

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

BOARD MEETING

9:40 a.m.  
Friday,  
January 7, 2005

Room 437  
Waller Creek Office Building  
507 Sabine  
Austin, Texas 78701

PRESENT:

TDHCA BOARD:

Beth Anderson, Chairman  
Kent Conine, Vice Chairman  
Shadrick Bogany  
Vidal Gonzalez  
Patrick Gordon  
Norberto Salinas (not present)

TDHCA STAFF:

Edwina Carrington, Executive Director  
Ruth Cedillo  
Chris Wittmayer  
Tom Gouris  
Robbye Meyer

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P R O C E E D I N G S

MS. ANDERSON: If I may ask you to take the seats, then we'll be ready to proceed. Thank you. Most of you are in your seats. Good rainy morning, and welcome to the January board meeting of the Texas Department of Housing and Community Affairs.

The first order of business is to call the roll, which I'll do. Vice Chairman Conine.

MR. CONINE: Here.

MS. ANDERSON: Mr. Bogany.

MR. BOGANY: Here.

MS. ANDERSON: Mr. Gonzalez?

(No response.)

MS. ANDERSON: Mr. Gordon?

MR. GORDON: Here.

MS. ANDERSON: Mayor Salinas? We have four present and two absent. We do have a quorum.

At this time, I'd like to turn the platform over to Ms. Carrington.

MS. CARRINGTON: Thank you, Ms. Anderson. The first order of business for us this morning is to say goodbye to one of our TDHCA staff, who has been with us for a while.

We seem to be doing this now on almost a monthly basis. But I'm always pleased when our staff is able to gain experience at TDHCA that they're able to use out, in this case, in the private sector. And this person that we're saying goodbye to is going to leave sometime this month.

But I understand the resignation letter hasn't been written, but he's told everybody he's going. So Robert Onion, have you written the letter?

MR. ONION: Yes, I've written the letter.

MS. CARRINGTON: Okay. Have I seen it?

MR. ONION: Actually, it went down to HR, and I --

MS. CARRINGTON: Okay.

MR. ONION: -- need to route it to you.

MS. CARRINGTON: Robert, of course, is in our Multifamily Division, and many of you all, or most everybody in this room with transactions on the agenda today -- most of you all have worked with Robert at sometime or other as you were working through your transactions.

And I think -- I hope that all of you have appreciated Robert's tenacity and Robert's energy, and his desire to make and see transactions work.

I'll tell you that some of the most interesting discussions I observed, are discussions between, as you all can probably imagine, Tom Gouris and Robert Onion. And then they go to lunch together on a regular basis. So I think they truly admire and respect one another. I think, Robert, I appreciate the years that you spent at TDHCA. He is going off to work with CitiGroup?

MR. ONION: Citibank.

MS. ANDERSON: Citibank, doing -- big surprise, commercial lending. So Robert, we wish you well, and we have a little plaque for you in plastic.

(Applause.)

MR. ONION: You know, I just wanted to thank the staff and Ms. Carrington for putting up with my Type-A-Plus personality. And good news or bad news is you're probably going to see more of me instead of less.

And third, I want to -- I'm very proud to say that I'm a fourth-generation Texan who has served the great State of Texas, and to borrow a line from a famous movie, it's been quite a part. Adios, muchachos.

(Applause.)

MS. ANDERSON: We really appreciate your years of service, Robert. And you have a lot to be proud of of what you did here, and all -- you can look at all the

housing you put on the ground during your tenure here and be very proud of that.

MR. ONION: Thank you.

MS. ANDERSON: We, as is our tradition, we solicit public comment both at the beginning of the meeting, and at the time of the agenda items. All of the witness affirmation forms I have are for -- I think they're all for Item 2(a), and they all request to speak when the item is presented. Is there anyone who wishes to make public comment to the board now? Yes, sir.

MR. MYERS: I do.

MS. ANDERSON: And have you completed a witness affirmation form, sir?

MR. MYERS: I have not.

MS. ANDERSON: If you would do that after you finish your remarks.

MR. MYERS: I will. Thank you. Madame Chairman, ladies and gentlemen, my name is Jim Myers, from San Antonio, Texas. I'm here to wish you greetings and Happy New Year from our new state rep in District 117, Mr. David Leibowitz.

I worked with David as an administrative assistant. He's home with the flu. He wishes to say hello to you, and to thank you for the hard work that you

do, and for all the successful projects that you approved and completed in San Antonio.

Sometimes I wonder if all of us realize the profound effect that decisions that you make and work that we do, the effect that it has on so many lives and so many people.

But we do thank you, and wish you a very happy new year. Thank you.

MS. ANDERSON: Thank you, Mr. Myers. Pleased to welcome a couple of special guests that are here with us this morning. Michael Gerber from the Governor's office, and Ranetta Nance from the House Committee on Urban Affairs. I appreciate you both being here.

First item of business is the Presentation, Discussion and Possible Approval of the Minutes of Board Meetings of November 12 and December 13, 2004.

MR. CONINE: So moved.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed no. The motion carries. Item two is Presentation, Discussion and Possible

Approval of Housing Tax Credit Items: Determination Notices on Tax Exempt Bond Transactions with Other Issuers. Ms. Carrington?

MS. CARRINGTON: Thank you, Ms. Anderson. As we begin our agenda today, what the board will notice is that it's mostly tax-exempt bond transactions. As a matter of fact, we have eleven that we are going to be asking the board to approve this morning, that are transactions with issuers other than TDHCA. And then we have four transactions that are transactions with TDHCA as an issuer.

The reason that you are seeing this number of transactions this month, and a good number of them next month also is because of the collapse that occurred in the Private Activity Bond Program on August 15 of last year.

At that point, all of those subceilings fall away, and there was, as my staff has said, a ton of money that came back. There is like 585 million that came back as a result of those collapsed subceilings.

So the allocations of credits that you all were looking to make today, and then when you come to TDHCA's -- the issuance of the bonds -- these are all 2004 Private Activity Allocations. So we're not even in to the 2005 money yet with the Bond Review Board.



So with that, the first application that I would ask for to take a look at is Primrose at Crist. This is a 204-unit development. It is a priority 1-A transaction. It is located in Garland, and as we -- and staff is recommending a credit allocation of \$596,042 in credits.

It is a local issuer. It's the Garland Housing Finance Corporation. You will also be requested on some of these transactions as we move through, to waive a section of our QAP. It's Section 50.12(a)(2). And that section of the QAP says that at least 60 days prior to the date that the board is to consider the application, there is certain documentation that must be in place.

And on some of these transactions, that documentation was not received 60 days prior to the date that the board was considering the request. So it is something that we want to call the board's attention. Make sure we do get a waiver.

