much controversy
13 this morning, this Suncrest project, that's a site that is
14 across the street from the largest low income housing tax
15 credit project that's ever been awarded in the City of El
16 Paso, 128 units. It's across the street literally.

17 There's a big point of contention with the
18 Housing Authority's attorney with the resolution that was
19 presented to you here today. And I'm aware of all this
20 because I watched the hour and a half debate at city
21 council that occurred 10 days ago in my city.

22 Their definition of public housing seems not to
23 be the same as the City's definition of public housing.
24 The City's using the term "public housing" as kind of a

1 catchall for any subsidized housing, not just subsidized
2 by Section 8 housing authority. Tax credit, migrant farm
3 workers, other Section 8 housing, other public housing
4 projects in the area.

5 I think you all don't -- are not -- getting the
6 whole story this morning from the presentations that have
7 been before you. And Mayor Salinas, to answer your
8 questions about the planning and zoning, I examined this
9 parcel in preparing for this application round.

10 This project was already zoned for multifamily.

11 The point of contention with our city council is not
12 whether or not it is zoned or planned, it's a question of
13 concentration as Mr. Bogany stated.

14 Whether it's multifamily is not anybody's point
15 of contention. It's the type of multifamily. All the 60
16 percent AMFI and below that's concentrated in this one
17 quarter-mile area. Like I said, I examined that project
18 and I'd examined that site in preparing my applications.
19 I turned away from it. I, frankly, didn't think it would
20 even meet TDHCA's concentration policy.

21 Another big point of contention that was made
22 true at that city council meeting -- and this is my last
23 comment and then I'll sit down -- one of the big points of
24 contention at that city council meeting that took place 10

1 days ago, is you have our public governmental entity, the
2 Housing Authority of the City of El Paso, 51 percent owner
3 of this project through a nonprofit that they wholly and
4 totally control. This project did not go out to bid. We
5 have 80-plus builders and developers in the City of El
6 Paso that would have loved to have bid a government-
7 housing authority City of El Paso project.

8 This was brought out before our city council
9 and, frankly, that's why a lot of them voted against this
10 project. There's a lot more to this story than can be
11 given, I think, in the five minutes that we all have to
12 speak here, but I would urge you all to look strongly at
13 all the background information that you receive on that
14 project.

15 The resolution from the City of El Paso -- our
16 city is so pro-affordable housing -- El Paso, Texas -- we
17 have never had even a city rep, let alone our entire city
18 council, oppose an affordable housing project in the City
19 El Paso.

20 This is an unprecedented resolution that you
21 all have received from the city council of the City of El
22 Paso. We have a new mayor. The mayor voted, on record,
23 in opposition of this project. So, you know, I would urge
24 you to not look past the --

1 MR. SALINAS: Are you saying you're against
2 Suncrest?

3 MR. BOWLING: Yes, I --

4 MR. SALINAS: Well then that's what you need --

5 MR. BOWLING: -- I'm competing --

6 MR. SALINAS: -- to tell us.

7 MR. BOWLING: -- with them, Mayor Salinas. I
8 was --

9 MR. SALINAS: That's what you need to tell us,
10 not --

11 MR. BOWLING: -- wanted to point that out.

12 MR. SALINAS: -- cloud this because we've
13 stated before that we don't want to get into arguments
14 that -- what happens -- if you all don't like your plan,
15 then you need to go back and hire somebody to do a
16 comprehensive plan in El Paso. I don't think this Board
17 has anything to do with that fight.

18 I mean you all have your zoning, and that's all
19 we need to know. I think we have adequate staff that's
20 given us some good recommendations. And I don't think we
21 should argue with those staff unless we've gone over them
22 and we have our recommendation.

23 Now you're here telling us about your projects,
24 then you get off on the left hand and tell about the other

1 project. Now are you here on this item to speak against
2 Suncrest or speak in favor of your projects?

3 MR. BOWLING: Well, Mayor, I apologize if
4 I've --

5 MR. SALINAS: No, I mean --

6 MR. BOWLING: -- upset you, but I was trying
7 to --

8 MR. SALINAS: -- I just don't understand --

9 MR. BOWLING: -- provide some clarity.

10 MR. SALINAS: -- are you in favor of your
11 projects as you're telling us --

12 MR. BOWLING: Yes, sir.

13 MR. SALINAS: -- then you also wanted -- you
14 should have gotten on the item that we had Suncrest on,
15 and gotten up and opposed it. But you're getting up out
16 of hand here when you're directing and blaming us for
17 something that you all should take care of in El Paso.

18 And that's -- if you all don't like what you
19 have over there, then go out there and hire somebody to do
20 a comprehensive plan. If you have too much housing, then
21 go back and find somebody to do a comprehensive plan and
22 saying you do that. But we have to work with what we have
23 right now.

24 MR. BOWLING: Yes, sir. I understand.

1 MR. SALINAS: And I don't think we should be
2 involved and you have a new mayor, and fine, he's got some
3 time to replace the people on the housing authority
4 because he's -- that's his authority -- but for us to get
5 involved right now, we already have the recommendations
6 and I think they're good recommendations that we've
7 gotten.

8 MR. BOWLING: Yes, sir. I understand.

9 MR. SALINAS: And if you all don't like what's
10 going on in the project then, replace everybody on the
11 housing authority board.

12 MR. BOWLING: Yes, sir. I understand, Mayor.

13 MR. SALINAS: But we have nothing to do with
14 that.

15 MR. BOWLING: Yes, sir. I understand.

16 MR. SALINAS: And I keep saying that, you know,
17 and I hope we can get it straightened out.

18 MR. BOWLING: And I was just trying to provide
19 some clarity on some of the --

20 MR. SALINAS: Well we have gotten that clarity,
21 and I think you should have made -- you should have
22 gotten -- your point when Suncrest came about and spoken
23 against the project. I don't see them saying anything
24 about your projects.

1 MR. BOWLING: It -- yes, sir.

2 MR. JONES: There's another board member that
3 like to raise a question. Mr. Bogany.

4 MR. BOGANY: I had -- where's your projects
5 located --

6 MR. BOWLING: My projects are located --

7 MR. BOGANY: -- compared to the west side where
8 9 percent and then the other side is supposed to have 70
9 percent -- where's your projects located?

10 MR. BOWLING: I did a 36-unit project on the
11 west side of El Paso last year. It was allocated tax
12 credits. My current projects are, I have one central east
13 El Paso, right near central and east El Paso. One of the
14 far east side of El Paso off of Montana Avenue, and then
15 one in northeast that's kind of an infill project in the
16 inner city of northeast El Paso.

17 MR. BOGANY: Okay. Could I have somebody from
18 staff to explain to me how we got 106, 107 and did not get
19 a project there and didn't we have the lower scores, or
20 did I understand one of them or set aside because it's a
21 nonprofit so I understand that point, but I'd like to know
22 why -- was it just the way it wrote out?

23 MS. CARRINGTON: Mr. Bogany, I'd like to ask
24 Brooke Boston to respond to that.

1 MR. JONES: And if we could -- does anybody
2 else have any questions for Mr. Bowling? Since they
3 don't, Mr. Bowling, thank you very --

4 MR. BOWLING: Mr. Chair, if you -- if I --
5 could pass these charts out, it shows the scoring
6 breakdown of each project. I've brought copies.

7 MR. JONES: If you give that to Delores, she'd
8 be happy to pass it out. Thank you, Mr. Bowling, we
9 appreciate your time and information.

