

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PROGRAMS COMMITTEE MEETING

8:13 a.m.
Wednesday,
February 11, 2004

The Westin Galleria
Consular/Congressional Room
13340 Dallas Parkway
Dallas, Texas 75240

COMMITTEE MEMBERS:

KENT CONINE, Chairman
BETH ANDERSON
VIDAL GONZALEZ

STAFF PRESENT:

EDWINA CARRINGTON, Executive Director
SARAH ANDERSON
DELORES GRONECK

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P R O C E E D I N G S

1
2 MR. CONINE: This is the programs committee meeting of
3 the Texas Department of Housing and Community Affairs. On February
4 11, 2004, at 8:13, the meeting is called to order. We'll do roll
5 call. Ken Conine is here. Beth Anderson?

6 MS. B. ANDERSON: Here.

7 MR. CONINE: Vidal Gonzalez?

8 MR. GONZALEZ: Here.

9 MR. CONINE: We have a full complement today; three of
10 us here. Thank you very much.

11 Any public comment? There's probably a witness
12 affirmation form somewhere.

13 MS. ANDERSON: Didn't have any.

14 MR. CONINE: No public comment. Public comment is
15 closed. We'll go on to action items.

16 In your packet are the minutes of our last Programs
17 Committee meeting of January 13, 2004. Do I here a motion?

18 MS. ANDERSON: I move approval.

19 MR. CONINE: Okay. Second?

20 MR. GONZALEZ: Second. But --

21 MR. CONINE: You weren't here. I'll second it. Any
22 discussion? All those in favor signify by saying, Aye.

23 (A chorus of ayes.)

24 MR. CONINE: All opposed?

1 (No response.)

2 MR. GONZALEZ: Abstain.

3 MR. CONINE: So moved, with one abstention.

4 Number two: Presentation on staff updates to the
5 Committee on some stuff we asked for last time. Ms. Carrington?

6 MS. CARRINGTON: Thank you Mr. Chairman. Your Programs
7 Committee items are behind tab 4, or do they have it separately,
8 Delores?

9 MS. GRONECK: No, they don't have it separately.

10 MS. CARRINGTON: Don't have it separately, so it's
11 behind tab 4 of your Board book.

12 At the Programs Committee Meeting in January, we
13 provided you some charts and graphs on utilizing our funding with
14 TDHCA, some information that had come right out of state low-income
15 housing plan.

16 You all asked for some more detail on those charts, so
17 that you could really get an idea of what the dollars were and what
18 our performance was and what the numbers were on the families, the
19 individuals that were serving in those areas.

20 So behind tab 4, we have six charts for you that we've
21 sliced and diced as many ways as we think you all would be interested
22 in seeing.

23 We've put together the first table, which is our 2003
24 performance measures, broken out by funding source, specific

1 activities and income categories.

2 We have a pie chart of housing funds committed by
3 activity, a pie chart of households served by activity.

4 We have our Rider 3 performance, which has had a lot of
5 discussion over the last month or so. We had a discussion about our
6 Rider 3 performance yesterday at our QAP working group.

7 Your number 5 exhibit is a table and pie chart for our
8 projected FY housing funding by activity.

9 And the last one is staff's best estimate of our bond
10 and tax credit multiplier estimates.

11 What you all have talked about is what really is the
12 impact -- how many dollars are really going out into the community as
13 a result of our 9 percent and then our 4 percent in tax credit bond
14 developments.

15 So that's an overview of what we have. And I would like
16 Sarah to come up and briefly hit each chart or graph and then let you
17 all ask questions. If you have anything you want that we haven't
18 given you, let us know.

19 MS. S. ANDERSON: Well, I hadn't really counted on going
20 into too much detail. I was hoping it was sort of self-explanatory.

21 You might have questions.

22 The only thing I could probably point out would be the
23 Rider 3 information. There has been a lot of discussion about Rider
24 3 and the goal of reaching \$30 million at zero to 30 percent.

1 I would point out that this is only for the housing
2 activities. This was passed in the 1997 session. We frankly didn't
3 meet this goal until 2001.

4 MS. CARRINGTON: And Rider 3 is the fifth page in -- the
5 pie chart.

6 MS. S. ANDERSON: This will give you an idea of the
7 programs that are eligible, and our progress as we go through the
8 first year.

9 Obviously, after the Rider was passed, we were only at
10 \$15 million. We've made significant progress as we've gone along.