One of the reasons, of course, was the removing of the board meeting date from next week to this week. But it certainly is not the only reason in all of the transactions.

Sometimes we'll get a market study, and the market study will need to be revised so substantially that

we'll have to basically consider that a new market study.

We also want to put the development community on notice, and tell the development community that the Department is very serious about implementing the deadlines. And that to the extent that we have these deadlines, and we have these requirements in our qualified allocation plan, then we want the documentation at the times that are outlined in the QAP.

So it is something that we perhaps have not enforced as strictly as we should have in the past. It's one of the reasons we're calling it to the board's attention. We're calling it to the development community's attention. We want to put it on the record. If we tell you we need it at a certain period of time, then we're asking that you get that to us at that period of time.

So with this particular situation, we are asking for a waiver of that 60-day rule. This transaction is going to be 100 percent property tax-exempt. And the staff is recommending -- there are basically no unusual issues or conditions related to this development. And so staff is recommending the approval of the tax credits of \$596,042.

MR. GONZALEZ: So moved.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries. If I may, Ms. Carrington, for purposes of the record, I want to note that Mr. Gonzalez joined the meeting at 9:40. And thank you for that.

And I also want to thank Tom Gouris and the staff at Real Estate Analysis for accelerating their efforts that enabled us to move the board meeting from our traditional second Thursday, which is next week, to today, which a couple of the board members had serious conflicts next week.

And so I would -- and I would -- I certainly support Ms. Carrington's comments to the development community, that you know, the deadlines are important, and you know, this may not be the last time a board meeting has to move either. So when those -- and we know we have to have the board meetings, because we know we're on a bond review board schedule, and we want to approve these

deals and put the housing on the ground.

So we ask your -- I personally ask, and second Ms. Carrington's comments about timely delivery of material. Thank you.

The next item for the board's consideration is Rosemont at Laureland. This transaction is located in Dallas. And this is the first of three transactions with local issuers that the board will be considering. And then there is one with TDHCA as an issuer.

And we want to make some comments. And Mr. Gouris, if I don't say everything that you think we need to say for the record, then please back me up here. That the Department is beginning to have some fairly serious concerns about the number of developments in Dallas and the oversaturation of some markets in Dallas.

Basically, if any more transactions would come to the Department that were in these submarkets, the Department does not feel that we would be in a position to approve these transactions, because many of these markets are indeed saturated.

I have been in discussions with the housing director of the City of Dallas, Jerry Killingsworth. The city must approve -- Dallas is one of those cities that has tax credits that are in excess of two times per

capita.

And so what that means is that there has to be a resolution from the city council in Dallas for any of these transactions to move forward. And what Mr. Killingsworth has told me is what the City of Dallas is really interested in focusing on is rehabilitation, as opposed to new construction.

And I was kind of interested, as I started reviewing all the transactions that we're looking at today, that all 15 of them are new construction.

So we are certainly, from a Department standpoint, looking to see more applications that would be coming in that would be in rehabilitation. And developers, if you can find some of those submarkets that are not saturated and overbuilt, then obviously we encourage you to do that.

But we also want to put you on official notice that Dallas is a real concern to us. And I think Houston is quickly getting in that same situation.

Now at this point, Houston is not a city that falls under the two times the state average per capita. We do update that on a monthly basis. As the board approves transactions, then that goes on our website so that communities do know if they're in that two times or

they're not, because obviously then they have to go to resolution.

So we do keep that updated on a monthly basis. Houston is not there yet. Dallas is. We just want to put folks on notice that from a Department standpoint, that we're really -- we believe you are really going to see a slowdown in what the Department is going to approve in the Dallas area.

With this particular transaction, the Primrose at Laureland, the Dallas Housing Authority is the 100 percent owner of the general partner on this transaction.

It is the Dallas Housing Finance Corporation that is the issuer on this transaction. They also are needing a waiver of 50.12(a)(2) of the QAP related to submission of documents.

Staff is recommending approval of this transaction, and the credit allocation amount is \$786,546.

MS. ANDERSON: Ms. Potashnik, would you like to speak on behalf of this development?

MS. POTASHNIK: Only if there is a question.

MS. ANDERSON: Okay. Thanks.

MR. CONINE: Move for approval.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I

assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The next transaction for the board's consideration is Rosemont at Scyene.

MR. CONINE: Scyene. You're starting to tread on my territory.

MS. ANDERSON: What? Mispronunciation?

MR. CONINE: I grew up -- what did you say, Miss Cullington?

MS. CARRINGTON: I wasn't sure what territory you were talking about, Mr. Conine. This is the --

MR. CONINE: Scyene.

MS. ANDERSON: Scyene. This is a priority 1A transaction. The City of Dallas Finance Corporation is the Issuer on this transaction. And on this particular transaction, there is no 60-day waiver that is being requested. And the credit allocation from the Department -- the recommended amount is \$776,433.

MR. CONINE: Move for approval.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Cherrycrest Villas is the next transaction. This is a priority 1A transaction. Again, the City of Dallas Housing Finance Corporation is the issuer. On this transaction, we do need a waiver of the QAP 50.12(a)(2), the 60-day rule. The credit allocation that's being recommended by staff is \$857,833.

MR. BOGANY: So moved.

MR. GONZALEZ: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Moving out of the Dallas area, and the next one for the board's consideration is Rosemont



at Garth. It is a priority 1A transaction. The issuer on this particular transaction is the Southeast Texas Housing Finance Corporation.

I did receive yesterday two letters of support. One of the letters of support was from Sylvia R. Garcia, who is a commissioner in Harris County Precinct 2. She is in support of this transaction.

I also received yesterday a letter from Senator John Whitmire, who is also in support of this transaction.

And yesterday I received a telephone call from State Representative Wayne Smith. And Representative Smith is the state representative for this area of Harris County, for Baytown.

And what he has asked to be stated in the record was -- he was asking that the board consider -- that the staff consider making a recommendation to the board that the action on this transaction be postponed until next month.

And the reason for his request to staff was that he felt that Southeast Texas Housing Finance Corporation had perhaps not done as good a job as they should have done in working with the local school district, and working with the community. And that there is still some discussion back and forth.

And the comment from the community seems to be, from the local government seem to be we don't know enough about the transaction. I did explain to Representative Smith that in this local issuer situation, that we had reviewed it for the financial feasibility on the allocation of the tax credits. And I felt like it was going to be difficult for staff to make any other kind of recommendation, other than recommend for approval.

And he indicated that he understood that. He just wanted his concerns read into the record. So with that --

MR. BOGANY: So moved.

MS. CARRINGTON: We did have three letters of opposition down at the bottom, or we noted that there were three letters of opposition on this particular transaction. And then the letters of support that did come in today. And staff is recommending the \$685,028 for tax credits for this particular transaction.