10 MS. BOSTON: Thank you. My name's Brooke
11 Boston. I'm the Director of Multifamily Finance
12 Production. The way we handle the recommendations this
13 year is -- because we have the different set-asides, we
14 wanted to make sure first that the set-asides are met.
15 That's our first and foremost effort.

16 We went through each set-aside and made sure
17 that within the set-aside we were taking the highest-
18 scoring developments. Depending on how over- or
19 undersubscribed the region may have been depended on how
20 far down through a set-aside we may have gone. When I say
21 down, I mean if you put them all in scoring order, highest
22 to lowest.

23 That being the case, to meet the set-asides,
24 they -- each development obviously just happens to be

1 wherever it is. So you go through the set-aside, you make
2 sure it's met. When you then plug those into whatever
3 regions they happen to be, some regions there's still
4 money left for something that's only general, and some
5 regions there's not. In this case, Region Thirteen is one
6 where every single one that we're recommending happens to
7 be satisfying a set-aside and then there were no credits
8 left for anything in the general set-aside.

9 There were a couple of regions where that
10 happened and this is one of them.

11 MR. BOGANY: And so basically your set-aside
12 regions -- and if I remember last time, we said we wanted
13 to try and get some set-asides in those areas as a
14 priority -- so you kind of followed what we told you to go
15 and do -- so -- and I guess generally -- it wasn't any
16 general set-asides at all in that Region Thirteen?

17 MS. BOSTON: Correct.

18 MR. BOGANY: Okay. All right, thank you.

19 MS. CARRINGTON: Thank you, Brooke.

20 MR. JONES: Yes, thank you, Brooke.

21 MS. BOSTON: Sure.

22 MR. JONES: Keith Puhlman?

23 MR. PUHLMAN: Mr. Chairman and board, my name
24 is Keith Puhlman. I'm the CFO for Investment Builders and

1 I'm here in support of the Suncrest Townhomes Communities.

2 I'd like to just make a few comments. Number one, there
3 is a low income housing tax credit project -- it's a
4 little bit -- it's across the street and down the street a
5 little ways -- it's 128 community -- unit community. They
6 have 112 people on the waiting list to get in there, and
7 there's only 16 section 8 vouchers in that community,
8 so -- and it has an average occupancy of 99 to 100 percent
9 since inception.

10 So I believe that this, you know, presents
11 adequate support for a demand in that area. It's a very
12 desirable area to live in. I invite you to visit the site
13 yourself, if you haven't. There's some very high class
14 apartments right next door to where we're building this
15 community.

16 And then also on the fact of the city council
17 vote in El Paso, it was a split vote, four to four, and
18 the mayor had to cast a vote to break the tie. And he
19 supported the individual -- the councilperson -- whose
20 district this is in. And by the way, this district is
21 right on the borderline -- it's right across the street
22 from Susan Austin's district, which she was strongly in
23 support of this project.

24 And the housing authority, we approached

1 them -- you know, they didn't do anything illegal. We've
2 gotten -- you know -- have a long history of relations
3 with other nonprofits and we chose to ask the housing
4 authority if they were interested in this project. So if
5 there are any questions?

6 MR. JONES: Thank you, sir.

7 MR. PUHLMAN: Thank you very much.

8 MR. JONES: Appreciate it. Mr. Robert Joy?

9 MR. JOY: I'll pass.

10 MR. JONES: Mr. David Saling.

11 MR. SALING: Good morning, Mr. Chair, members
12 of the board, Ms. Carrington. My name is David Saling. I
13 am in support of the Villas on Sixth Street application
14 and would request, as many others have requested from you,
15 to ask to pass -- send this application to the
16 underwriting process -- excuse me -- and consider it for
17 funding through -- for commitment or any other sources of
18 credits that may be available during this credit cycle.

19 Also, as the project manager for this
20 particular application, I'm the closest to it, so if there
21 are any questions you might have of any particulars, I'll
22 be available to answer those.

23 MR. JONES: Thank you, sir.

24 MR. SALING: Thank you.

1 MR. JONES: Appreciate it. Mr. Michael
2 Hartman?

3 MR. HARTMAN: I'll pass, Mr. Chairman.

4 MR. JONES: Mr. Vaughn Mitchell?

5 MR. MITCHELL: No comment, sir.

6 MR. JONES: Mr. George Fuller? Mr. George
7 Fuller. Going, going, gone. Mr. Stewart Shaw? Mr.
8 Shaw's not here?

9 MS. CARRINGTON: He's gone.

10 MR. JONES: He's gone. Mr. Donald Jones?

11 MR. JONES: Thank you. Mr. Alfonzo Velarde?

12 MR. VELARDE: Yes, sir. I did get contact. I
13 thought my name was called when I was outside and I
14 apologize for that. I only had one statement that I'd
15 like to clarify on behalf of the bidding process. I'd
16 like to say that -- I'm Al Velarde. I'm with the housing
17 authority of the City of El Paso -- and the process
18 falls -- followed when Mr. Monty and Investment Builders
19 approached the housing authority to discuss this issue
20 with us.

21 We discussed the issue with our legal advisors
22 and they assured us that we were certainly within federal
23 and state regulations. We then approached our board and
24 we held meetings in accordance with the Open Meetings Act

1 and we discussed the issue at our board meetings in order
2 to have our board publicly state that we are in support of
3 this partnership.

4 And I just think that this is important to
5 clarify so that the issue of the notice -- public
6 notice -- it was there.

7 MR. JONES: Thank you, sir. At this point in
8 time, I believe I have called every one who has submitted
9 a witness affirmation form. Is there anybody who I have
10 missed? Anybody that I've missed? At this time we will
11 totally close the opportunity for public comment and I do
12 want to thank everyone who has provided us with
13 information. And we turn our attention back to 2B, and I
14 believe it's time for the staff to make their
15 presentations.

16 MS. CARRINGTON: Thank you, Chairman Jones.
17 Section 2306.6724 of the Texas Government Code requires
18 that the board shall review the recommendations of
19 Department staff regarding applications and shall issue a
20 list of approved applications each year in accordance with
21 the qualified allocation plan not later than June 30.

22 Section 2306.6724(f) of the Texas Government
23 Code requires that the board shall issue final commitments
24 for allocations of housing tax credits each year in

1 accordance with the qualified allocations plan not later
2 that July 31. That meeting approving actual commitments
3 will take place on Wednesday, July 30.

4 Central to the 2003 tax credit application
5 cycle this year, as was last year, was staff's commitment
6 to ensuring that fairness and consistency in evaluating
7 all of the applications and ensuring adherence to all of
8 our required guidelines.

9 This is the cycle that we have gone through
10 this year for this allocation -- for this
11 recommendation -- list for today. The application cycle
12 opened for the Department on December 4, 2002.

13 The preapplication deadline was January 10,
14 2003, and as of that January 10 deadline, the Department
15 received 239 requests for low income housing tax credits
16 and the total amount of those requests was \$180,322,923.

17 The application deadline was February 28, 2003.
18 As of that application deadline we had received 121
19 applications and those totaled \$82,213,149.

20 Staff and executive director feel that the
21 preapplication process was successful for us this year.
22 More successful this year, I think, than last year, based
23 on the number of applications that applied in the preapp,
24 but then did not follow through with a full application.

1 Since we've received the 121 applications,
2 we've had 16 terminations or withdrawals; there were seven
3 2003 forward commitments that the board made in 2002; and
4 so what we have is a total of 112 active developments.