11 I know that the \$61 million raises eyebrows and
12 questions. I'd like to remind you that most of that came from HOME,
13 because they're was a double funding cycle that year.

14 So we had two years of HOME funds coming out which
15 explains the huge number.

16 MR. CONINE: Back up one more time. Rider 3 says we
17 need to do \$30 million annually in zero to 30 percent in 1997.

18 MS. B. ANDERSON: In Housing programs, not Community
19 Affairs.

20 MS. CARRINGTON: Correct. Since we moved Section 8 to
21 Community Affairs, it still does count for purposes of this rider.

22 MS. B. ANDERSON: The one thing on this that surprises
23 me is that in the Office of Colonia Initiatives, that none of that
24 ends up being evaluated as surveying zero to 30 percent.

1 MS. S. ANDERSON: Well, actually it does, because the
2 measures go back to the funding source, And since OCI doesn't allow
3 technical assistance money to count towards housing production, more
4 or less.

5 So OCI gets all their money from HOME, trust fund and
6 bonds. So it's all reflective within the funding source that it came
7 from.

8 MS. B. ANDERSON: What's the \$6.6 million for OCI --
9 It's the first page after the letterhead.

10 MR. CONINE: You broke it out on this chart, but you
11 didn't break it out on the one you just handed out.

12 MS. B. ANDERSON: I understand what you're saying about
13 his OCI stuff in these buckets for HOME. But what's this \$6 million?

14 MS. S. ANDERSON: That would be technical assistance --

15 MR. CONINE: See, it's not broken out here, but it is
16 broken out here.

17 MS. S. ANDERSON: Also, that's only for very low, not
18 extremely low.

19 MS. B. ANDERSON: Do spend \$6 million in OCI on
20 technical assistance visits?

21 MS. S. ANDERSON: You have some for technical
22 assistance, and some that are not serving extremely low, so it's not
23 going to be reflective in Rider 3, because they're only serving very
24 low, and that would be for other activities that they've done.

1 MR. CONINE: Contractor D conversion?

2 MS. S. ANDERSON: That would be under HOME?

3 MS. CARRINGTON: Would the CDBG funds -- would the
4 amount that we get from -- which is it 2-1/2 percent CDBG that goes
5 to fund our self-help centers, I would think that that would show up
6 on the chart that is the \$6.65 million.

7 MS. S. ANDERSON: Right. But the breakdowns that I gave
8 you for Rider 3 are only going to going to show zero to 30 percent.
9 What you're seeing here -- that you're looking at the OCI funding is
10 60 and below.

11 MS. B. ANDERSON: I guess I'm just surprised that in
12 those parts of the state that were not -- is it that we're not
13 serving extremely low, or we can't validate it to count it as
14 extremely low?

15 MS. S. ANDERSON: It's being represented under a
16 different line item. It's represented under the funding source.
17 I'll have to go back and itemize where the \$6 million came exactly.

18 But most of that is technical assistance and is not
19 counted.

20 MS. B. ANDERSON: At the risk of asking for more data.
21 I am curious about this \$6.6 million, because that ought to buy an
22 awful lot of technical assistance visits.

23 I think there are three self-help centers that maybe
24 have one staff person in them. So I'm just not understanding what

1 all that money is being spent on.

2 MS. CARRINGTON: Actually we have five or six self-help
3 centers.

4 MS. S. ANDERSON: I mean we're kind of comparing apples
5 and oranges, because the funding that's represented here won't be
6 reflected in Rider 3 because it's not serving zero to 30 percent.

7 MS. B. ANDERSON: There are two issues here. Number one
8 is one why was it not extremely low, and you've satisfied that one.
9 But now you've got me curious about what we're spending \$6.7 million
10 on.

11 MS. S. ANDERSON: And for that I'll be here next month.
12 Not a problem.

13 MS. B. ANDERSON: Or we can wait. I think we're going
14 to look at that program area, whenever the Chairman puts that on the
15 agenda. So I don't have to know just this minute, or even next
16 month.

17 MR. CONINE: Yes, we are.

18 MS. S. ANDERSON: One other thing I did want to talk
19 about Rider 3 would just be the activities that primarily seem to be
20 working for Rider 3.

21 And most of that was rental assistance, obviously with
22 Section 8. And out of the HOME program, quite a bit of rental
23 assistance.

