

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
PUBLIC HEARING

Thursday, October 14, 2004
Waller Creek Office Building
507 Sabine
Room 437
Austin, Texas 78701

9:50 a. m.

BOARD MEMBERS:

BETH ANDERSON, CHAIRMAN
SHAD BOGANY
NORBERTO SALINAS
PATRICK GORDON

STAFF:

EDWINA CARRINGTON, EXECUTIVE DIRECTOR

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P R O C E E D I N G S

MS. ANDERSON: Good morning to everyone. It's my pleasure to call to order the public hearing. A board meeting that is a public hearing this morning of the Texas Department of Housing and Community Affairs.

This is a public hearing on the State Low Income Plan and Consolidated Plan for 2005. And I'll begin by calling the roll. Vice Chairman Conine -- is not here. Mr. Bogany?

MR. BOGANY: Here.

MS. ANDERSON: Mr. Gonzales?

(No response.)

MS. ANDERSON: Mr. Gordon?

MR. GORDON: Here.

MS. ANDERSON: Mayor Salinas?

MR. SALINAS: Here.

MS. ANDERSON: We do have a quorum. This -- I appreciate you all being here this morning. If there are some of you that are primarily here for the board meeting down the hall, we are having a fund-raiser in the Department this morning with scrambled eggs and sausage and tortillas and salsa.

AUDIENCE: It's good.

MS. ANDERSON: Do we have a report from the

board. Mr. Kilday approves of the cooking? Good.

Per Section 2306.0723(c) of our authorizing legislation, the Board shall hold a public hearing on the State Low Income Housing Plan and Annual Report before the Board submits the report and plan to the Governor, Lieutenant Governor, and Speaker of the House.

And we also include in this public hearing, the consolidated plan. They run concurrently with the SLIHP and the annual report.

The State Low Income Housing Plan and Annual Report is one of the three comprehensive planning documents that the Texas Department of Housing and Community Affairs is required to submit. The consolidated plan and the strategic plan are the other two.

And so I hope you've had an opportunity to review parts of the plan that are of interest to you. And our purpose this morning for the Board to directly hear comments about the plan.

We will take no action, of course, in a public hearing, but we appreciate your willingness to be here and bring your comments directly to the Board for consideration.

As you know, there are 13 public hearings that are going on throughout the state, which is an additional

vehicle for comment. And the public comment period began on September 24th and ends on November 25th. So if you have written comments, we encourage you to make those October 25 -- thank you, Ms. Carrington. And then the Board will consider final recommendations on these items at the November 12 Board Meeting.

And I call to your attention that is a Friday, November 12, which is sort of unusual for us, but that's when we're having it.

So I have so far three witness affirmation forms and so I will entertain public comment at this time. And the first witness is Susan Maxwell.

MS. MAXWELL: Good morning. I'm Susan Maxwell, and I represent the Texas Council for Developmental Disabilities and I've told you before that we're a federally funded program with board members that are appointed by the Governor and that they represent -- that half of them or 60 percent are people with disabilities or parents of people/children with disabilities.

The rest are agency folks. And I'm glad to say that TDHCA will join us on our council soon. As the reorganization came through, there came a spot and we're glad to have you as a part of our board.

We'd like to offer some comments. First about

the tenant-based rental assistance and the HOME Program. Again, we understand how slow the money was to take off, but we would like to compliment your staff on the technical assistance that they have offered the independent living centers and other providers who have tried to come forth, who've never had experience with the -- getting housing money. Didn't know how the system worked and really wanted to put the money out there.

And they were also scrambling from the Health and Human Services side to get that part all linked up so that there was the Services and the Housing together.

It's taken them a long time to figure it out, but I guess that's about a quarter of the money that's been obligated. And I hear that there's a provider coming down the pike looking forward to taking another million soon.

So I think you all have done a great job. In technical assistance, the money didn't go as fast as we want, but it is getting out there and we appreciate that and we hope that you will hold amount of monies for Tenant-Based Rental Assistance Programs, either through that or Section 8 Housing Vouchers.

Another thing, we appreciate that you've done a Disability Advisory Committee. That is a really good step

and we would urge you to broaden the membership of that committee and to make sure that they meet regularly, so that they're in sync with Board meetings and that they have a good interface with your process.