5 We do have, as you all are well aware and has
6 been mentioned previously, a variety of set-asides that
7 we're required to meet in the tax credit program as
8 outlined in our qualified allocation plan.

9 There's the at risk set-aside, and that set-
10 aside is 15 percent and is \$5,720,688. There's an elderly
11 set-aside, which is 15 percent, \$5,720,688. There's a
12 nonprofit set-aside that's federally mandated that is 10
13 percent, \$3,813,792. A rural set-aside for 15 percent,
14 \$5,720,688. That includes 25 percent of that 15 percent
15 of the rural, which is USDA, and that is \$1,430,172.

16 The amount that the Department has to allocate
17 this year is about \$38 million, sort of rounded a little
18 bit. We have 13 regions this year as opposed to 11
19 regions which we had last year. We applied our regional
20 allocation formula as we have in the past. We also have
21 an affordable housing needs score that is utilized within
22 each of the regions that helps us drive down in particular
23 regions where the areas of greatest need are.

24 Region Seven, which was the Austin -- or which

1 is the Austin region, was very unique this year in that
2 region, when you looked at the amount that was allocated
3 per region, Region Seven had no funds allocated for it.

4 The board will remember that last year, the
5 board made two forward commitments -- two of those forward
6 commitments were actually in the Austin region and those
7 amounted to about 1.9 million. One of the things we would
8 hear from developers when they called us was, What do you
9 mean Region Seven has no money. And we said, Yes, Region
10 Seven does have money. It's just taken up by the two
11 forward commitments that were made by the board last year.

12 We did have some undersubscribed regions after
13 we had terminated and financially unfeasible applications.

14 And we had four undersubscribed regions this year.
15 Region One, Amarillo and Lubbock, was undersubscribed;
16 Region Two, Abilene/Wichita Falls area, was
17 undersubscribed; Region Eleven, McAllen and Brownsville,
18 was undersubscribed; Region Twelve, Midland and Odessa,
19 was undersubscribed.

20 The Department held five hearings around the
21 state and those hearings were held from April 1 to April
22 7. We held hearings in Austin, El Paso, Harlingen,
23 Arlington and Houston, and the ORCA staff -- the Office of
24 Rural Community Affairs staff -- did travel with TDHCA

1 staff and attended all of those hearings.

2 The review process of the Department. First we
3 review the applications for threshold and then for the
4 selection criteria. For the first time this year, we did
5 implement a deficiency process on scoring. The Executive
6 Award and Review Committee, otherwise known as EARAC,
7 determines those highest scoring deals that will be
8 submitted to the real estate analysis division for
9 underwriting.

10 One of the things the board has heard today is
11 a request to send some applications to underwriting, and
12 the ones who have -- that have -- that were sent to
13 underwriting were done by region, by set-aside, and by
14 score and we have not underwritten all of the applications
15 at this point.

16 The Office of Rural Community Affairs, as
17 required in our legislation, has attended all of the
18 Executive Award and Review Committee meetings as we were
19 talking about rural developments and were involved in
20 making those recommendations also.

21 The job -- the duty -- of the real estate
22 analysis division is to evaluate financial feasibility of
23 the transactions. Site inspections were made on all
24 applications, not just the ones sent to underwriting, but

1 were made on all applications.

2 And there was a compliance check on all
3 developers on all applicants that are in the involved in
4 the transactions. Only those applications that went to
5 underwriting had a compliance check and as part of what
6 the board has with you in your packet today, you have that
7 compliance history of each of the applicants.

8 Staff is recommending actually 60 transactions
9 for a total of -- I may or may not have that right in
10 front of me, Brooke, but -- okay. I do want to go
11 through -- Brooke will go through -- what's in your board
12 book. There are some corrections that we do want to make.

13 Your initial board submission had 59 applications in it,
14 and the total credits recommended, including the seven
15 forward commitments that the board made last year, total
16 \$37,492,505.

17 This reflected \$645,518 of uncommitted credits,
18 which several folks have been real interested this morning
19 of what is going to happen to that \$645,000 worth of
20 unused credits. I do have kind of some bad news for you
21 folks. Staff has managed to use up most of those credits
22 in some adjustments that we made. Staff is recommending
23 one addition to the initial list of 59 that you all
24 received, and I will say that everyone that came in today

1 has been given the revised list, as had the board members,
2 that reflect the 60 rather than 59.

3 There was one development, 03066, located in
4 Region Two, Anson Park. We originally did not recommend
5 that transaction because we believed it had violated the
6 \$1.6 million cap per applicant. However, we have re-
7 evaluated that transaction; it does not violate the 1.6
8 million cap. Region Two happened to be an undersubscribed
9 region so we were able to put Anson Park back in and that
10 amount was \$561,000 for Anson Park.

11 Consistent with the new information that was
12 provided to TDHCA by our outside tax counsel on Monday of
13 this week, the evaluation of Community Development Block
14 Grant funds and HOME funds on eligible basis was revised.

15 We had 18 transactions that were re-evaluated
16 based on this information from outside tax counsel on
17 Monday of this week. And four transactions were found --
18 four of the 18 -- were found to require an additional
19 increase in credits. These four are -- and I'd like to
20 read them into the record, Mr. Jones --

21 MR. JONES: Certainly.

22 MS. CARRINGTON: -- 038 -- 03081, senior
23 apartments at Curtis Wright Field, which is in Region
24 Three, Grand Prairie, had an increase of \$87 in credits;

1 03161, Dripping Springs Senior Village located in Region
2 Eight in Waco had an increase of \$454 in credits; 03068,
3 Stone Ranch located in Killeen, Region Eight, had an
4 increase of \$14,890 in credits. Bentley Place, 03191, had
5 an increase of \$25,291 in credits, and that is located in
6 San Antonio.

7 Based on the addition of Anson Park and the
8 revised credit amounts on the four developments, the
9 amended staff recommendation is 60 developments totaling
10 \$38,094,227. This leaves a balance of credits of 43,697.

11 And with that, Mr. Chair, this is the staff's
12 recommendation, the list of 60 per --

13 MR. SALINAS: Do you want to read them into the
14 record or -- I would think it would be good for you to
15 read every one of those developments into our record so we
16 don't have any confusions.

17 MS. CARRINGTON: Yes, sir, and I did do that
18 last year so --

19 MR. SALINAS: Yes, and I would like to read
20 them all for the record so we will -- everybody will be on
21 the same page.

22 MS. CARRINGTON: Would you like me to do that
23 now or --

24 MR. JONES: Yes.

1 MS. CARRINGTON: -- would the board like --

2 MR. JONES: Please.

3 MS. CARRINGTON: -- to go in to discussions
4 or --

5 MR. SALINAS: Please, we would like for you to
6 do it now.

7 MS. CARRINGTON: Yes, sir. The one dated
8 Tuesday, June 24, 2003, 1036 -- okay, I want to make sure
9 I'm reading the right one -- I will do them by region --

10 MR. JONES: Ten thirty-six. Hot off the press.

11 MS. CARRINGTON: As I said, we got this
12 information on Monday. I will read region, project number
13 and credit allocation recommendation. Would you like the
14 project name read also?

15 MR. JONES: I think that will be sufficient --
16 the number.

17 MS. CARRINGTON: Will staff please back me up
18 to make sure that I read the project number and the amount
19 correct?