MR. BOGANY: So moved.

MR. CONINE: Second.

MS. ANDERSON: I -- public comment on this? Mr. Craig Alter?

MR. ALTER: I yield to Ms. Potashnik.

MS. ANDERSON: Okay. Ms. Potashnik.

MS. ANDERSON: I have a question, Ms. Carrington. Do we know when these bonds with the local issuer are supposed to close?

MS. CARRINGTON: Yes. It is my understanding -- Representative Smith had spoken the day before to Ron Williams, who is the executive director of Southeast Texas HFC. And I believe that Mr. Williams indicated to Representative Smith that the closing date was about January 20.

MS. ANDERSON: Any other questions, discussion?

MR. ALTER: January 13, we've got --

MS. CARRINGTON: January 13. Thank you, Mr. Alter. Thank you.

MS. ANDERSON: Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Moving on to Houston. We have the next three transactions we're going to be asking for your approval on are all transactions that are housing developed -- proposed to be developed for the elderly.

So we have three in Houston, and then one proposed in Spring. The first one is Primrose at Bammel, an elderly transaction is a priority 1A. The Harris County Housing Finance Corporation is the issuer on this transaction. Harris County Housing Authority is acting as the general partner.

It will have 100 percent tax abatement by virtue of the Housing Authority being the general partner.

They also have a commitment of 1.8 million in HOME funds from Harris County for this particular transaction. It is elderly. There is indication of letter of support from Senator John Whitmire from this area. And staff is recommending a credit allocation of \$612,346.

MR. CONINE: Move for approval.

MR. BOGANY: Second.

MS. ANDERSON: Discussions? Questions?

Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The next transaction in Houston is Mesa Homes. This transaction is 240 units.

And it's 240 units of single family.

It is -- if you'll notice the population type, we have changed our terminology from family to general. And the reason we have done that is because you can have a family transaction, and it certainly can lease to elderly tenants.

And we thought that serving the general population was a better terminology than family. So I don't know if you even noticed that, but that is what you will be seeing on these write-ups from here on out. We'll be either general or elderly.

There are multiple conditions on this particular transaction. The issuer is the Victory Street Public Facilities Corp. Staff is recommending the credit allocation in the amount of \$1,273,325. And the reason that seems like more for 240 units is because they are single family.

And if you go to the second page of the Development Profile and Board Summary, you will see the multiple conditions on this particular transaction. And I would be happy, or Mr. Gouris would be happy to address any that particularly are of interest or concern to the board.

MR. BOGANY: Is this a senior's project?

MS. CARRINGTON: Yes, sir. It is. Oh, no, I'm sorry. No, it's general population. And it's single family. So it's 240 units of single family. And if I believe -- if I'm correct --

MR. BOGANY: When you say single family, you're speaking of housing?

MS. CARRINGTON: Yes, sir. Single-family houses. And I believe, if I remember, they're three- and four-bedroom units. Is that correct, Mr. Gouris? Would you like to come on up, please, in case the board has any questions on the conditions?

MR. CONINE: I have a question. Look at the top of my underwriter analysis, it says, "Program, 9 percent Housing Tax Credit." Can you answer that question, Mr. Gouris?

MR. GOURIS: Tom Gouris, Director, Real Estate Analysis. Unfortunately, we made an error.

MR. CONINE: Oh, well -- got him again, two months in a row. Now, I've got a string working. Okay.

MR. GOURIS: Thank you for pointing that out, sir.

MR. CONINE: Just curious what that was all about.

MS. ANDERSON: I have a question. Have any of

these conditions -- and I know -- I notice that, you know, we want new volumes one and three of the application from this applicant. Have we -- in the weeks since this has been up on the web, do you have indications of progress? Or have you received any of the additional documents that you've requested?

MR. GOURIS: We have been working with the developer to get these -- this intonation, you know, made clear to him. He has helped in getting some of his staff to -- some of his affiliate staff, general contractors, and such to talk to us to try to get some of the information. We're still working on it being audited. So we have not received all it that we have been looking for. But we're working on it.

MR. CONINE: Refreshing my memory again, I assume our bedroom mix is exempt on single-family tax credit transactions? Is that correct?

MR. GOURIS: Yes, sir.

MR. CONINE: We have a little creativity showing up here.

MR. GOURIS: Yes, sir. We do.

MR. CONINE: What size lots are these on?

MR. GOURIS: To my recollection, is that they were 50 by 100, or 50 by 120, something like that.

MR. CONINE: Yes. I saw that. But I didn't know what size. Alleys? Front entry? Do you know? On the garage?

MR. GOURIS: They had --

MR. CONINE: Do they have garages? Do you know?

MR. GOURIS: As I recall, they do have garages.

MR. CONINE: Not a carport thing?

MR. GOURIS: No. They come with actual garages. In fact, actually, I think they were two-space garages, two front-entry garages.

MR. CONINE: Okay. And they're front entries, you said?

MR. GOURIS: The front entries. The roads for the front entries are -- we're still trying to make sure that this is correct. But what we understand them to be is right of ways that will be maintained by the developer, not -- and streets developed by the -- developer. The one street that was close, Parker, I want to say, that's going to be maintained by the city. The other streets, the internal streets are going to be maintained by the developer.

MR. CONINE: And -- I mean, this is obviously a -- I think a single-family place 15 years from now



probably, and there is no -- the same rules apply to the year 15, if you -- with this type of project is on a rental project. There's no -- there's really no differences.

MR. GOURIS: Our current requirements for year 15, which there is some discussion about whether our current requirements -- 30-year requirements. We've had significant discussions about that.

MR. CONINE: Right.

MR. GOURIS: But aside from that, they would like the same as --

MR. CONINE: Okay.

MR. GOURIS: -- multifamily.

MR. CONINE: This is an interesting concept. I'd like to see -- I guess, it says the plans are kind of in a state of flux. I'd like, just as a -- as curiosity, I'd like to see the final set of plans, you know, when it gets to that point, and the deal closes, just to see lot sizes and weighouts, and so forth. I'd like to take a look at it. So if you'd make a little note to share those with me later on.

MR. GOURIS: Sure. I'll see that we get that on to you.

MR. CONINE: All I've got.

MS. ANDERSON: I have one more question about the market study. On page 4, the underwriting report -- it notes that the market study did not adjust for household size. So we have three- or four-bedroom units. And we're estimating the market demand, including one- and two-person households, if I understand this correctly.

And so that if we -- and then the report goes on to say, "Eliminating even one-person households would likely drastically reduce anticipated demands to levels where the capture rate is unacceptable."