We noticed that the HOYO Program was deleted from the program in the Consolidated Plan and we have seen the good things that it has done throughout the state of Texas and how other states have modeled after it. And we would appreciate a commitment to that again.

And I realize that is kind of in negotiation and in process, but we would really want to support the HOYO Program.

And also we see that our population is aging and people who age tend to get more physical disabilities and people want to age in place. And people with disabilities in rural areas, are there that also cannot access their homes too good and barrier removals were important.

And so barrier removal that was some assurance that they actually know what they're doing when they come to modify a home for someone with a disability because a lot of times the builders might have a vision of how things should go, whereas it could be a lot simpler than or a little different than what a builder might imagine.

So some expertise needs to be -- shown in the application. That they really know what they're doing. Or some linkage between somebody who can advise them.

We understand that TDHCA Board is thinking about no longer being a part of the State Public Housing Authority. And we would urge you to keep that status.

I know -- well, I don't totally understand this, but I do know that 35 vouchers came from HUD directly to the Public Housing Authority and I would hate to lose the opportunity if HUD's going to give a statewide thing, that if you didn't have that public housing authority, you might not be able to take advantage of those kinds of initiatives.

We thank you very much for this opportunity to give public comment and I have an article. I know it's not directly related. It's from the Dallas Morning News.

It's about people with disabilities who are trying to move out of nursing homes and I think it shows the struggles they go through and the barriers. And any way that TDHCA can help out with that, we appreciate it.

And a copy of my comments. Thank you.

MS. ANDERSON: Are there questions to Ms. Maxwell? I have one question for you.

MS. MAXWELL: Sure.

MS. ANDERSON: On -- your comments on barrier removal, interested me. Is there, you know, we don't get enough time as a board to sort of talk about these kinds of issues.

But your comment about the need for expertise in the application process, have there been some problems?

MS. MAXWELL: I understand that in the application process, there was a check-off box and it says something like, will you do it? But it doesn't demand a level -- or something to say, yes we know how or yes, we're going to partner with somebody who knows how.

That sort of thing. So it's really open to anybody who can imagine that they know.

MS. ANDERSON: And I think your point is well taken. There are sometimes multiple ways to make appropriate physical accommodations and someone who has expertise might more readily bring multiple alternatives to the table than a construction person would.

MS. MAXWELL: I have attended UCP training that they have on barrier removal and found it very fascinating because they were showing how very simple things could be put in place, rather than doing the whole house -- and that it's very individual.

Depending on someone's disability because not

all people with disabilities need a counter height at a certain--there are all those details.

MS. ANDERSON: Great. Well, that was a very interesting comment.

MS. MAXWELL: Okay.

MS. ANDERSON: We appreciate you being here this morning.

MS. MAXWELL: Thank you.

MS. ANDERSON: Mr. Bogany?

MR. BOGANY: I have a question for you in regards to the HOYO fund.

It seems that in my travels the, you know, we had HOYO funds in the beginning. It is a good program and I've seen it work.

But seems as though that a lot of issues or complaints that I've heard are coming from the handicapped community about this particular program and I am wondering -- you're advocating that we should keep it and you're representing the handicapped.

What are the people that I'm receiving calls from saying that we shouldn't be given HOYO any money? They should compete on a regular basis. And what's your take on this with these particular funds, given in the past, we've just awarded it to them?

And it is a great program and it does, what I've seen of it, works. But it looks like all the heartache behind it is coming from within your own community, saying, Hey, we shouldn't have -- give this group funds. They should have to compete for these funds like all the other groups that we have.

And I wondered what your take was on that?

MS. MAXWELL: Well, I think that these funds were available to other people that wanted to step forth and take them, but other people didn't make application.

As far as competitive, sure. The more people in the state that want to compete for funds to do this project, that's fine. Let them come on board because that would mean more services for people that are creative and more expertise around the state.

But the expert on HOYO, as far as from the provider side, is here this morning and I'm sure she can enlighten you further on those issues.

MR. BOGANY: Because it seems like the complaints that I'm hearing are coming from the community itself.