24 But also for the HOME is the owner-occupied rehab. It's

1 doing the single-family rehabs in the rural areas, primarily serving
2 elderly. Those are the activities that we've been very successful at
3 reaching 0-30%.

4 For the tax credits and single-family money and trust
5 fund, which is mostly leverage of tax credits, what you're seeing is
6 that's really serving zero to 30 percent in more of the metro areas.

7 MS. CARRINGTON: It's also about the time that we
8 combined some trust fund money or some HOME money and allowed them to
9 deep income targeting.

10 MR. CONINE: The numbers you have in '02 and '03 for
11 housing tax credits. Is that the 10-year multiple number or that
12 year?

13 MS. S. ANDERSON: It's the credit allocation.

14 MR. CONINE: For 30 percent or below?

15 MS. S. ANDERSON: Yes.

16 MR. CONINE: So it's really ten times that amount, if
17 I'm a real counter.

18 MS. CARRINGTON: That's another way to look at it. Yes,
19 sir.

20 MS. S. ANDERSON: The problem is that we have historical
21 precedents in the way that it has to be reported, has to be
22 consistent over the course of many, many years.

23 MR. CONINE: Well, let me ask this question. Did the
24 \$1,751,000 go to \$3,800,000, because you counted the next year

1 \$1,751,000 again?

2 MS. S. ANDERSON: No.

3 MR. CONINE: It should have.

4 MS. B. ANDERSON: No. You do it once, and that's when
5 you get to count it. That's like when we allocate our tax credits,
6 we do it once against the state ceiling, and you don't get to count
7 it again.

8 MR. CONINE: So it just tells a 10 percent story,
9 instead of 100 percent. We need to somehow figure out a way to tell
10 the story a little better.

11 MS. CARRINGTON: Well, we've done that, we think on the
12 last page of your information in this section, where we talk about
13 the multiplier estimates.

14 But from a reporting standpoint on everything that we
15 do, it is done on that year's allocation, that year's amount.

16 We certainly can do something separate and different and
17 apart for you all.

18 MS. B. ANDERSON: Well, I think it's important for the
19 Legislature to know that, not only do we knock the lights out with
20 61 -- I want a discount -- we know it was a double hit -- how you
21 report it in something that we have to report is one thing, but the
22 story we tell ought to be the same story.

23 MR. CONINE: Let me see if I can stack on top of that
24 comment, when we put the little books together for the legislators,

1 the multiplier effect should be in there, because they don't know the
2 difference, and that they understand the value of a 100-unit complex
3 in their district.

4 MS. B. ANDERSON: And I would stack on top of that,
5 knowing -- that you've got this lege/con next month and based on some
6 conversation I've had with several members of Congress -- that
7 talking about the multiplier effect -- when you're talking about
8 trying to go in and ask for their support to repeal the ten-year
9 rule -- that if you talk about the housing in terms of the multiplier
10 effect, with some congressmen that are careful about the revenue
11 impact of the ten-year rule and have some concerns from that level,
12 if you show them the multiplier effect, you may be able to make the
13 argument that the multiplier effect make the revenue loss to repeal
14 the ten-year rule.

15 MS. CARRINGTON: I think the other importance piece of
16 the credits and the credits and bonds is the equity that's brought in
17 because of it. I think that's another piece.

18 MR. CONINE: Are you finished, or can I ask another
19 question? I want you to finish your presentation before I ask
20 another question.

21 MS. S. ANDERSON: I guess I'm ready for questions.

22 Tom, be ready.

23 MR. CONINE: On the 2004 Projected Housing Funding by
24 Activity, how much of that would qualify for Rider 3?

1 MS. S. ANDERSON: Well, probably hit between \$30 or \$40
2 million. I mean, it obviously all comes by application. People have
3 to apply to us.

4 We haven't changed the HOME percentages in the
5 activities that we're going with. So I would probably look to the
6 year before this last one and consider that probably consistent.

7 We'll probably be right around \$35 million, I guess.

8 MR. CONINE: Do we internally have a system set up
9 internally for keeping track of it as the year goes along, so we can
10 panic at the end of the year, if we're not getting there?

11 MS. S. ANDERSON: Yes, we do. We do performance
12 measures quarterly, and that's part of how we track it.

13 But to be honest, we fund everything in the fourth
14 quarter, so we're always technically behind. Everything comes out
15 July and August, so we're always a little bit behind.