20 MR. JONES: We won't allow that; you're under
21 oath.

22 MS. CARRINGTON: Okay.

23 MR. JONES: Yes, we will allow that.

24 MS. CARRINGTON: Thank you. Region One,

1 project number 03140, credit recommended amount of
2 \$737,372. Project number 03016, credit recommendation
3 \$265,490. That ends the recommendations in Region One.

4 Region Two, 03066, credit recommendation
5 \$561,000. Project number 03158, credit recommendation,
6 \$402,507. Project 03258, credit recommendation \$70,346.
7 That ends the recommendations for Region Two.

8 Region Three, 03184, credit recommendation
9 \$1,153,613. Project number 03081, \$756,742. Project
10 number 03039, \$425,506. Project number 03159, \$476,268.
11 Project number 03163, credit recommended amount \$560,000.
12 Project number 03212, credits recommended \$193,806.
13 Project number 03250, credits recommended \$62,784.
14 Project number 03004, credits recommended \$1,078,956.
15 That ends the recommendations for Region Three.

16 MR. WITTMAYER: Ms. Carrington, did you
17 misspeak when you said 03168? Is that not 03163?

18 MS. CARRINGTON: Thank you. Cedar View
19 Apartments?

20 MR. WITTMAYER: Correct.

21 MS. CARRINGTON: Thank you. Ms. Court
22 Reporter, you got that? Thank you. Thanks, Chris.

23 Region Four, 03 -- project number 03100,
24 credits recommended \$1,150,000. Project number 03028,

1 credits recommended \$592,722. Project number 03053,
2 credits recommended \$515,338. That ends the
3 recommendations for Region Four.

4 Region Five, project number 03196, credits
5 recommended \$227,836. Project number 03069, credits
6 recommended \$437,327. Project number 03263, credits
7 recommended \$387,461. Project number 03261, credits
8 recommended \$387,920. Project number 03262, credits
9 recommended \$377,548. Project number 03213, credits
10 recommended \$213,473. That ends the recommendations for
11 Region Five.

12 Region Six, project number 03011, credits
13 recommended \$280,733. Project number 03178, credits
14 recommended \$782,354. Project number 03182, credits
15 recommended \$782,354. Project number 03236, credits
16 recommended \$816,242. Project number 03245, credits
17 recommended \$675,605. Project number 03070, credits
18 recommended \$451,094. Project number 03153, credits
19 recommended \$347,203. Project number 03231, credits
20 recommended \$382,286. Project number 03252, credits
21 recommended \$94,120. Project number 03254, credits
22 recommended \$119,812. Project number 03256, credits
23 recommended \$121,654. Project number 03255, credits
24 recommended \$120,931. Project number 03253, credits

1 recommended \$84,481. Project number 03006, \$627,566.

2 That ends the recommendations for Region Six.

3 Region Seven, project number 03001, credits
4 recommended \$1,200,000. Project number 03005, credits
5 recommended \$789,509. That ends the recommendations for
6 Region Seven.

7 Region Eight, project number 03068, credits
8 recommended \$583,608. Project number 03065, credits
9 recommended \$559,937. Project 03009, credits recommended
10 \$746,176. Project number 03161, credits recommended
11 \$572,047. Project number 03259, credits recommended
12 \$145,850. That ends the recommendations for Region Eight.

13 Region Nine, project number 03176, credits
14 recommended \$1,200,000. Project number 03136, credits
15 recommended \$851,994. Project number 03155, credits
16 recommended \$487,601. Project number 03191, credits
17 recommended \$1,006,759. Project number 03067, credits
18 recommended \$465,802. Project number 03190, credits
19 recommended \$591,010. Project number 03007, credits
20 recommended \$614,528. That ends the recommendations in
21 Region Nine.

22 Region Ten, project number 03265, credits
23 recommended \$1,092,376. Project number 03257, credits
24 recommended \$704,038. Project number 03162, credits

1 recommended \$871,732. Project number 03249, credits
2 recommended \$41,006. That ends the recommendations in
3 Region Ten.

4 Region Eleven, project number 03013, credits
5 recommended \$1,171,547. Project number 03036, credits
6 recommended \$1,200,000. Project number 03035, credits
7 recommended \$1,004,228. Project number 03029, credits
8 recommended \$851,428. Project number 03248, credits
9 recommended \$66,499. Project number 03247, credits
10 recommended \$45,890. Project number 03002, credits
11 recommended \$1,025,408. That ends the recommendations for
12 Region Eleven.

13 Region Twelve, one recommendation, project
14 number 03145, credits recommended \$845,579. That ends the
15 recommendations for Region Twelve.

16 Region Thirteen, project number 03223,
17 recommended credits \$1,147,376. Project number 03220,
18 credits recommended \$359,018. Project number 03222,
19 credits recommended \$286,440. Project number 03134,
20 credits recommended \$685,609. Project number 03003,
21 credits recommended \$160,782. That ends the
22 recommendations for Region Thirteen.

23 Staff's recommendation: 60 new applications
24 for this year, seven forward commitments from last year to

1 come out of the '03 allocation for a total of 61 -- 67 --
2 submissions and total credit recommendations of
3 \$38,094,227, with total number of units 7,540 units with
4 6,553 of those being low income units. Mr. Chairman, that
5 ends the staff's recommendations.

6 MR. JONES: Thank you and I think we have some
7 questions. Who wants to start out? Yes, Mr. Bogany.

8 MR. BOGANY: I had a couple of questions.

9 MR. JONES: Certainly.

10 MR. BOGANY: And I guess from staff's side, in
11 the Region Six, we had Morning Star, who didn't get
12 recommended. We've had -- also a project in Galveston
13 that didn't get recommended -- and it seems to me -- and
14 I'm trying to understand why all the projects are ending
15 up in Houston and the surrounding areas are not getting
16 any projects, especially in the southeast side of the
17 city -- and I -- if I remember correctly, we had a similar
18 problem in El Paso and we seemed to have solved that
19 problem. But in Houston we're still seeing all of them
20 going in the city limits of Houston or very close.

21 It looks like in Region Six you started doing
22 some things in northwest, but the south side of the county
23 in Galveston, Texas City -- and I would not consider Texas
24 City to be part of Houston personally -- and I wouldn't

1 consider Galveston to be a part of Houston either -- and
2 it would seem we have good projects going in there and
3 need it -- a need for them -- and we're not able to get
4 them there. What's going on there and why are we
5 constantly getting them put in the Houston area like
6 Little York Row.

7 You got three or four already in that general
8 area. Why would you want to put another one in? And even
9 though they're all done nicely, I don't think that
10 community, which is basically mostly homeowners, would
11 want to continue to be stigmatized as a place for low
12 income housing in those areas.

13 I heard the Sylvester Turner thing that was
14 read, which none of that made sense to me because I don't
15 believe in any of -- I don't think that's the reason for
16 not having a project there, but I do believe that we're
17 putting them in one area and not putting them over in the
18 southeast side.

19 And to deny Texas City one -- it looked like it
20 ought to be a way they should be a rural set-aside -- that
21 and Galveston for that matter -- because they're not a
22 part of Houston. And not even close to Port -- Jersey
23 Villages where you put one, is closer to be Houston
24 because Houston surrounds it, than these other two

1 locations.

2 So I'm just trying to figure out how we came up
3 with that the southeast side of the Galveston and Texas
4 City are not getting -- I notice Willis didn't get one
5 either, and Willis is a -- in my opinion -- is a rural
6 community and I wouldn't consider that Houston.