And then you've got a condition of a reevaluation of that as a condition of this report. So if you get that reevaluation, and it -- the issuer will issue a request for the reevaluation, does it include the fact that they are supposed to take out one- and two-person households?

MR. GOURIS: Or tell us why they shouldn't take out one-person households.

MS. ANDERSON: Okay.

MR. GOURIS: There may be some justification for that -- hadn't thought of -- seize on it that we didn't discuss this and that --

MS. ANDERSON: It doesn't make a lot of sense,

does it?

MR. GOURIS: It doesn't make a lot of sense on that basis.

MR. BOGANY: I guess my question is -- and I'm intrigued with the concept, as Mr. Conine. But I'm also concerned that I'm -- because I'm familiar with that area, that you've got a lot of units already in that area. You've got rents that are proposed about what it would cost someone to own a home in that area.

And what happens to all these units? And I'm always curious when I see a -- we had opposition not far around the corner from this area. But now this particular legislation doesn't have any opposition to it -- to the units.

And I personally believe in single family, and I like it. But I'm concerned that the people that are living in apartments are now going to go over and rent the houses. We've got a 15 to 20 percent vacancy rate running in Houston right now in apartments. And I'm just doubtful that this deal, we don't make any money for anybody in this deal. I mean, just looking at the numbers, and looking at the area.

But it is a very intriguing concept. But I'm wondering where are people going to go when they can buy a

house in that area for the same amount of what the proposed rents are.

MR. GOURIS: I think that's a good point. This is a new concept for us. We have one transaction that was a single family transaction earlier, several months ago. And because of the way that they laid that one out, and the viability that that would need, we worked with them a long time, and finally they were through with their application scoring and some other things, that just didn't seem to be so --

This transaction, you know, if it were a multifamily transaction, it would be facing the same questions that you're asking. I think, and I think most people think that because it's single-family, it may have a pull better than a multifamily -- a traditional multifamily transaction. It's something that somewhat we need.

I think you make a good point with regard to the other product in the area that may have technically stabilized for our benefit, for our capture range, that may now be struggling, that they may struggle even more.

And that's a problem in all of our markets where we look only to the first couple years of stabilization, and count those transactions that are in

that group, and don't really have much else to say from a rural standpoint though.

It is a problem. You know, occupancy rates below a certain level, we don't do a transaction. We have a standard rule there. Of course, when that occurs, that's something that we will bring up and discuss.

Long story short is I think this faces the same issues that -- the transaction would. I think it has the likelihood of it being more successful than a traditional multifamily. But your concerns are very valid, and things that concern us as well.

MR. BOGANY: You know, looking at the map, and once again, because I know that area, that you've probably got more rental units now in that area than you do actually homeowners in that area. And you're in an area that's not exactly booming and has shared in the boom in Houston.

And it's just -- I'm curious to see if this is going to work. But I just don't know if it would ever make any money. And I think -- and I wonder if they're going to hurt the other people around them, just my thoughts, because I know people are going to move from the multifamily we've already got, and go live in those single family units.

And then you're dealing with people who are buying houses in that area that the rents are identical to probably what the houses notes are going to run over there. So anyway, I just thought I'd bring that up and see if you'd analyze that a little bit.

MS. ANDERSON: One more question. Back to the market study. So when you get this -- let's say you get this reevaluation back from the applicant. And they make -- they continue to include more than two-person households, because that's the only way they can get the capture rate within our tolerances. And the argument that they make for including one- or two-person households you fail to find compelling. What then happens?

MR. GOURIS: I would imagine what would happen would be they would make some sort of appeal of that decision, with it being that they'd have the conditional approval or determination to be able to go ahead and close on the bonds. They'd make -- if they were wanting to do so, so that that deadline would not be an issue, I think.

They would make an appeal to come back just saying, We really -- you know, we've closed the bond. We really think this is right and, you know, it puts us in --

MS. ANDERSON: That's possible.

MR. GOURIS: But that's probably what would

happen.

MR. BOGANY: Well, I just don't -- I want to tell you. I just don't see how it -- I wouldn't rent a house in that area for \$1,000 a month. And you can go in there and find a four-bedroom, if you could find a four-bedroom, it wouldn't cost you a grand a month in that neighborhood.

I just -- I don't know. I just don't see why I would do that when I can go purchase something for less money than what they're proposing on their proposed rents. \$1,000 in that neighborhood -- that's high, even for a four-bedroom piece of property. Seven-, \$800 is probably more reasonable. But it just seems as though we're putting these in a -- to me this is a concentration issue more with me than anything else. You're putting them all in one area.

And that whole community is all rural. I mean, it's -- except for the few homeowners that live out there.

MR. CONINE: I guess I would -- of course, an opinion here, that this is a creative idea, though. And I don't like to see creativity punished.

I think the guy comes up with a good idea, and people are going to move out of apartments into the single family, and rent, and possibly rent to own in 15 years,

which I think there is some provisions within the Section 42 code that allow tenants to come to the table and purchase the housing if it's a single-family unit like this.

I think it has all kinds of potential. It's got the club -- community building in the middle, and it's got the facilities that a normal subdivision wouldn't have. And I just think it's creative -- sounds to me like a creative, and it's yet to be finalized. But it sounds to me like a pretty creative deal.

MR. BOGANY: Well, I'm truly an out-of-the-box type person. I --

MR. CONINE: Yes, you are.

MR. BOGANY: I believe being out of the box. But I did not know it had a provision -- I didn't read that when I was going through it that these -- that the consumer could actually purchase these at the end of the 15, or the obligation to renting those is over in 15, and they have an option to purchase.

MR. GOURIS: That's wasn't specifically identified in their proposal, but it would seem. I think --

MR. BOGANY: Okay.

MR. CONINE: Yes, I went through some year-15



issues yesterday, just thinking out -- trying to think outside of the box. And there is some provision in the code that allows for particular -- you know, if it's -- again, if it's single-family, I think they could step up and buy the unit if they so chose to, and no one else shows up to buy that particular --

There's a lot of hoops they have to jump through. But I think it provides an opportunity, whereas, in a normal two- or three-story apartment, it ain't going to happen.

MR. BOGANY: Right.

MS. CARRINGTON: I have a comment. There was a transaction that I believe was certainly approved before any of the members of this board were sitting. It was Sterling Green Village. It's in Houston. And it's 150 units of single-family houses with, I believe, like one-car garages, I believe --

MR. BOGANY: They're one-car garages, vinyl siding.

MS. CARRINGTON: And that developer is still participating in the tax credit program, and certainly tells us on a regular basis that that really has been his most successful development. That the tenants seem to come and stay much more than they do in a traditional

multifamily.

MR. BOGANY: And that's a great spot, but that particular location you're surrounded all by houses.