16 But at the beginning of the year, when we do the plan
17 and we make sure that the activities are the ones that promote the
18 funding -- in the applications we try to give preference to that, and
19 we say where our priorities are.

20 I'm comfortable that we're at the point where we're
21 going to meet it every year, as long as we don't do anything radical.

22 One thing I guess I would go back to: the question of
23 showing the multiplier effects on everything else. Another thing
24 that you might want to keep in mind.

1 Even as you look through our budget, almost none of our
2 funding is really reflected in the appropriations, about \$130 million
3 total is shown tax credits only -- I don't even think tax credits are
4 necessarily reflected.

5 But I mean really it's HOME program and trust fund and
6 those things. I lot of times what will make sense to you, if we tell
7 them that we're putting out a billion dollars, they're going to be
8 confused, when they're only appropriated, they think, \$100 million.

9 MR. CONINE: That's understandable.

10 MS. B. ANDERSON: I have a question about the junior
11 lien proceeds that were put in preservation and the various purposes
12 we use that money for.

13 Is all of that money now -- you know, we would commit
14 preservation, and then we'd put another \$2 million in preservation,
15 and I think we'd put another \$2 million -- is all that money applied
16 for, awarded, committed, out the door, on the way our the door?

17 MS. CARRINGTON: We do that through an open cycle, and
18 we have about 200- to \$300,000 left in that.

19 We have an item on the agenda today, where we're
20 transferring some money from the BMIR program that would give us a
21 little bit over a million dollars in that preservation activity.

22 I think Sherwood, that's on the agenda, is like 850- to
23 \$900,000. So you have an item that would move additional money over
24 there, because we're out of money.

1 And then we have an item would actually allocate almost
2 a million dollars.

3 MS. B. ANDERSON: And the other programs under junior
4 lien -- I don't remember what they all were -- bootstrap money in
5 junior lien. Is all of that committed, spent, out the door --

6 Or is it anything that we should expect to see
7 reprogramming. The reason I ask the question is that if we expect
8 any reprogramming, I'd rather get ahead of that and make conscious
9 policy decisions about that rather than be in a reactive mode.

10 MS. CARRINGTON: Yes. I understand your question. Have
11 we used up what we put in there? And the answer is, Yes.

12 MR. CONINE: Any other questions from any of the
13 Committee?

14 Just off the top of your head, why are we having a major
15 shift from '03 to '04, more single family and less multifamily? It
16 looks -- from a percentage --

17 MS. S. ANDERSON: In projected -- when you look at the
18 '03, that's what we were actually able to -- what was drawn down, I
19 guess you'd say. We had people come and actually get loans for the
20 projected.

21 It's the amount that's available. We won't use all
22 that, but it is what's available.

23 MR. CONINE: We won't use all of what?

24 MS. S. ANDERSON: What do we have, \$173 million in '04,

1 and ultimately we won't do that much in loans, but that's what we
2 will have available in product.

3 MR. CONINE: Okay. And you can't count the spillover
4 you get after August 15 in multifamily, as we heard from yesterday,
5 which causes the chart to probably get skewed at the end of the year.

6 MS. CARRINGTON: Quite a bump up, if that's skewing --

7 MS. B. ANDERSON: Skew up.

8 MR. CONINE: Basically double. Okay?

9 Ms. Carrington, anything else on that issue?

10 MS. CARRINGTON: Unless you have any more questions for
11 Ms. Anderson.

12 MS. CARRINGTON: We came close, right, getting what you
13 wanted.

14 MR. CONINE: Yes. Absolutely. Well, \$1.3 billion of
15 activity is a sizeable number on just the multifamily deals.

16 And when you get criticism from those who like to
17 criticize sometimes on like the number of people we have working to
18 take care of a certain dollar volume, that's where these kind of
19 numbers come into play, because you're not administrating \$100
20 million, it's \$1.3 billion.

21 So we just need to figure out how best to communicate
22 that effectively to those who are interested or want to criticize.

23 Okay. What's next on the agenda?

24 MS. CARRINGTON: Performance measures.

1 MR. CONINE: Performance measures. Go right ahead, Ms.
2 Carrington.

3 MS. CARRINGTON: Thank you. Mr. Chair.

4 As was reported to you all last month, we are taking a
5 look at our performance measures for the next biennium.

6 And on a five-year basis, the department is responsible
7 for doing a strategic plan.

8 We have provided you a couple of pages of information
9 that come straight out of information from the Legislative Budget
10 Board, that tells every state agency how you go about preparing
11 performance measures, and what there's supposed to reflect.