MS. MAXWELL: Yes. I have not heard them and I would like to know more about why people with disabilities are thinking it's not a good program

I know that they are -- there's only so much money and that they have to qualify in certain ways to get that so --

MR. BOGANY: Okay.

MR. SALINAS: Why wouldn't they want to be able to --I know we discussed this last time and I'm in agreement with you that you all should have a separate fund for disabled.

I have never heard any complaints about your having a separate fund.

MR. BOGANY: I don't know where --

MS. MAXWELL: Yes. And I haven't heard anyone complain about the HOYO program either, at all.

I know it's a network of real estate people, and the banks, and Fannie Mae and the UCP Texas has taken the lead in establishing those networks in various communities around the state.

And that's not always successful that every community start this up because the people in each city have to come forth and take leadership.

So I can see where there might be some people that are misunderstanding of why it's not coming to their community. That's all I know.

MS. ANDERSON: Thank you very much. We will

hear next from Jean Langendorf from UCP.

MS. LANGENDORF: Good morning. My name is Jean Langendorf, and I am executive director of United Cerebral Palsy of Texas.

UCP Texas serves as the lead organization for the Texas Home Of Your Own Coalition. Our comments will focus on the Department's efforts to address the housing needs of people with disabilities.

I am here in support of the continuation the Department's commitment to the Texas Home Of Your Own Coalition.

HOYO continues to expand opportunities for home ownership among a greatly under-served population, low income people with disabilities.

TDHCA has been a partner in this public/private initiative since 1996. As a partner, TDHCA has committed down payment and varied levels of assistance to prospective homeowners with disabilities and is a major activity of the project to promote home ownership.

Because people with disabilities are considered an under-served population, this is an especially important activity to support.

We want and need this partnership to continue. It benefits all of us. We don't understand staff

recommendation not to continue this effort. TDHCA has not shown that there is a mechanism in place to address this effort to serve people with disabilities in their pursuit of home ownership.

We asked can TDHCA provide us with a number of people with disabilities served through the HOME Program and the bond program to show that people with disabilities are being served. How many applications did TDHCA receive for down payment for people with disabilities in the last HOME funding cycle? And how do they plan to increase this number?

I do want to point out if what's on the website and what is provided publicly, there has been no applications. It is an allowable activity. Anybody can apply for the down payment funds. Nobody has.

Why is TDHCA staff only providing, in this new plan, a choice of rental housing in PJ areas? Does TDHCA staff think people with disabilities should only be in rental units?

During the hearing process, we understand there has been support expressed for the Texas Home Of Your Own Program. We have received this support because it is a partnership, a coalition of groups working together to promote home ownership for people with disabilities.

We want to continue the partnership with TDHCA. It has been recognized as a national model. Currently, there are local HOYO programs in Austin, Houston, Fort Worth, Dallas, and in El Paso.

These programs have partnered with the large cities for the HOYO activities and work with CUCP Texas to serve the county areas around these metro areas.

We are working with the independent living center in the Killeen/Waco area to establish a local project. We hope the Department will lead the way in expanding this effort to other communities in Texas.

I -- on a sideline, I've heard from some of the folks that have been out at the public hearings and the people that have been testifying on the plan. The plan, as written, does eliminate the partnership because we are no longer listed as a partner or a set-aside.

And I've heard from TDHCA staff, now that TDHCA really just wants to formalize a process. I have to, in defense of our program, we have presented two MLU's over the course and life of this program to TDHCA to work with us formally like the other organizations have.

They have not wanted to sign it. Again, it was before Ms. Carrington. I mean, we've been around a long time.

We have -- we were told that the way to secure this partnership was it would be put in the comp plan. That's what happened four years ago.

We have not said you have got to put us in your plan. This is what the Department said, how they could reflect our partnership, is to put it in the plan.

So we're concerned now that it's not there and so how will we continue to have a partnership?

The reason it was put in the plan and a need for the partnership is that the program is established and it has expanded to the sites throughout. And as people come through the process, particularly people with disabilities, we're dealing with a lot of people with very low income.

As they're dealing with their credit issues, as they're dealing with their saving for their portion of the down payment, it's taking two years. We are providing that kind of assistance to them.