7 MS. CARRINGTON: As I am asking Brooke Boston
8 to come up and Tom Gouris -- Tom, you might come on up
9 too -- because depending on what questions are asked, any
10 questions related to the scoring of the applications, of
11 course, needs to go to Brooke. If it's underwriting
12 issues, that would go to Tom.

13 As they are coming up, and I'm looking at
14 Region Six, which, of course, is the Houston/Harris County
15 region, we have 14 recommendations. And six of them,
16 indeed, are in Harris County; five in Waller County and
17 then it looks like to me, we have one in Austin County,
18 one in Fort Bend County and one in Matagorda County. So,
19 Brooke, with that would you, as --

20 MR. BOGANY: Keep --

21 MS. CARRINGTON: -- as -- go ahead, I'm sorry.

22 MR. BOGANY: -- in mind that the apartment
23 market in Houston is very soft right now. There's more
24 apartments in Houston being built than any city in the

1 country, so these units are going to continue to compete
2 and if we continue to keep the interest rates low, you're
3 going to see those apartment complexes striving for
4 business and being willing to take some of these people at
5 lower rents. So I'm just wondering why we're continuing
6 to have so many in Houston and the other areas around
7 Houston are not getting any?

8 MS. BOSTON: Probably the most straightforward
9 answer is because we did everything based on set-aside and
10 region as we spoke about. And then within region, the
11 set-aside, we went by score. This is where the highest-
12 scoring developments are.

13 MR. BOGANY: And maybe we need to change that
14 and change it like you changed it in El Paso and -- or any
15 other regions we've had problems with. It seems as though
16 we need to be able to get these units where there are
17 need. And I personally don't think Little York needs
18 another one there. I just don't see it.

19 And in the new -- the one in Jersey Village --
20 there are a lot of units around Jersey Village. And
21 that's a pretty high, high residential community and I
22 like the centralization of it, but I would think Galveston
23 and Texas City would probably need a project quicker
24 than --

1 MS. BOSTON: Right.

2 MR. BOGANY: -- that community.

3 MS. BOSTON: And we can definitely look again
4 as we go into the '04 season at the way our affordable
5 housing needs score is structured, particularly in that
6 region. As Ms. Carrington mentioned earlier, that is how
7 we try to drive developments into different places within
8 a region, and we can definitely try and work on that.

9 I think also we're tasked with working with the
10 concept of urban/exurban and that may have an impact as
11 well. So we can still try and work on getting it spread
12 out more for next year.

13 MR. BOGANY: Explain the urban/urban thing
14 again?

15 MS. BOSTON: Maybe I shouldn't have gone there.

16 MR. JONES: Can I just ask a question, kind of
17 a follow-up before you go in there? You indicated for
18 next year we can work on that. Now is concentration
19 issues -- I guess I should direct this to Chris -- is
20 concentration issues something the board can look at in
21 determining how we vote on this particular recommendation?

22 MS. CARRINGTON: Concentration is something
23 that staff looks at and does as part of the market
24 analysis. As you know, the market analyst is going to

1 determine the market area, they're going to look at what
2 is in that market area -- three mile, five mile, whatever
3 the radius is that the market analyst has identified --
4 and we have -- we apply that inclusive capture rate
5 philosophy on our 9 percent tax credits.

6 MR. JONES: Again, I understand that, but my
7 question's much more specific than that. And I understand
8 the market analyst and independence and all that that we
9 discussed on some of these occasions, but, Chris, my
10 question is, when we look at concentration issues as we
11 look at this recommendation, is it a de novo review? Is
12 it a review where we're looking for error? What are we
13 reviewing here when we review this recommendation? With
14 regard to the issue of concentration.

15 MR. WITTMAYER: Chris Wittmayer, the General
16 Counsel of the Department. First, if you take an narrow
17 view under the underwriting guidelines, we just look at an
18 objective calculation of concentration.

19 But beyond that, the board has discretion under
20 the evaluation factors in the QAP to consider various
21 factors, including the factor of insuring geographic
22 dispersion within each uniform state's service region.
23 And that might be a factor that the board would find of
24 weight.

1 MR. JONES: And that would be a de novo review
2 with regard to that issue. That's when they're not --

3 MR. WITTMAYER: Yes.

4 MR. JONES: -- proportionate. Correct?

5 MR. WITTMAYER: Correct.

6 MR. JONES: Thank you so much. I'm sorry. I
7 know I --

8 MR. SALINAS: Mr. Chairman?

9 MR. JONES: -- I'm sorry I interrupted, Mr.
10 Bogany. Yes?

11 MR. SALINAS: Mr. Chairman?

12 MR. JONES: Yes?

13 MR. SALINAS: We go back to this -- we do not
14 want to go back to the cities and tell them how they're
15 going to displace their housing units. That's why they
16 have planning and zoning. And I think the concentration
17 should be looked at by the city council and their planning
18 and zonings, and we should look at what the staff is going
19 to score.

20 Now we do not want to dictate to them that,
21 well, you have too many apartments. Well that's why they
22 have elections in their cities and elect their mayors and
23 city councils, for them to look after that and they
24 appoint their planning and zonings.

1 I don't think we have any business telling them
2 how many apartments they can have in their cities. If
3 they are zoned for apartments, there's nothing we can do
4 when they apply, and the staff does their job and they
5 qualify.

6 I'm sorry some of these people are not getting
7 funded, but it's their local government, and if a person
8 wants to change that, they need to do the comprehensive
9 plan. If Houston has problems with that, they need to
10 talk to the county commissioner, the City of Houston; they
11 don't have any zoning at all. They keep control of it.
12 We can be sued by anybody, any contractor in Houston, if
13 we deny them after staff has recommended their project.

14 Now we have used you before -- Katy, Texas?
15 Now we have another neighborhood, which this board -- the
16 natural board -- and I would go against any project that
17 has a lot of public opposition that -- which we have. And
18 that is the only way that I could say no to anybody in
19 Houston in public opposition the way we did in some of
20 those two projects came about.

21 But still this board approved it. Now I would
22 think the staff needs to call every city and tell them to
23 get their zoning in place and I just think that what this
24 staff has done here today is a lot of work. But if

1 Houston has problems with some apartment, then they need
2 to talk to the county commissioners --

3 MR. BOGANY: Mr. Jones?

4 MR. SALINAS: -- congressman or whatever.

5 MR. JONES: Excuse me for interrupting, Mr.
6 Mayor.

7 MR. BOGANY: I'd just like to respond to Mayor
8 Salinas. I don't think the issue is whether or not
9 there's zoning or not in Houston, I think the issue is
10 that you have some rural areas that are so close to the
11 major metropolitan areas, they fall into a black hole, so
12 to speak, or a crevice. And I truly believe that if you
13 ask people in Texas City, they will not tell you they are
14 a part of the Houston area. And they do have zoning in
15 Texas City.

16 I would venture to say in Galveston, too, they
17 will tell you they are not a part of Houston, but they're
18 being lumped in with the other Houston areas. And to me
19 those are rural -- if not rural areas -- they are outside
20 of Houston and they shouldn't be counted in the Houston
21 set-asides. I just -- I have an issue with that.

22 And, you know, I had calls when we were doing
23 Willis, and I see Willis didn't make the cut, but Willis
24 is very much rural, in my opinion, and they didn't make

1 the cut. But they might have made the cut if there had
2 been a general set-aside.