12 These performance measures are reported to the
13 Legislative Budget Board. They're also reported to the Governor's
14 Office of Budget and Planning.

15 And as Sarah as already said, we do do our performance
16 measures on a quarterly basis. So we kind of hold our breath for
17 three quarters, because we know we're not doing a whole lot in the
18 way of meeting those numbers, but recognize when our funding does
19 basically hit in our housing finance area.

20 At the bottom of the page on your summary, I think it's
21 important to know what our performance measures are. And they're
22 part of the strategic plan.

23 They're used by decisionmakers in allocating our
24 resources. They're intended to help focus our agency on achieving

1 our goals and objectives.

2 And also it's a monitoring tool, not only for us but for
3 LBB, for the Governor's office, for the Legislature.

4 And the middle of the next page, we are undertaking
5 these changes in our performance measures for four reasons.

6 We want to reflect both the legislative and
7 organizational changes within the Department and ensure that these
8 changes are institutionalized.

9 We want to make our performance measures more meaningful
10 for our long-term planning. We want to deliver more accurate
11 information regarding our agency performance.

12 And we want to give a better picture to the Legislature,
13 as we continually try to do of what TDHCA does. And we have provided
14 an overview of our suggested changes.

15 Mainly what we've done is change the way we have
16 structured and organized these performance measures, rather from a
17 funding source, to focusing on the activity; i.e., the multifamily
18 activities, the single family activities .

19 And then underneath those main headings, the particular
20 program or the particular funding source that helps us meet those
21 performance measures.

22 Sarah and another member of her staff did meet with our
23 budget analyst at the Legislative Budget Board, probably a few weeks
24 ago. I think that has happened since our Board meeting, hasn't it?

1 MS. S. ANDERSON: Yes. About two, three weeks ago.

2 MS. CARRINGTON: I think they would say that they had a
3 good discussion with LBB.

4 LBB gets comfortable with something, and then are
5 perhaps resistant to very much change, but I think both Ms. Anderson
6 and Ms. Hull made what, I believe, was a compelling case at LBB. And
7 I believe we're getting s sympathetic ear to make some changes.

8 So with that Sarah has provided you -- the left-hand
9 column shows what are current performance measures are. So these are
10 the ones that we will live with during the remainder of this state
11 fiscal year.

12 And then to the right-hand side, is what we are
13 proposing our performance measures to be for '06, '07.

14 And really with the Legislature we kind of live and die
15 by these. They really take a hard look at them: who are we serving;
16 what are the dollars; what are the incomes of those that we are
17 serving?

18 And they are an extremely important measure for the
19 Department.

20 MS. S. ANDERSON: I guess the only thing I would add
21 would be that as we go through appropriations, the key measures are
22 what we're graded on.

23 It's also for a lot of legislators about the only time
24 they're going to hear about the agency and get an idea of what we do.

1 In my experience, what's happened is the Legislature's
2 gotten caught up on the names of the programs and what we do.

3 They rarely seem to get past-- every we have new
4 people -- So what does the HOME program do? What is this trust fund?

5 And the discussion never really gets beyond that.

6 What we're hoping is with the performance measures,
7 anybody can look through our bill pattern, look at appropriations and
8 will understand what the agency does.

9 That's one of the reasons we've gone from program
10 funding sources to activities.

11 MS. CARRINGTON: We finance; we assist; we advance
12 multifamily housing. We finance single family housing. We provide
13 services for very low income through our Community Affairs programs,
14 and we believe that this give more of the big picture.

15 They start with the big picture, what is it that we do,
16 and what are the funding sources that we utilize to do what it is
17 that we do.

18 Sarah, you might report a little bit more about your
19 meeting with LBB. How you're feeling about it.

20 MS. S. ANDERSON: In general -- consistency. I guess
21 the first thing before we even opened our mouths was we were told
22 that the Legislature likes consistency, which didn't necessarily bode
23 well for discussion, since it was about changing our measures
24 entirely.

1 By the time we were done, we had been able to show them
2 there have been some problems with the measures as they exist:
3 double counting generally happens as we go through; we're not
4 necessarily giving an accurate assessment of our production.

5 Also it's just been confusing to the Legislature what we
6 do. They don't necessarily the changes in the agency.

7 And we have an entire division in compliance that does
8 twice as much as they did before; none of which is shown. And that
9 has always been a problem.