So at the end of two years, for us who are working the program, we'd hate to have it be that there's no down payment available.

So that's why the partnership and the people that worked from TDHCA in the past, and have participated in the coalition, thought it was best to put it in the

comp plan. That way we could have it.

And the other thing we faced and just -- I'm hoping this is going to improve with the HOME funds as they're allocated -- but what had happened in the past is the Department would decide, and it has decided, to not do a round of HOME funds in a particular year because there were issues with HUD or there were issues of other things.

And so you're asking the program to just stop.

And those of us, and all the partners -- it's not just me. It's a whole lot of partners. We have lenders, we have Fannie Mae. We have all these people we've been working for eight years to try to serve this population.

And so when it -- when that fell apart, as it did in the past, and there were no funds, you stopped the pipeline and you stopped people.

And that's why there's a partnership. And if things have to be so structured that there can't be partnerships with the Department, then that's a decision you all will make and we'll all live with it.

But we hate to see something fall apart. We don't want you throwing the baby out with the bathwater -- is what we think would happen.

We do have partnerships with the City of

Houston. Not we, UCP Texas, but the local group in Houston is working with the City of Houston.

We have a partnership with the City of El Paso. We have a partnership with the City of Fort Worth to help those people in their participating jurisdictions.

What we're trying to help is when a person with a disability in these communities decide they want to live outside of the City of Houston that there's going to be some funding available.

And especially around the Austin area, I mean, the affordable housings are in Buda and Kyle. They're in the small communities and so what TDHCA support allows for is to serve those people.

We would welcome any group that wants to work on this. I'm really concerned if people are complaining about our program. I have been told, and this has come from staff, that it's viewed as a "sweetheart" deal.

I don't understand that and I don't like our program being put in that light because it is a partnership. It is something together the Department has said, we think serving people with disabilities is important and we want to be part of the coalition.

And you've done it through the comp plan. We'll do it however you all say. I have had contracts

that have been down payment. One contract for down payment, one contract to do the modifications.

I have had -- now, we're doing -- then the Department said, no, no, no. We need to combine it into one. Your home buyer with home modifications. They don't call it home modifications, with rehab.

And so we've changed our contract that way. We'll do whatever you all say. Honest to goodness. We want to be a partner and we will work with you.

We do have the experience of managing HOME funds and we help the other communities in learning to work with the HOME funds. We do have the expertise on barrier removal and my additional comments are in that area.

UCP Texas believes the Department can serve as a catalyst for full compliance with fair housing laws, as well as promote policies that increase integrated, accessible, and affordable housing.

In the past, we have supported the Statewide Architectural Barrier Removal Initiative. The goal of the program was to systematically increase the size of the affordable/accessible housing stock in the state, which was critical in serving the needs of people with disabilities.

The program had its flaws. We were some of the people that pointed it out through a grant with the Fannie Mae Foundation, where we went around and looked at the kind of modifications that were done.

There were concerns. They were done by people who didn't understand how to do home modifications and the ramps -- and we have pictures and we came and showed them to the Department at that time.

The ramps went up to the door with a step into the door. I mean, that's not what we want to see in the community. So we think there's a need for this. The plan does not show any commitment to this. There is the disability set-aside and has been the disability set-aside.

The concern is that it is checking off a box. If you look at the applications that were funded because some disability organizations, and they testified, asked for those applications that were funded this last round.

MS. ANDERSON: I need to ask you to wrap up.

MS. LANGENDORF: Okay. There was some issues with what was in there.

We are asking you to increase monitoring efforts. It's all written there. If there are any questions? Thank you very much.

MR. BOGANY: I have a couple of short questions. The people that are able to get funds, what's their average income -- that you're able to put in homes? What's the income of those particular individuals?

MS. LANGENDORF: Half of the people are 50 percent and below.

MR. BOGANY: Of median income?

MS. LANGENDORF: Of median income. The reason for that -- I mean, I'll give you all that report because actually National Center for Medicare/Medicaid services did a report on our program and we did all the statistics on that.

The reason it is, is our program has the -- we utilize the funds that you -- you get the maximum \$15,000 or \$14,999 if you're at 50 percent and below.