3 So I -- and I remember sitting on this board
4 when we were talking about El Paso having -- they were
5 being lumped in so close with the city that we were having
6 problems -- couldn't get housing there.

7 Where -- in my opinion, we should do the same
8 thing in the next QAP with the Houston -- Region Six -- is
9 to allow the cities outside to be able to get some
10 affordable housing because all the projects are going in
11 Houston because they're scoring higher, they've got the
12 better market research, they've got everything right
13 there, but, you know, I can see Rosenberg -- you could
14 even make a case that Rosenberg is in Houston, for that
15 matter -- but it's rural enough as Texas City is.

16 And it just seems as though we're putting
17 another project on Little York Row that has three or four
18 in the general area. We've got a letter from the
19 committee saying they didn't want it because they've got
20 their share already. And why can't we put projects in
21 Texas City, Galveston, Willis, and some of these rural
22 communities?

23 And I don't understand how all of a sudden we
24 start putting them up in Hempstead and Waller and all

1 those counties, which are part of that system six. And if
2 those areas are considered rural set-asides, then we ought
3 to make sure that the southern part of the Gulf Coast
4 should have some rural set-asides also.

5 MR. CONINE: Well they're not -- they're at
6 risk.

7 MS. CARRINGTON: Yes.

8 MR. CONINE: The ones you just mentioned are at
9 risk.

10 MR. BOGANY: Thank you, Mr. Jones.

11 MS. ANDERSON: Mr. --

12 MR. JONES: Yes, Ms. Anderson?

13 MS. ANDERSON: Can I ask Ms. Boston a question?

14 MR. JONES: You sure can.

15 MS. ANDERSON: Is there anything that would
16 have prevented development -- oh, the developer for 03189,
17 the Village at Morning Star for filing under the rural
18 set-aside category? The development was filed under
19 elderly and -- elderly, in general, but was there anything
20 that would have prevented -- this is the Texas City
21 development -- it was not filed to be considered under the
22 rural side, is there any -- set-aside -- is there anything
23 that would have prevented the developer --

24 MS. BOSTON: The total number of units. And

1 it's ironic that there's 78, because the cutoff is 76.

2 MS. ANDERSON: Okay, so if this developer had
3 proposed two fewer units, they could have applied in the
4 rural set-aside and made a score of 98, which is higher
5 than another score of 96 in the rural set-aside that was
6 funded in the same region.

7 MS. BOSTON: And, actually Tom has pointed out
8 as well, that Texas City's population does not qualify the
9 city as rural.

10 MS. ANDERSON: Okay. Thank you.

11 MR. CONINE: It does not? I'm sorry --

12 MS. CARRINGTON: Does not or does?

13 MS. BOSTON: It does not. Texas City's
14 population is greater than our rural cutoff.

15 MR. BOGANY: And what is that?

16 MS. BOSTON: 25,000.

17 MR. BOGANY: Okay. Let me ask -- I guess what
18 I'm saying in my own little way -- that we need geographic
19 dispersion and I'm tired of seeing it all concentrated in
20 the city of Houston. I met with some people -- yes,
21 Houston has an abundance of apartments.

22 It is a soft apartment market right now. So I
23 have a feeling as long as the rates are low, people are
24 going to continue to leave these apartments and buy homes.

1 And that's going to make the rental market even softer.

2 And so what I'm saying is we need a geographic
3 -- we need to figure out a way to help this southern
4 region have a geographic dispersion. That all the regions
5 share in these credits instead of one community getting
6 them all.

7 MS. BOSTON: And I think Chris confirmed that
8 while staff does not have the discretion to make changes
9 within a region on a geographic dispersion, the board
10 does.

11 MR. BOGANY: Okay.

12 MS. BOSTON: Even this year.

13 MR. BOGANY: Okay.

14 MR. CONINE: The Village at Morning Star has
15 not been underwritten, is that right?

16 MS. CARRINGTON: Yes, it has.

17 MS. BOSTON: It has been.

18 MR. CONINE: It has been underwritten.

19 MS. ANDERSON: And am I right, it was
20 underwritten because it was in the elderly set-aside and
21 you thought it might be competitive in that set-aside?

22 MS. BOSTON: Correct. It's --

23 MS. ANDERSON: Its higher-scoring developments
24 in the region were not underwritten.

1 MS. BOSTON: Correct. Right, it's kind of next
2 in line in the elderly set-aside. It would be next.

3 MR. CONINE: And what's the amount of credits
4 on that piece of property?

5 MS. BOSTON: It is \$415,954, is the
6 underwritten amount.

7 MR. CONINE: Okay.

8 MS. BOSTON: And if --

9 MR. CONINE: And what about Region Six? Can I
10 ask you a question about the two projects that are on the
11 recommended list, 03178 and 03182? And it's just odd that
12 everything's identical there. Does that just taking the
13 same footprint and doing it somewhere else in town? Is
14 that what's going on there?

15 MS. BOSTON: Yes.

16 MR. CONINE: And the underwriting department
17 didn't find one change in the dollar amount from either of
18 the two applications?

19 MR. JONES: I hate it when you read these
20 things.

21 MR. CONINE: I -- never would I say I've seen
22 everything because this makes a first. I mean, can the
23 applicant --

24 MR. BOGANY: What if -- Brooke.

1 MS. BOSTON: Yes.

2 MR. BOGANY: If you look at Jacinto Manor,
3 that's in the east side of Houston. That's surrounded by
4 pretty much Houston, Channelview, the east side, the port,
5 ship channel and all through that area, and that's an
6 elderly set-aside. It looks like to me the set-aside
7 would have been better off in Texas City -- there if --
8 because of where it's located at.

9 And from where those people in San Jacinto has
10 a lot of more choices to look at, but the people in Texas
11 City may not have as many choices to look because that's a
12 big difference in drive time. And then -- I mean I'm just
13 looking at where it's located at. It's actually -- that
14 is Houston, as far as I'm concerned. Maybe Jacinto City
15 but it is Houston. It's probably ten minutes -- five, ten
16 minutes -- from downtown.

17 MS. BOSTON: Sure.

18 MR. GOURIS: Mr. Conine, to answer your
19 question with regard to San Jacinto Manor and the Manor at
20 Jersey Village, we actually did end up with different
21 costs for the two, but both were within 5 percent. They
22 used the same costs for both projects, so we were -- we
23 needed to use their costs as we went forward.

24 And so -- because their costs were identical,

1 even though ours were slightly different when we did our
2 underwriting, they're within the 5 percent -- we used
3 their costs, and that's why it looks identical on your
4 report.

5 MR. CONINE: All right.

6 MR. JONES: Any questions, comments?

7 MS. BOSTON: Can I make one?

8 MR. JONES: Yes.

9 MS. BOSTON: I just wanted to point out that
10 the credit amount that was read into the record for Anson
11 Park was \$561,000 and I'd like to note that that's the
12 requested credit amount because at the top -- at this
13 moment it has now been underwritten, but even up just to
14 yesterday, it still hadn't been.

15 And so we wanted to go ahead and run the report
16 showing that amount. Definitely the July recommendation,
17 which will be the final vote, will reflect the
18 underwritten credit amount. So I just wanted to clarify
19 that.

20 MR. JONES: I would just like to make a
21 comment with regard to not only this round, but upcoming
22 rounds in future years, I don't believe the Governor
23 expects us to check our brains, you know, when we get on
24 this board. And I do know that you all are limited by the

1 "independent market analysis" that are done at the request
2 of the developers.