MS. CARRINGTON: Yes, you are.

MR. BOGANY: So everybody feels like part of the neighborhood. And so you don't know if you're renting or you don't. And that is a great -- and there is another project out in Fort Bend very similar to that. Of course this was much more before our time that they're doing --

They all work well. It's just that I was just -- and I'm in favor of it. Like I say, I'd like to see you try to make it happen. But Sterling Green is definitely a different animal than this one here, for sure.

MR. BOGANY: Move for approval.

MR. CONINE: Second.

MS. ANDERSON: Any more discussion? Questions for Mr. Gouris? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Next transaction for the

board's consideration is the Plaza at Willowchase, located in Houston, an elderly transaction. The Harris County Housing Finance Corporation, again, is the issuer on this transaction. The annual credit allocation requested amount, and staff-recommended amount is \$573,522.

And there are a couple of conditions worth noting on the second page, looking for a commitment of the requested self-financing from the Harris County Housing Finance Corporation, and also proof of release of lien on the property and an updated title commitment showing clear title. No letters of opposition or support.

MR. CONINE: Move for approval.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The Villas at Winkler Senior Homes, elderly transaction, to be located in Houston. The recommended credit amount of \$689,215. The Victory Street Public Facilities Corporation would be the issuer

of the bonds on this transaction.

The City of Houston Housing Authority is also proposed to be the general partner on the transaction. As a result of that, the property would be eligible for 100 percent tax exemption. They are needing a waiver of the 60-day rule, 50.12(a)(2) of the QAP, and we are also looking for a revised site plan that would reflect at least one parking space per unit.

MR. BOGANY: I have -- so moved. I have a question.

MR. CONINE: Second.

MS. ANDERSON: Mr. Bogany.

MR. BOGANY: Did we ever get -- and I guess this is information for Tom. We seem to be putting a lot of senior properties are -- and I know the population is truly aging. But do we ever get numbers on vacancy rates on senior projects in Houston, Dallas, San Antonio?

Does it seem like we're all of a sudden we're -- that seems to be a hot item, to make senior projects. So do we get any vacancy rates on the ones that are already up?

MR. GOURIS: We do, as part of the market study, review -- they generally give us that of information. And seniors' properties increased

considerably and are said to be leased at a higher rate than their norm.

MR. BOGANY: Okay.

MR. GOURIS: That being said, there are a number of transactions we need to deal with, I think five or six this past six months and mostly in the last two months, in that northeastern area. So I can't vouch for whether the --

MR. BOGANY: Do you ever get any information on whether or not those are being successful and they're making money? Or they're in bankruptcy, or going bad, or they're being foreclosed on?

MR. GOURIS: I don't -- I'm not aware of any that --

MR. BOGANY: Okay.

MR. GOURIS: -- specifically that are going bad, or --

MR. BOGANY: Okay.

MR. GOURIS: We would get some of that information sort of sideways by the fact that this general partner might be changed or removed. We will sometimes be able to discern from that that there are troubles there.

We also get financial information on a property basis to be able to discern if there is difficulty --

MR. BOGANY: Okay.

MR. GOURIS: -- the property --  
I'm not aware of any that are now.

MR. BOGANY: Because looking at the map, they're all concentrated in that little corridor once again. I haven't seen one in southwest Houston, or southeast, like -- well, I've seen a few there. But it just seems to be in that one corridor.

And you've got so many other tax credit programs, I guess seniors could move into those if they wanted to.

MR. GOURIS: Yes.

MR. BOGANY: Okay. All right. If you see it working, I'm okay with it. But I've just -- seem like something is coming down the pipeline here.

MS. CARRINGTON: We are concerned, Mr. Bogany, and discuss it on a monthly basis as these transactions come to EARAC, and ask how much more can the market absorb, and do we truly believe the information that's in the market study?

MR. BOGANY: Well, I'm just -- as I drive around Houston, I see these signs up where three months' rent, two months' rent -- and I'm just concerned. I just -- and all in that one area. Okay. Thank you.

MS. ANDERSON: A motion?

MR. CONINE: I think so. He did it --

MS. ANDERSON: Oh, we're on Winkler Seniors. Okay. Any other questions or discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no? The motion carries.

MS. CARRINGTON: Next transaction for the board's consideration is Park at Woodline Townhomes. This is priority 3 transaction, which you don't see often.

And basically all a developer would have to comply with would be the minimum requirements for set-asides for private activity bonds. However, in this case they are also applying for an allocation low-income housing tax credits.

The Montgomery County Housing Finance Corporation is the issuer on this particular transaction.

It will serve the general population. The credit allocation recommended amount is \$675,950.

This is a transaction that if you noted in the underwriting report, it was actually approved in the '03 cycle for credits and bonds, and the developer decided not

to move forward with the transaction, and has put together a financial structure that is more financially feasible, and so they did come back in '04 for this allocation.

And on the conditions, it looks like we're looking for a documentation from a third party, Environmental Engineers, who assure us that there are no environmental concerns related to this site. And staff is recommending the allocation of credits for 675,950.

MR. BOGANY: So moved.

MR. GONZALEZ: Second.

MS. ANDERSON: Questions? Oh, and I -- Brent Stewart is here to answer any of the questions that the board has. I have a question for, I guess, for Mr. Gouris about our site inspection of this property, because I never see -- I mean, I always see -- we inspected the property, and it's just great for development.

And this one -- this site inspection report talks about air flowing to ground, and you know, it sounds like something out of a movie.

MR. BOGANY: It does.

MS. ANDERSON: Does it? I mean, do you have any additional information that's not in this report to get me comfortable environmentally?

MR. GOURIS: I hope I do.



MS. ANDERSON: Okay.

MR. GOURIS: We did go back and try to see -- get with the inspector and our inspection staff and move to make that housing group as healthy as it could be expected. That the inspector, when we spoke with him, it was apparently a wet day, and he saw -- what he actually saw was like puddles on the ground, and it stopped.

Well, we related that message back to the applicant, and the applicant sent his environmental group out and apparently they made four visits.

MS. ANDERSON: It's our normal practice when that happens that we ask for a donation to the Housing Trust Fund. And I have personally made such a donation --

MR. CONINE: In the amount of \$100. Just so it's on the record.

MS. ANDERSON: Sorry.

MR. GOURIS: We received yesterday a letter from Enviro-Task [phonetic] the environmental inspector. And they made four separate visits to the site, between November 5 and January 5. And they specifically looked at the area that was described in the report, and described to us and we described to the applicant, and weren't able to discern any issues.

MS. ANDERSON: No more bubbles.

MR. GOURIS: This property -- this has several years of -- because it was up last year, it had several years of environmental, and it's been pretty well scrutinized. And I'm basically confident in the letter reassuring us -- restating that we're in good state with the property.