10 Also in that the Legislature, the general feeling seems
11 to be that they know we give money out. They have no idea about the
12 long-term commitment and the compliances.

13 And we really wanted to spend some time bolstering those
14 measures, so that we give a full picture that not only that we fund,
15 we don't walk away, we keep an eye on our funding for X number of
16 years. And this is how we do it.

17 That was the story. We talked about trying to change
18 the story, and we think that this is an integral part of doing that
19 with the Legislature.

20 MS. CARRINGTON: And so our main categories are
21 basically Affordable Housing, Technical Assistance, Poor and
22 Homeless, Ensure Compliance and Manufactured Housing.

23 So those are our big headings and then underneath each
24 of those we describe how we fund those activities and what we do.

1 MR. CONINE: The blue and the red?

2 MS. S. ANDERSON: I don't have color-coded on mine. But
3 the key measures -- blue are the key measures. That's what we report
4 quarterly. That's what they grade us on.

5 Red are the non-key, which are measures that only are
6 reported every couple of years. They're not really used, but the
7 intention that they'd be useful to us in planning.

8 That's been one of the issues with the performance
9 measures is that they haven't -- we do them; it's an exercise we do.
10 We try to meet them, but they haven't necessarily helped us in
11 long-term planning.

12 As you look at the red and the non-key, what we're
13 hoping is that will help us internally much more.

14 MS. B. ANDERSON: For example on outcome 5, is this part
15 of regular reporting that the developments do to you, as just a
16 routine matter.

17 Or do you go out and survey them; do they have as part
18 of their compliance package, they have to report to you quarterly.
19 How does it work, mechanically?

20 MS. S. ANDERSON: Well, basically internally there are
21 all things that we already gather. Some things will have to be
22 bolstered, but this is all internal reporting, internal measures,
23 things as we go along.

24 And I'm not exactly sure which one you're referring to.

1 MS. B. ANDERSON: Well, Outcome 5 is percent of
2 multifamily rental units benefitting very low, low and moderate
3 income households.

4 So I'm wondering does the developer or the property
5 manager push that data to you on a periodic basis. Are you making
6 some assumptions to get to the outcome?

7 MS. S. ANDERSON: They're definitely assumptions. All
8 of these are -- and this isn't one of the problems with performance
9 measures.

10 They are estimates because they are based on award.
11 They're not based on actual except for single family, which can do
12 actual, because they know who they've done loads to.

13 Multifamily doesn't follow all the way through. It's a
14 guess, based on awards.

15 MS. B. ANDERSON: But don't the multifamily
16 developments -- isn't that what -- aren't they reporting some stuff
17 electronically now?

18 MS. CARRINGTON: Yes, they do. They're LURA. I mean
19 all of the multifamily are going to serve 60 percent and below, if it
20 counts as low income at all.

21 We know that at application time. That's in the LURA.
22 So even though they are projections, it is a very safe assumption.
23 And of course, when our Compliance Division goes out to monitor, then
24 they are looking for compliance with those requirements in the LURA.

1 So even though they are projections, it's not just
2 somebody's kind of -- they have coveted -- you all see from time to
3 time some requests to shift some of those requirements for serving
4 30, 40 and 50 percent.

5 And generally we have said, No, unless there's a really
6 good reason.

7 MS. B. ANDERSON: Well, what's on my mind is -- you and
8 I and Bert talked about this on Friday, which was the comment that
9 had been made to me that the tax credit program is today, serving
10 zero to 30 percent aside from the points, and what's in the LURA,
11 because there's some percentage of voucher holders, housing towards
12 voucher holders, that are residents.

13 And the comment was made to me, We're serving that
14 population, but the agency's not collecting that data, so we don't
15 get, We don't know --

16 They're alleging it's significant; we don't know if it's
17 significant, because we've never collected the data.

18 So that's why I was asking how you get this data.

19 MS. S. ANDERSON: Well, actually we do have that data.
20 We do a yearly survey to find out -- we ask all the properties: at
21 one point in time, who's living there, what the income categories
22 are.

23 MS. B. ANDERSON: So a snapshot at that point in time.

24 MS. S. ANDERSON: Right. And we are, over for the last

1 six, seven year -- we have consistently been at about 20 percent in
2 our tax credits, serving zero to 30 percent.