3 But sometimes what we're getting here just
4 deviates from reality. I mean, you know, if you read the
5 paper and you know some of these markets you just have to
6 check your brain in. So -- I mean I think it's this issue
7 that I hope staff will continue to look at very strongly,
8 and I know you all are limited in that regard, I do, but
9 we do have to use our brains at some point.

10 MR. BOGANY: And I would agree with Chairman
11 Jones. Even the Linden [phonetic] Apartments in
12 Freeport -- I don't think the people in Freeport would
13 consider itself part of Houston -- but it doesn't make the
14 general set-aside.

15 It looks like it would make the rural set-aside
16 because that's what Angleton -- back through there,
17 Jackson -- Lake Jackson and those areas there -- it'd look
18 like it would just be made part of the rural set-aside --
19 along that Gulf Coast.

20 MS. BOSTON: And as it relates to that, we
21 don't tell applicants what set-asides they need to apply
22 in. They evaluate -- as they turn their applications
23 in -- where they feel they're going to be most competitive
24 and how many units they want to do.

1 And we've had applicants in rural communities
2 who apply who in general. Generally it's because they
3 want to do more units, but -- so just to kind of back up
4 what you're saying, I don't disagree with you, it's just
5 there may be some that look like they would be rural, but
6 for whatever reason, they've opted not to do that.

7 MR. BOGANY: Okay.

8 MR. JONES: Mr. Conine.

9 MR. CONINE: Over to Region Three for just a
10 minute. We -- earlier today -- we passed a bond deal in
11 Grand Prairie and a few more Grand Prairie projects here,
12 does the knowledge of the bond deal they include earlier
13 create a concentration issue in Grand Prairie
14 [indiscernible]?

15 MR. GOURIS: No, sir. The bond transaction was
16 a family transaction. The two transactions that are on
17 the list here are elderly transactions. That they're both
18 elderly and -- it was something we looked at very hard,
19 very -- considered very thoughtfully -- but we didn't have
20 cause, based on the two markets cities we had for the
21 transactions to exceed the capture rate, and so --

22 MR. CONINE: Are we prepared to [indiscernible]
23 these two here we will approve for right at 500 units in
24 Grand Prairie --

1 MR. GOURIS: That's right.

2 MR. CONINE: -- in one fell swoop.

3 MR. GOURIS: That's right.

4 MR. CONINE: -- and I -- again, other members
5 of the board have enunciated how problematic urban
6 multifamily rental are today. And I just wanted to know
7 if the knowledge of that would change your decision?

8 MR. GOURIS: It's a different type, so no, that
9 wouldn't.

10 MR. CONINE: So there's a lot of elderly folks
11 in Grand Prairie who get a place to live.

12 MR. GOURIS: According to the two market
13 studies that were provided, yes, sir.

14 MR. CONINE: Okay. I didn't know Grand Prairie
15 was such a [indiscernible]. In Region Eleven -- can you
16 help me out with the concern about the million-six cap and
17 the relationships and identity of interest between what
18 appears to me to be three projects there, 03036, 03035,
19 and 03002?

20 MS. BOSTON: Okay, 03002 is a forward
21 commitment from last year, and it's evaluated -- our 1.6
22 test is based purely on each application round, and so it
23 would not be considered in competition with the other two
24 for 1.6. And then the other two developments were

1 evaluated. The 1.6 test applies to the applicant, and if
2 you've kind of followed the path of the definition of
3 "applicant," it then takes you to the definition of
4 "affiliate."

5 The perceived or -- you know, I've heard
6 similar suggestions that there's a violation here, and
7 it's that there's a familial relationship between one of
8 the individuals on the 03035 and then 03036 and there's
9 not a preclusion for familial relationships under
10 applicant or affiliate.

11 There is under the definition of related party,
12 but that definition does not apply to the 1.6 test. So we
13 have researched it and staff does not feel that there's a
14 1.6 violation.

15 MR. CONINE: Did you make a note for that for
16 next year's QAP?

17 MS. BOSTON: Yes. And actually we had it in
18 there last year as a related party, and it's so difficult
19 and tenuous to track. Our definition for related party is
20 generated from legislation and then pulled into the QAP
21 and it's just a really, really complex definition.

22 And we were trying to make sure that we could
23 actually test the 1.6 test and really have some
24 accountability and accuracy with it, which I think we

1 definitely got this year. So by adding it back in, that's
2 kind of -- the flip side of it, is that it may be harder
3 for us to actually track and monitor it.

4 MR. BOGANY: I have a --

5 MR. JONES: Yes, Mr. Bogany?

6 MR. BOGANY: In Region Six, I don't -- explain
7 the evaluation of Jefferson Davis audit. It says Region
8 Eleven is undersubscribed; therefore all eligible
9 developments in the region are recommended. What was
10 that?

11 MS. BOSTON: I think it's a cutting and pasting
12 error. I apologize.

13 MR. BOGANY: Okay. Thank you.

14 MS. BOSTON: It's in there because it's the
15 highest scoring. We went through -- did it based on set-
16 asides as I've described in the other regions, and in this
17 case, once you do all that, there was still money left for
18 a general deal. And in this case it was the highest-
19 scoring general deal.

20 MR. BOGANY: One question. If you're
21 undersubscribed in one region, does those funds stay or
22 are you able to move them to another region?

23 MS. BOSTON: The way we handle that this year
24 is similar to how we did it last year, and what we did is

1 we -- I'm trying to say this -- I'll try and -- let's see
2 -- we --

3 MR. JONES: Oh, just tell the truth.

4 MS. CARRINGTON: She will. She's just trying
5 to make it simple.

6 MR. JONES: I know. I was --

7 MS. BOSTON: Thank you.

8 MR. JONES: -- just teasing. It was a joke.

9 MS. BOSTON: We first let ourselves kind of go
10 over in every region and for the regions that were
11 undersubscribed, obviously you can't do that, and then for
12 every other region we let ourselves go over. And then you
13 look back and you say, well, you can't do that because
14 there's not enough in the 38 credit ceiling to do that, so
15 then you have to go back and identify which regions are
16 you going to let go over, who's going to get to keep that
17 one extra deal, which is, essentially, the question of how
18 are you allocating the shortfalls in the other regions.

19 The way we handled it is we tried to figure out
20 which region would feel the most harm if they didn't get
21 to keep that extra deal. And we did it based on
22 proportion of the total regional allocation. So a region
23 that only had 2 million, if not getting to go over by that
24 amount then put them, let's say, under by 500,000, well,

1 then they were going to have a 25 percent shortfall of
2 their total allocation.

3 And so we took them in order of percentage, and
4 it's the folks who were the least impacted who are the
5 ones who didn't get to go over.

6 MR. BOGANY: Okay.

7 MS. BOSTON: And all the other ones basically
8 take up the extra from the other regions.

9 MR. BOGANY: All right. Thank you.

10 MS. BOSTON: Sure.

11 MR. JONES: Any questions? I had a request
12 that we break a little early for lunch today by a board
13 member, and unless there's an objection, I'm going to try
14 to comply with that request. Why don't we break for an
15 hour for lunch and we'll come back and take up this agenda
16 item in an hour.

17 MR. SALINAS: Can we actually make
18 recommendations right now before we go to break? Or do
19 you want to wait?

20 MR. JONES: I have a request that we not and do
21 it after the break, if that's all right.

22 MR. SALINAS: Okay.

23 MR. JONES: Thank you.

24 (Whereupon, at 11:35 a.m., the meeting was

1 adjourned for lunch.)