MR. BOGANY: It's a great spot. It's perfect for what we're trying to do, especially with all the -- you know, people that work, the service people that work, to have a nice place to stay.

MR. GOURIS: Great.

MS. ANDERSON: Any other questions or discussions? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The last transaction for the board's consideration in the list of local issuers, is the Louetta Village Apartments, which is a priority 1C transaction. This transaction is to be located in Spring, and it is an elderly development.

The recommended credit amount is \$314,202. If

that seems like a small amount, it's because it's a much smaller number of units than what you typically see. It's 116 units that's being proposed. The Harris County Housing Finance Corporation is the issuer. The Harris County Housing Authority is going to be the general partner in this transaction.

Therefore, it would be eligible for 100 percent tax abatement, and that we also need a waiver of 50.12(a)(2) of the QAP for this transaction.

MR. CONINE: So moved.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? I have a question, Mr. Gouris. Did you receive -- as your addendum has conditioned, and accept a full market study prior to this board meeting?

MR. GOURIS: We received the market study -- the partners in the market study, and I received it this morning. I looked through it to make sure it was consistent with what we had received electronically and it was. We haven't obviously read the whole new market study, but I feel comfortable that it is --

MS. ANDERSON: Okay. Thanks. Other questions? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Our next item for the board's consideration is the request for additional 4 percent housing tax credits for one particular transaction, Fairway Village, which was a 2000 allocation in Austin.

MS. ANDERSON: Oh, Ms. Carrington, I'm going to ask Mr. Conine to take the gavel for this.

MS. CARRINGTON: Okay.

MR. CONINE: I gotta go to work.

MS. CARRINGTON: Gotta wake up.

MR. CONINE: I'm working. I'm listening to you, Ms. whatever your name is.

MS. CARRINGTON: This is a 2000 allocation of credits. And what the owner/applicant has requested, they actually requested an additional \$30,656 in credits. This is a bond, a credit transaction. And what staff is recommending is \$21,257 in credits.

Staff could justify the additional credit requests related to the rehabilitation. But the total credit request was actually broken down with some of it related to acquisition and other part of the request

related to rehabilitation.

And staff was able to confirm the rehabilitation cost increase, however it was not able to find sufficient support for the increase in acquisition. So therefore, our amount that we're requesting in additional credits is \$21,257. And that would make a total allocation credit request in this development of \$237,590.

MR. CONINE: Is this a cost certification going backwards? Or is this just a kind of a relook on one going forward?

MS. CARRINGTON: It's a cost certification. So they've come in with their cost certification.

MR. CONINE: So we've already put it in a box so we know where it is? They've done the rehab?

MS. CARRINGTON: Yes.

MR. CONINE: Any other questions from the board? Your motion?

MR. BOGANY: So moved.

MR. GONZALEZ: Second.

MR. CONINE: Motion and second for approval. Any other discussion. All those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: Opposed? The motion carries.

MS. CARRINGTON: The next four items for the board's consideration are the issuance of 4 percent tax credits, and also the issuance of the private activity bonds, with TDHCA being the issuer on these four developments.

The first one for your consideration is Providence at Prairie Oaks Apartments. It's located in Arlington. It's 206 units. It's a priority 1A transaction. And Ms. Meyer has provided me a letter that they have asked to be read into the record. So Ms. Anderson, with your permission, I will read this letter into the record.

It's dated December 22, 2004. It was addressed to Robbye Meyer. It concerns the proposed development, Providence at Prairie Oaks. "Dear, Ms. Meyer, as a matter of public opinion and industry opinion, Provident Management, Inc., opposes the proposed development, Providence at Prairie Oaks.

"The proposed development that is located in Arlington, Texas, is within one-quarter mile of a new 264 unit TDHCA development that we currently have under lease-up.

"The existing development, 264-unit Timber

Oaks, is located in the City of Grand Prairie, but adjacent to the city border and the proposed development.

Leasing began in July 2004, and to date, only 114 apartments have been leased.

"Traffic is very slow, and the area is slow to recover in the market area. The market area, from our most recent survey shows leased percentages as follows: Timber Oaks, 44 percent, Prairie Estates 95 percent, Prairie Oak 46 percent, Williamsburg 80 percent, Rosemont at Mayfield 50 percent.

"There is also another 264-unit TDHCA development, Post Oak East Builders, from Kerrville, Texas, that is located approximately five miles to the north of this proposed site, and it's scheduled to open in 2005. It also is not in the City of Arlington, but City of Fort Worth, located off Trinity Boulevard and Highway 360, which is bordered all around by Arlington.

"This community is very competitive with the other existing Arlington apartment communities surrounding it. Southwest Housing has a new tax credit development approximately five miles south of the proposed development, and it is slow to lease also, as noted above.

"I ask that the development be denied until the market recovers in this area. Thank you for your

consideration. Eve Bradford."

The recommendation for staff on this particular transaction, one of the conditions that you noted on page 2 of the Tax Credit and Bond Development Summary Profile, was a requirement that the Arlington City Council provide the zoning at the zoning meeting, which was Wednesday of this week.

When I inquired of Mr. Gouris about this yesterday, he told me that the zoning had been approved. Is that correct, Mr. Gouris? Because if not, it's a moot issue.

MR. GOURIS: Yes. We received a letter yesterday saying that, "January 4, the city council approved your zoning and development plan request at first reading." It also approved [indiscernible] stipulation reference.

The approved zoning and development -- effective approximately two weeks after the final reading, which is on the agenda for January 15, 2005.

MS. CARRINGTON: So basically what Mr. Gouris said was that they did approve the zoning, and that there also is a resolution that waives the one-mile/one-year --

MR. GOURIS: Three years.

MS. CARRINGTON: One-mile/three-year rule.



MS. ANDERSON: I have a question about the second reading on the zoning, and the timing of that relative to when the bonds were supposed to close. And does that present any problem?

MS. MEYER: Robbye Meyer of the Multifamily Finance Division. We are scheduled to close on the 27th of this month.

MS. ANDERSON: And the city council meeting for the second reading is --

MS. MEYERS: Eighteenth.

MS. ANDERSON: -- 18th? Okay. Thank you.

MS. CARRINGTON: On this transaction, staff is recommending the allocation of the credits. And that is \$773,619 in credits. Also the issuance of the private activity bonds, and that \$11,050,000 in private activity bonds.

The public comment at the public hearing -- we had eight in support, three in opposition. We did have one letter of opposition, and also the deputy superintendent for the Arlington ISD was also in opposition to this transaction.

MR. CONINE: Move for approval of resolution Number 05-007 -- double-07.

MR. BOGANY: Second.