3 When all of the Rider 3 and everything came up, the
4 Legislature will tell you that that doesn't mean the units are
5 reserved for zero to 30 percent.

6 And we're not allowed to take credit necessarily,
7 because we did try that. And we did tell them that, We know it's
8 been historically 20 percent. We can say this much of our money --

9 And they really didn't buy that.

10 MS. B. ANDERSON: I can understand that. That's sort of
11 not too different to me, in my view, than Kent's argument that, Yes.

12 Our budget may be one thing. But what we're doing is \$1.2 billion.

13 And it's how you tell the story.

14 And so we might report whatever we're required to report
15 for performance measures, and it doesn't mean that that snapshot
16 can't be part of the story, because that's a significant amount of
17 the units -- 20 percent of the units being dedicated to Very Low --
18 zero to 30 percent -- is a significant commitment.

19 I'm talking about housing toward voucher holders in tax
20 credit housing: 20 percent. She's saying that for the last couple
21 of years, it's been about 20 percent. That's a significant number of
22 units where we're serving voucher holders that's not in that number.

23 MR. CONINE: So we're in this number

24 MS. CARRINGTON: No, it's not, because they would be

1 vouchers from the local housing authority. And we historically have
2 not been counting that.

3 MR. CONINE: We've got to figure out what accounting,
4 and take all the credit for it.

5 So the idea here is for us to look at your proposed
6 '06-'07 items. We don't have to take action on this today, I
7 presume?

8 MS. CARRINGTON: I think we're really just interested in
9 your acknowledgement of the direction that we're going and are you
10 comfortable with it?

11 MR. CONINE: I think from the Chair's perspective, what
12 we'd like to do is put this on the agenda maybe a couple of months
13 from now to revisit and recommend to the full Board that we either
14 make changes or we take it -- or whatever we do with it at that time,
15 so you can then put it into the plan that's submitted.

16 That gives each of us a chance to -- it'll also be in
17 the Board members' packet today, too, so in my report to the Board, I
18 can say they need to take a look at it, comment back to staff, and a
19 couple months from now, we'll bring it back up.

20 MS. CARRINGTON: Sarah, what is our timing with the
21 Legislative Budget Board?

22 MS. S. ANDERSON: The actual strategic plan is due mid-
23 June.

24 They haven't given us a deadline yet. Generally, the

1 way it works is in March we're supposed to send -- start the
2 negotiations on changing our definitions and our measures, and based
3 on those negotiations, you sort of move forward with your strategic
4 plan.

5 So, coming back maybe next month --

6 MR. CONINE: Okay. Next month. That's fine.

7 MS. CARRINGTON: That would be good.

8 MS. S. ANDERSON: -- might be better. Also, right now
9 these are only the definition changes. Frankly the hard part exactly
10 comes with the numbers, which we have to -- what we've been working
11 on is --

12 MR. CONINE: You mean that just doesn't fall out as a
13 result of this?

14 MS. S. ANDERSON: You know, you would think. And that's
15 why the rest of the staff hates us, is because they know how to do
16 the performance measures as they've always done them, and this is
17 going to be a little bit of a change for them.

18 We are doing -- as the LBB said, they like consistency,
19 which means they've asked us actually to go back and look
20 historically and to move the money around according to the new
21 measures, and show how we would have fallen out with old money with
22 new measures.

23 And so we have been working with some of that historical
24 information for them. And, as I said, then the hard part comes when

1 we start working with the programs and setting new targets, new
2 numbers.

3 But that'll be for the next month or two.

4 MS. B. ANDERSON: I confess. I didn't even start to
5 look at this until last night. So I haven't done it justice.

6 So having it an extra month, Mr. Chairman, would help
7 me.

8 MR. CONINE: Sure.

9 MS. CARRINGTON: Would you like to have it as a Programs
10 Committee's item next month.

11 MR. CONINE: Yes, I would.

12 MS. B. ANDERSON: I do have a question on the page where
13 all the Affordable Housing strategies are listed in detail; I guest
14 it's page two.

15 Under Strategy for Single Family Assistance, help me
16 understand why tenant-based rental assistance is under the Single
17 Family category?

18 MS. S. ANDERSON: Well, that's one that's been actually
19 on both sides. We've been giving some thought to maybe even having
20 it be its own measure, because we don't. It's serving an
21 individual -- it's a single voucher that moves around; it's not a
22 block.