We feel the people that have a higher income can contribute to the program. So we graduate it up. If you're at 80 percent and below, you get \$3,000 --

MR. BOGANY: Okay.

MS. LANGENDORF: -- from our program. But the barrier removal, you get -- if you need it, you get the maximum amount, because that's what's hurting people with physical disabilities is that they don't have the down payment and the money to modify the home.

MR. SALINAS: The City of Houston, how much do they contribute to your program?

MS. LANGENDORF: They have set aside \$150 -- for the barrier removal, \$150,000, to do the barrier removal.

They increased their down payment assistance through their regular down payment assistance program, that people could come in -- so folks that come through the program in Houston automatically get, I think, \$12,000 in down payment assistance through their existing HOH, Housing Opportunities of Houston.

So they've modeled it a little different and every community is different with the city.

MR. SALINAS: But they have a set-aside for you?

MS. LANGENDORF: Right. They have a set-aside for people with disabilities.

MR. SALINAS: And how about El Paso?

MS. LANGENDORF: In El Paso they have the \$20,000 that they offer for people with disabilities. They have \$20,000 across the board for anybody that's coming through their program.

For people with disabilities, \$10,000 of that is a forgivable loan. The other \$10,000 is a payback.

So they modified their program because of the lower income because of the --

MR. SALINAS: They are working with you and they have a set-aside?

MS. LANGENDORF: Right. They actually fund us to do the counseling, to do the outreach, and all of that in the City of El Paso. They see this as a really important thing -- to get people into their existing down payment program.

MR. SALINAS: What you're asking the state now is to be part of what they're doing.

MS. LANGENDORF: Of what's been done across the state.

MR. SALINAS: For us to provide you a set-aside.

MS. LANGENDORF: Yes. To continue.

MR. SALINAS: But you're saying that the staff here has said no, that you have to participate like everybody else.

MS. LANGENDORF: Right.

MR. SALINAS: That's the way I heard it the last time.

MS. LANGENDORF: Right.

MR. SALINAS: And just for the record, I do

agree with you, that we should have a set-aside, especially for those communities outside the City of Houston and outside, especially in the south Texas area.

We don't see you in south Texas and we would like to see you.

MS. LANGENDORF: We were there but we started with the program. That was not TDHCA money. It was through the Developmental Disabilities Council, but the money ran out and the program couldn't be --

MR. SALINAS: And you can probably go up there and ask the county -- so there are other counties --there are cities that you might even come and ask the cities. I just don't see why you haven't been able to come to any of those cities.

But they're struggling. But I do agree with you that the state agency should do what the City of Houston is doing and City of El Paso. I don't know about Austin.

I'm sure Austin is doing an MP with you, aren't they?

MS. LANGENDORF: They're just announcing their new program.

MR. SALINAS: How much are they --

MS. LANGENDORF: They are using trust fund

money. They're doing \$30,000. They're doing \$15,000 on a down payment and \$15,000 for home modifications.

MR. SALINAS: Which is very good.

MS. LANGENDORF: Plus another -- actually, it's \$35,000.

MR. SALINAS: Which is very good and I think the agency should do the same. And this is why I did side with you the last time. And I think it's something that I think we all should do and I don't think the rest of the Board members would agree with me, but I want to be on record that I do agree with you -- that you should have a set-aside for this group of people.

MR. BOGANY: I have one comment. Just a comment, not a question.

I would like to see the disability group -- disability advisory group and your group be more supportive of this agency outward toward the legislatures, helping us there when we're under fire -- that we are doing a good thing.

We are supporting you guys. And I'd like to see the support from your side also that you guys down at the Capitol helping us on issues that has to do with housing because it all effects.

And one of the things that since I've been on

this board that I've not seen is a support from this group and we have been supporting you guys in the past. And there are certain things that the staff can't do, but because you're an outside group, you can do and come to our rescue and support us in this process.

And I would like to see this. I mean, how many times has the disability advisory group met this year? I mean, I've never seen a report from them -- hey, this is what's going on in our community. This is what's going because we're seeing two factions, saying, Hey, we want to compete with this money. And then your faction saying, No, it's doing a great job.

So that tells me we've got two -- division in the group and I'd like to see it come together and see you support us in our efforts to provide affordable housing for everyone.