MS. ANDERSON: Thank you. Other questions, discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The second item for the board's consideration is the Homes of Pecan Grove, located in Dallas. This is 250 units, or as Mr. Gouris calls it, Pecan Grove.

MR. CONINE: He's not from Texas.

MS. CARRINGTON: It serves the general population. They do need on this one a waiver of the 60-day rule for that section of the QAP, 50.12(a)(2). Credit recommended amount is \$967,004. The amount of issuance of private activity bonds would be 14,030,000 in bonds.

At the public hearing, which you do have a summary of the transcript, we had many, many people who did show up at the public hearing who were in support of this particular development, along with a letter of support.

And you do note on page 2, there are some conditions. We're looking for a report from Texas Parks

and Wildlife giving us a clearance on bird rookeries determined to be on the subject site.

MR. CONINE: Really?

MS. CARRINGTON: And also acceptance of a clearance on underground storage tank and removing some debris on the site.

And I don't remember in particular, was this one -- there were two out of four of these transcripts on the public hearings that communities were complementing developers for the work that they were doing in working with the communities to garner acceptance for these transactions.

And I don't remember if this was one of them, but certainly when I was reading through that the other day, it encourages me that the development community is really getting out there and working with the communities to garner acceptance.

MR. CONINE: Move for approval, Resolution Number 05-008.

MR. GONZALEZ: Second.

MS. ANDERSON: I have two witness affirmation forms. Reverend Johnson?

MR. JOHNSON: Yes, ma'am. If it's going to be approved, I don't need to say anything.

MS. ANDERSON: Okay. That scores you lots of points up here. And --

MR. JOHNSON: May I just say Happy New Year, number one. And I was at all three of those meetings, plus the city council meeting. And I had a meeting yesterday with the councilman who represents that district.

Everything is okay. We had a vote on the city council. We had 13 members present; ten supported it. So it's -- I was in [indiscernible] that, so I'm here to support that.

MS. ANDERSON: And Mr. Thomas?

MR. THOMAS: Thank you.

MS. ANDERSON: Thank you, sir. Discussion? Questions? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: The next item, 3C, is Port Royal Homes. This is a development to be located in San Antonio, 250 units. And this is -- it serves the general population. The credit allocation amount is \$844,349.

The amount of the private activity bonds is 12,200,000.

We did have -- I think actually reading the transcript, that State Representative-elect Leibowitz actually attended the public hearing. I thought that was correct. And this also is a transaction where you see that there are several letters of support and indications of support at the public hearing.

And some conditions -- you know, you do see sometimes on ones where TDHCA is an issuer, that we think there might be a likely redemption of a certain amount of bonds. This is one of those that, indeed, that we think there is perhaps a possibility. And we're also looking for a release of lien on the property and an updated title commitment, and some information from their third party, Environmental Engineer.

MR. CONINE: Move for approval of Resolution Number 05-005, double-05.

MR. GONZALEZ: Second.

MS. ANDERSON: Questions?

MR. CONINE: I have a question, Mr. Gouris, I think. On my little recap sheet it says, "Architect to be determined." And as you flip through and read through about the details of the structure and what it's going to look like, its fairly detailed. Two-story, and so forth.

How does that happen?

MR. GOURIS: The information that's on your review sheet is coming off the application itself, which was provided several months ago. And at that time, they probably entered in "to be determined." That probably got transferred to our database --

We did receive site plans. I don't recall -- it didn't say who we received them -- who the architect was. I'm fairly confident that they -- [indiscernible] in what areas. And Robbye may know more specifically.

MR. CONINE: And I'm sure that because it was on '04 deal, so, they can submit it way back in --

MR. GOURIS: Yes. And at the time they submitted the various initial information well before the 60-day time frame.

MR. CONINE: Okay. I have a question, Mr. Gouris. My question, and I read the transcript of public hearing. It's very positive, you know, transcript. But in the transcript, the developer's representative talks about how they're a for-profit entity, and they pay property taxes and so forth.

And in the underwriting report, it indicates they're going to pay property taxes. And I'm confused by that, because there is -- a CHODO is a 100 percent owner

of the managing general partner.

Now, I know a CHODO doesn't have to take their tax exemption. But I'm just wondering why they wouldn't.

MR. GOURIS: We've actually had three or four of these this month.

MS. ANDERSON: Okay.

MR. GOURIS: Two of them we were able to identify in the report, one since identified. Actually, that non-profit is a CHODO, you -- coming back [indiscernible] the amount anticipated. And it doesn't appear that they --

MS. ANDERSON: Yes.

MR. GOURIS: [Indiscernible].

MS. ANDERSON: Okay. Thank you. Other questions? Discussions? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries.

MS. CARRINGTON: Last multifamily for the board's consideration is also in San Antonio, Mission del Rio Homes. It's 240 units. It's a priority 2

transaction. The allocation of the recommended amount of tax credits is \$787,746. It would serve the general population.

The issuance of the tax-exempt bonds is 11,490,000 in tax-exempt bonds, on the condition, at least at the time this report was put together, we were looking for a site plan indicating the total number and location of the planned carports, and some clarification of sitework costs, and also again, just notifying the board there could be a potential redemption of up to about 540,000 in bonds when the transaction converts to permanent.

MR. CONINE: Move for approval, Resolution 05-006.

MR. GONZALEZ: Second.

MS. ANDERSON: Questions? Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries. If I may, I want to welcome Scott Sims from the Speaker's Office, as an additional special guest at our meeting this morning.



Happy New Year, Mr. Sims.

MR. SIMS: Thank you.

MS. ANDERSON: The last item for the board's consideration, and shifting gears, and going to our HOME Program. And the Department has received a request for Disaster Relief for two areas of the state.

This has been a state-declared disaster for severe storms and flooding, which occurred earlier this year in April. And the two requests have come from Zavala County, and the City of Crystal City.

They are both requesting \$500,000. And the activity is owner-occupied. So that's when we go in and reconstruct homes that were owned, and either destroyed or damaged to the extent that we need to do substantial rehabilitation to them.

Each entity is requesting \$500,000 apiece, also administrative funds of 20,000 apiece on each of these. This request is in accordance with the deobligation policy that the board approved in January 2002. It would be to reconstruct 20 units.

And we do have sufficient funds -- we do have sufficient deobligation funds. And the board is recommending the award, the two awards.

MR. GONZALEZ: So moved.

MR. BOGANY: Second.

MS. ANDERSON: Discussion? Hearing none, I assume we're ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no?

(No response.)

MS. ANDERSON: The motion carries. We actually have time for the executive director's report. Yea.

MR. CONINE: We've got time for a lot. This is -- it's an all-time record.