23 So in our mind, it could go to multifamily housing, but
24 it can also go to single family housing. And it doesn't fit neatly.

1 MS. B. ANDERSON: So I can take a TBRA thing out of the
2 HOME program and use it to rent a single family house in --

3 MS. CARRINGTON: Many of the voucher holders in rural
4 areas actually rent single family --

5 MS. B. ANDERSON: -- or manufactured home or whatever.

6 MS. S. ANDERSON: So that was the logic. Even
7 internally we've had trouble figuring out where they go.

8 MS. B. ANDERSON: The only other thing that I'll sort of
9 give you is tentative guidance at this time is, in the Technical
10 Assistance, I found those outcomes weaker, particularly in comparison
11 to the first three or four pages of this.

12 Just measuring the number of visits sort of leaves me a
13 little cold, because it's not really -- it's sort of a process
14 measure, not a results measure, so I would just encourage you to
15 think about how creative you might be on what it is we're really
16 trying to achieve, and maybe there's some way we can get a little
17 more ambitious, but still obtainable.

18 MR. GONZALEZ: Mr. Chair, I had a question. Under the
19 Poor and Homeless, we've got under the Objections, for instance 16
20 percent of the population, and then the other one under Home Energy,
21 6 percent, are those the figures that we've previously served, or is
22 that a goal that we're trying to obtain?

23 MS. S. ANDERSON: That's a goal that was set through
24 negotiations with the LBB. Frankly I don't know where they came up

1 with that number.

2 Generally the way it works is the staff probably would
3 have figured out how much money they had to have a baseline figure
4 for what need is, and they figure out per person how many they can
5 serve, and out of that universe of need, have come up with that 16
6 percent.

7 MR. GONZALEZ: In what are we currently serving? Do we
8 have any idea as far as where we're at?

9 MS. S. ANDERSON: I'd have to get back with you. I
10 don't have that.

11 MR. GONZALEZ: I don't want to make work or anything,
12 but I was just curious. Someone else may question that latter on.

13 MS. S. ANDERSON: If you'd like, I can bring last year's
14 roll-up, where you can see the final measures.

15 MR. GONZALEZ: Just some ballpark figures. And I was
16 just trying to figure out how we came up with those specific
17 percentages.

18 MS. CARRINGTON: Would it be helpful as you all look at
19 it in March, maybe our performance measures as of August 31 of last
20 year? So that you all have that?

21 MS. S. ANDERSON: Basically in the overview from the
22 previous section, you'll have --

23 MS. CARRINGTON: All of the numbers and the --

24 MR. CONINE: Yes.

1 MS. B. ANDERSON: They're in the slip, right, but have
2 them all kind of on one page.

3 MS. S. ANDERSON: In 2.5 evidently. Yes, maybe I'll
4 make it larger and a little simpler.

5 MS. B. ANDERSON: I think it gives it context, Sarah.

6 MS. S. ANDERSON: So I'll have the information.

7 MR. CONINE: Anybody have anything else other than
8 criticizing the Chairman for his eyesight?

9 We probably should -- sounds like our agenda for next
10 month's Programs Committee Meeting is expanding a little bit.

11 MS. B. ANDERSON: And we added something to it
12 yesterday. What was that?

13 MS. CARRINGTON: Yes, we did. The bond stuff.

14 MR. CONINE: The down payment system on the bonds.

15 MS. B. ANDERSON: Well, could we have a --

16 MR. CONINE: Maybe the afternoon before, and/or push the
17 Board meeting. The Chairman and I will work on the timing of that.

18 MS. B. ANDERSON: Either the afternoon before, or we
19 have the Program in the morning and the Board in the afternoon.

20 MS. CARRINGTON: I'd like to recommend maybe we keep in
21 on Thursday and do Program in the morning and the Board in the
22 afternoon.

23 MR. CONINE: But we need more time.

24 MS. B. ANDERSON: Eight to 12:00, and, and then 4:00

1 to --

2 MS. CARRINGTON: And be prepared for the whole day.

3 MR. CONINE: Okay. Good. Anything else to come before
4 the Programs Committee?

5 We stand adjourned.

6 (Whereupon, at 8:55 a.m., the meeting was adjourned.)

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MEETING OF: TDHCA Programs Committee

LOCATION: Dallas, Texas

DATE: February 11, 2004

I do hereby certify that the foregoing pages, numbers 1 through 33, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

02/25/2004
(Transcriber) (Date)

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