2 MR. JONES: We'll call the meeting back to
3 order. I believe we're on Item 2B. We're in the midst of
4 discussions and questions. To Brooke.

5 MS. BOSTON: Where's Tom?

6 MR. JONES: Our Tom? Or Edwina?

7 MS. CARRINGTON: Or the Executive Director,
8 that's right. Occasionally I can answer a question.

9 MR. JONES: Are there not more questions? No
10 more discussion? I will just remind the board that we're
11 on Item 2B. We await the board's pleasure.

12 MR. BOGANY: Do you need a motion on that?

13 MR. JONES: I believe we might.

14 MR. SALINAS: I believe that we'll go ahead and
15 accept the recommendations from staff on that -- on the
16 applications that were submitted and the recommendations
17 for the program.

18 MR. JONES: And the Mayor has made that
19 motion --

20 MR. GONZALEZ: Second.

21 MR. JONES: -- and the Chair gratefully accepts
22 that motion, and the second was made by Mr. Gonzalez.

23 MS. ANDERSON: Mr. Chairman?

24 MR. JONES: Yes.

1 MS. ANDERSON: I would like to propose an
2 amendment to the motion that -- because we know -- we all
3 know -- we have another meeting the end of next month,
4 which is really the final confirmation vote on these
5 issues. And in order to have a little more information
6 before the next meeting, I would like to amend the motion
7 by suggesting that we also ask underwriting to underwrite
8 in Region Seven, Kingsland Trails; in Region Five,
9 Stonehurst in Beaumont; in Region Six, Cricket Hollow in
10 Willis, Texas. That's my amendment.

11 MR. JONES: Would Mr. -- Mayor, would you
12 accept the amendment that they be added and underwritten?

13 MR. SALINAS: Is it --

14 MR. JONES: Is that okay, Mr. Gonzalez?

15 MR. GONZALEZ: Sure, yes.

16 MR. JONES: Okay. And that amendment has been
17 accepted by the maker of the motion and also by the person
18 who seconded. So we now have the motion on the floor as
19 amended.

20 MR. BOGANY: I have a question.

21 MR. JONES: Sure, Shad.

22 MR. BOGANY: Are we asking to underwrite the
23 [indiscernible].

24 MR. JONES: That's correct. Yes.

1 MR. BOGANY: Is that what you want done? Okay.

2 MR. JONES: Excuse me. Any further
3 discussions, comments, questions? They look excited about
4 getting to do that.

5 MS. ANDERSON: It's a short list.

6 MS. BOSTON: It gives them something to do next
7 month.

8 MR. GOURIS: Oh, that's great; that's great.

9 MR. JONES: Okay. Any further discussion?
10 Hearing none, I assume we're ready to vote. Am I right?
11 I just want to make sure I haven't overlooked anybody.
12 Okay, we are ready to vote. All in favor of the motion,
13 please say aye.

14 (A chorus of ayes.)

15 MR. JONES: All oppose the motion, please say
16 nay.

17 (No response.)

18 MR. JONES: The motion carries. And then we'll
19 turn -- we have had Item 3A-1 on the agenda, so Mr. Bogany
20 will turn to Item B under 3, I believe.

21 MR. BOGANY: Item B?

22 MR. JONES: I believe so.

23 MR. BOGANY: Item B has to deal with the
24 housing trust fund and we had a capacity building award

1 recommendation and I'm here to turn this over to Ms.
2 Carrington.

3 MS. CARRINGTON: Thank you, Mr. Bogany. At the
4 board meeting the early part of June, we brought these
5 recommendations to the board. Staff is making
6 recommendations for 14 of the 17 applications we received
7 to award capacity building funds to nonprofits around the
8 state. One of the questions asked by board members at
9 that meeting were how many of these groups had received
10 previous awards out of our capacity building program.

11 And so what we have done is provided you a
12 revised list that showed -- that shows -- that three of
13 the 14 have received capacity building awards from the
14 Department in the past.

15 You will remember that one of things we do say
16 in our NOFA under this program is that we will make
17 this -- that this award -- can be up to a two-year award.

18 It's every year, but it -- they -- can do it for two
19 years in a row.

20 The Center for Independent Living in San
21 Antonio received an award in '02. We're recommending that
22 they receive an award in '03. The Economic Justice
23 Foundation in Austin received an '02 award; we're
24 recommending an '03 award.

1 And Accessible Communities in Corpus Christi
2 received an award in '01, not in '02, and we are
3 recommending an '03 award. So three out of the 14 have
4 received prior awards out of capacity building from the
5 trust fund.

6 And the total amount that the staff is
7 recommending on the trust fund, a capacity building
8 component, is \$567,729.

9 MR. CONINE: Move for approval.

10 MR. BOGANY: Second.

11 MR. JONES: We have motion made by Mr. Conine
12 and seconded by Mr. Bogany. Further discussion,
13 questions, comments? Hearing none, I assume we're ready
14 to vote on the motion. All in favor of the motion, please
15 say aye.

16 (A chorus of ayes.)

17 MR. JONES: All opposed, nay.

18 (No response.)

19 MR. JONES: The motion carries. We do --
20 taking things a little bit out of order -- we do have an
21 executive session listed on our agenda, but I do not
22 believe there is any need for executive session unless a
23 member of the board so wants one. And so with that, I
24 think the remaining thing we have on our agenda is the

1 Executive Director's report.

2 Ms. Carrington?

3 MS. CARRINGTON: Thank you, Mr. Jones. Two
4 items: one, I would like to announce that the
5 Manufactured Housing Division of TDHCA has named Tim Irvin
6 as the Executive Director of the Manufactured Housing
7 Division.

8 Tim was formerly the General Counsel with
9 Manufactured Housing, and his board has named him the
10 Executive Director. And so we look forward to working
11 with Tim in their role and our role that we have with
12 Manufactured Housing.

13 And the second is, I attended yesterday a
14 conference that our agency, our staff, has put together.
15 It's two and a half days; it's an energy conference; it's
16 a weatherization conference here in Austin with about 320
17 people. And I went over and gave the opening remarks and
18 we had the folks who do weatherization; we have our
19 subcontractors from around the state and several other
20 states.

21 And I was really just sort of overwhelmed at,
22 number one, the number of people that we had at that
23 conference and the fact that our staff actually put
24 together the whole thing. And they do that while doing

1 their regular jobs. And I, you know, I know sometimes, I
2 think the Community Affairs Division of our Department
3 does not get the recognition and the acknowledgment that
4 they need.

5 None of them are here today, they're all over
6 at the energy conference, but I do want to acknowledge the
7 work that they have done and continue to do in
8 weatherization and energy assistance for low income
9 families around the state. With that, that's it, Mr.
10 Jones.

11 MR. JONES: Thank you, Ms. Carrington. I
12 believe we've completed our agenda. Is there a motion to
13 adjourn?

14 MR. CONINE: Move to adjourn.

15 MR. BOGANY: Second.

16 MR. JONES: Motion has been made and seconded.
17 All in favor say aye.

18 (A chorus of ayes.)

19 MR. JONES: All opposed, nay.

20 (No response.)

21 MR. JONES: The motion carries. We're
22 adjourned.

23 (Whereupon, at 1:00 p.m., the meeting was
24 adjourned.)