MS. ANDERSON: And it's fun, it's all -- I mean, the whole agenda is about getting housing on the ground.

MR. CONINE: Sure enough.

MS. ANDERSON: I like it.

MS. CARRINGTON: Okay. The first item in the board's book is our outreach activities for the month. And Mr. Anderson, you were sitting here. And when I went through and looked at this, there was on very important activity that was left off.

And that was the Houston Association of Realtors luncheon that Mr. Bogany invited me to last month, where he was honored as Realtor of Texas -- Houston

Realtor -- not Texas Realtor -- Houston Realtor of the Year.

(Applause.)

MS. CARRINGTON: And Tom Peters -- that Tom Peters, was the speaker for about an hour and a half. And I'm leaning over saying, How much does Tom Peters cost for an hour and a half? Nobody has told me what the cost of that was, but he was fabulous. And that was a wonderful opportunity.

MR. CONINE: Absolutely no object, no problem for the Houston Realtors.

MS. CARRINGTON: For the Houston Realtors. We, of course, present this information for the board so that you all can see where we are and what we're doing.

We also present to you on a quarterly basis this change of ownership. You all have asked from time to time how we approved these and what kind of requests we're getting for changes in ownership, and how many of them are there.

And so that's what this report provides you. And if you all, in looking at this, have any questions, you know, be free -- feel free to give me a call. We do have a process that we use for doing that.

Item number three, the interim report, the

House Committee on Urban Affairs did publish their interim report. The date on the interim report was December 17. There are certainly parts of this report that are fairly critical of the agency, and are giving us some fair and specific recommendations.

And we are working with the House Committee on Urban Affairs. And we know that we will be hearing -- having the hearings coming up soon. And so we look forward to working through some of the issues related to this report. And that will happen when session opens on Tuesday of next week. That's another thing I wanted to tell you, session starts on Tuesday.

We also have a signed 2005 Qualified Allocation Plan. And that was signed -- Monday the 22nd of December, Mr. Gerber, Mr. Wittmayer, something like that.

There was one modification to the QAP that the Governor did make. And that modification has been put up on our website. And it does relate to developments that would be doing reconstruction or rehabilitation that are using HOPE VI financing or Capital Grant financing.

So please do take a look at the website. That modification has been put up there. And we, of course, have been having our trainings on tax credits. And pre-apps close on Tuesday of this week -- Wednesday? And we

received over 200. We received over 203 apps.

So I was --

MR. CONINE: Is that up or down?

MS. CARRINGTON: That's up. And when I was told that, I said, Where are they finding the markets. But I was reminded that those are just pre-apps. And of course, all of that will go up on the website so the developers can then take a look at what their competition is, and what their scoring is, and get a sense of how well they will do or not do, and decide to move forward or not move forward.

We also have the report of the Senate Committee on International Relations and Trade. That this was provided to the board. This report was actually published on December 2. Homer Cabello and I testified a couple of times. We went to Laredo, and then we testified someplace else.

And we specifically focused, of course, on our colonia programs. There were some very complimentary remarks about the Department, the Department's Colonia Programs in this particular report. So we are always pleased to have folks say good things about what we're doing in various areas in the state.

This did come to the board on -- yesterday or

day before, Michael? Day before? Two days ago? Okay. And it's a rather large report. But we did point out to you the pages that related to TDHCA. There is a pretty good discussion about the wine industry of Texas in here, of you're interested in that.

Legislature convenes on the 7th. Leonard Speerman [phonetic] is our ADR coordinator for the agency.

And as we reported to you all last month about someone in portfolio management and compliance receiving, I think, a 100 percent score on a test that she took.

Leonard has been evaluated by the Travis County Dispute Resolution Center, and generally gotten a very positive set of comments and remarks based on his ADR and his mediation skills.

I have about three or four other things I want to say, since I have time. First of all, I want to thank the staff very much for the work that they did last week in getting ready for the board meeting.

When Ms. Anderson and I spoke right before Christmas, I guess, I told her that of course my concern was, you know, how much Real Estate Analysis was going to be able to do. And fortunately, I had planned to be back in the office right after Christmas. And my first question of Mr. Gouris was, How many of your staff are

here this week?

And he only had one, I think, that was on vacation for part of that week. So that was very fortuitous for us that they really had -- it didn't fall particularly on any one or two people. That that whole Division was able to do what they needed to do.

PMC got the compliance scores run, so we really appreciate that work. And so I just wanted to thank the staff for the work that you all did getting ready for this meeting today.

I also want to say that Mr. Gouris and Robbye Meyer have had a good week. Ms. Meyer, particularly, had a good week. But on Wednesday of this week we had what I think was a very, very productive meeting with the Bond Review Board. And Mr. Gerber did come for part of that meeting.

I thought it was going to be a friendly little sitdown with three or four folks. And it turned out to be a roomful of people, including the Attorney General's office, and I think everybody from the Bond Review Board.

And our issue of discussion was moving -- how do we move through -- how do we work through the fact that even though TDHCA is an exempt issuer, under their rules their members are still asking for a lot of information

related to transactions.

And so we had a very good discussion about how we're going to work through that process. And both Ms. Meyer and Mr. Gouris were very instrumental, I think, in the success of that meeting. So thank you all very much.

And then yesterday, Mr. Lyttle's shop, of Public Policy and Public Affairs, thank you, had an informational session over at the Capitol yesterday, with we think probably about 18 to 20 various legislators' offices represented. And Brooke Boston and Robbye Meyer went through the 9 Percent Program, and the credit and bond program.

Representative Debbie Riddle was there. She sat on the front row. I think she stayed. She was very complimentary of Ms. Meyer, and so I really appreciate that, and appreciate the work that Michael's group did in putting that together.

They put together some really good packets. And I understand that he's already gotten requests from folks, who said, We were at another training. And there was evidently a conflicting training going on yesterday. And so we have multiple of those packets that we are going to provide to any of those Capitol staffers that are interested.



So with that, and we thank the board for being willing to change your schedules and come in. I did hear from Mayor Salinas a couple of days ago, who did send his regrets, but absolutely had a conflict and could not be here today.

MS. ANDERSON: I believe this concludes the businesses before the board today. I would entertain a motion to adjourn.

MR. CONINE: So moved.

MR. GONZALEZ: Second.

MS. ANDERSON: All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, nay?

(No response.)

MS. ANDERSON: We are -- stand adjourned.

(Whereupon, at 10:50 a.m., the meeting was concluded.)

C E R T I F I C A T E

MEETING OF: TDHCA Board  
LOCATION: Austin, Texas  
DATE: January 7, 2005

I do hereby certify that the foregoing pages, numbers 1 through 66, 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.

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(Transcriber) 1/11/2005  
(Date)

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