But I hadn't seen it from the disability community and I would like to see if for my --

MS. LANGENDORF: And I will send you some information. We have always been there at the legislature and I --

MR. BOGANY: Okay. Because I haven't seen it.

MS. LANGENDORF: Yes.

MR. BOGANY: Thank you very much.

MS. LANGENDORF: Thank you.

MS. ANDERSON: Thank you. Mr. Schwartz?

MR. SCHWARTZ: Good morning. My name is Jonas Schwartz, and I'm here on behalf of the Disability Advisory Committee, which you all formed about four years ago, that currently has five members, and I'm going to give you our comment on this year's consolidated plan.

The first recommendation we ask is that you restore the set-aside for people included in the Ohmstead Supreme Court decision. Basically, the tenant-based rental assistance.

You know, you all set aside \$4 million over the last four-year period and we agree with you that yes that money has been very slow to move and there have been administrative problems with the program that make it hard for the small non-profits, who work with people with disabilities, to apply for the funds because they need to have enough cash flow to be able to pay people's rent and then wait for the reimbursement.

Really small non-profits don't have that kind of cash flow.

The other thing that was -- that hurt us was that the independent living centers, who would be the primary applicants for this money, for a period of time

lost the transition funds that they had to help people move from institutions into the community.

The state, the Department of Health and Human Services Commission has since restored those funds and so now people have the infrastructure in place to be able to make use of the housing dollars that you all set aside.

So I would ask that in this new plan that you set-aside \$1 million, specifically for individuals moving out of institutions through the Tenant-Based Rental Assistance Program.

Our second recommendation is that -- for the \$2,350,000 set-aside, we recommend that applications be considered on the merits only, in both participating jurisdictions and non-participating jurisdictions.

That's the way these funds have always been structured. However, in the proposed consolidated plan, you are having the 95/5 percent rule apply, and we're asking that the requirements stay the same and that the money be set aside. And that 95/5 percent rule not apply but that people in participating jurisdictions and non-participating jurisdictions may compete and their applications be evaluated on their merits.

Our final recommendation is that TDHCA continue its commitment to people with disabilities by designating

a staff person internally to continue to be the disabilities community's contact on these issues.

You know, with staff changes, that can become a problem and so we're asking that that commitment be formalized by having a staff person of the Department choosing to serve as our liaison.

Now, Mr. Bogany, in response to your questions about the Disability Advisory Committee not meeting on a regular basis, I'd like to respond to that.

We are an advisory committee to you all. To bring information to you all and to make recommendations to you all. We met regularly when we had business to take care of. When we had recommendations to make.

You all began to deal with many of our issues and so we don't tend to have meetings just for the sake of meeting.

We want to meet when there's an issue and unfortunately, we didn't know about the recommendations from staff regarding the current proposed consolidated plan. So we didn't meet as early as we probably should have, but we weren't aware that these changes were being proposed.

So the other thing that I'd like to say is I don't feel like it's just the numbers or that's what I am

of the Disability Advisory Committee, to call a meeting.

When the Department has an issue that we need to discuss or make a recommendation, the Department can ask us to meet and we're happy to do that. It doesn't just need to come from the members of the committee.

Secondly, you've said you'd like to see the disability community down at the Capitol providing some advocacy on behalf of the Department. I'll be the first one to tell you the disability community was present at all of the Sunset hearings during the legislative session. Both times, the Department wasn't at Sunset.

And we were extremely vocal and supportive of the reorganization the Ms. Carrington undertook when she came on board and we were very clear with legislators that we were very supportive of that.

So we have been down there and we do take an interest in the issues that effect this Department when there is an issue. And we were very active, during both Sunset processes.

So that's all I have. I'll be happy to answer any questions.

MS. ANDERSON: Thank you very much for your testimony.

MR. SCHWARTZ: You're welcome.

MS. ANDERSON: That is all the witness affirmation forms I have for the public hearing.

Are there others that would like to speak to the State Low Income Housing Plan? Consolidated plan?

Seeing not, I adjourn this public hearing. Thank you all for attending.

(Whereupon, at 10:30 a.m., the hearing was adjourned.)

