

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

Room 1-111
William B. Travis Building
1701 North Congress Avenue
Austin, Texas

Thursday,
June 30, 2011
10:00 a.m.

MEMBERS:

C. KENT CONINE, Chair
TOM H. GANN, Vice Chair
LESLIE BINGHAM ESCAREÑO
LOWELL KEIG
JUAN MUÑOZ
J. PAUL OXER

STAFF:

TIM IRVINE, Acting Executive Director

A G E N D A

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CONSENT AGENDA

1. Approval of the following items presented in the Board materials:

Executive

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summary for May 5, 2011 Board Secretary
- b) Presentation, Discussion, and Possible Action to authorize the procurement of bond counsel.
- c) Presentation, Discussion, and Possible Action to authorize the procurement of tax credit counsel

Community Affairs

- d) Presentation, Discussion, and Possible Action on Approve Program year 2011 Emergency Shelter Grant Program awards.
- e) Presentation, Discussion and Possible Action on Approving Program Year 2011 Community Services Block Grant Discretionary Awards for Innovative and Discretionary Projects.
- f) Presentation, Discussion, and Possible Action on Approving the Draft Community Services Block Grant State Plan for fiscal years 2012-2013
- g) Presentation, Discussion, and Possible Approval of the 2012 Low Income Housing Energy Assistance Program Draft State Plan

Bond Finance

- h) Presentation, Discussion, and Possible Action on Resolution 11029 authorizing the final purchase of warehoused mortgage backed securities with proceeds of Residential Mortgage Revenue Bonds, Series 2011A (Program 77)

HOME

- i) Presentation, Discussion, and Possible Action regarding the 2010 Single Family Homeowner Rehabilitation Assistance,

Homebuyer Assistance, and Tenant-Based
Rental Assistance Programs Award
Recommendation

- j) Presentation, Discussion, and Possible
Action to Ratify HOME Program Reservation
System Participants approved by the
Executive Director

Neighborhood Stabilization Program

- k) Presentation, Discussion, and Possible
Action to approve the Second Neighborhood Stabilization
Program 3 (NSP3) substantial amendment

- l) Presentation, Discussion, and Possible
Action regarding the Neighborhood Stabilization Program 3
Award recommendations

- m) Presentation, Discussion, and Possible
Action regarding the Neighborhood Stabilization Program
Income (NSP-PI) Reservation System Participants

- n) Presentation, Discussion, and Possible
Action regarding the recommendation to amend the NSP1
Contract 7790000150 with Community Development Corporation of
Brownsville and award funds to City of La Feria

Texas Homeownership Program

- o) Approval of the Participating Lender List for the Single Family
Mortgage Revenue Bond (MRB) and the Mortgage Credit Certificate Program

Rules

- p) Presentation, Discussion, and Possible
Action regarding proposed amendments to 10 TAC Chapter 3,
Colonia Self-Help Center Program rules for public comment and publication in
the Texas Register

- q) Presentation, Discussion, and Possible
Action regarding proposed amendments to 10 TAC Chapter 2,
Texas Bootstrap Loan Program Rules for public comment and publication in
the Texas Register

- r) Presentation, Discussion, and Possible
Action regarding a proposed repeal of 10 TAC Chapter 51
Section 51.1 - 51.16 Housing Trust Fund Rule and a proposed new 10 TAC
Chapter 51.1-51.11 Housing Trust Fund Rule for public comment and
publication in the Texas Register.

- s) Presentation, Discussion, and Possible
Action regarding the final order adopting the repeal of 10 TAC
Chapter 1, Section 1.20, Asset Resolution and Enforcement, and the adoption

of new 10 TAC Chapter 1, Section 1.20 Asset Review Committee for publication in the Texas Register

- t) Presentation, Discussion, and Possible Action regarding the final order adopting proposed amendments to 10 TAC Chapter 60, Subchapter B Section 60.202, Subchapter C, concerning a multi-family housing project definition for publication in the Texas Register
- u) Presentation, Discussion, and Possible Action regarding the final order adopted proposed amendments to 10 TAC Chapter 9 Neighborhood Stabilization Program and 10 TAC §1.19, concerning Deobligated Funds for publication in the Texas Register

ACTION ITEMS

Item 2: ARRA Accountability and Oversight

- a) status report on the implementation of the American Recovery and Reinvestment Act of 2009

Item 3: Housing Resource Center

- a) presentation, discussion and possible action to allow the Executive Director to proceed with procurement of a provider to perform a Phase II Analysis of Impediments (AI) to fair housing choice for the State of Texas through a request for proposal

Item 4: Appeals

- a) presentation, discussion and possible action on multi-family Program appeals
- b) presentation, discussion and possible action on Tax Credit Assistance Program Appeals
- c) presentation, discussion and possible action on Neighborhood Stabilization Program Appeals
- d) presentation, discussion and possible action on HOME program appeals
- e) presentation, discussion and possible action on underwriting appeals

Item 5: Multifamily Division Items - Tax Credit Program

- a) presentation, discussion and possible approval to issue a list of approved applications (as of June 23) for Housing Tax Credit (HTC) in accordance with Section 2306.6724(d) of the Texas Government Code
- b) Presentation, Discussion, and Possible Action Regarding Housing Tax Credit Amendments
- c) presentation, discussion and possible action on Housing Tax Credit and Exchange Program Extensions

- d) presentation, discussion of challenges made in accordance with Section 49(1)(e) of the 2011 Qualified Allocation Plan and Rules (QAP) concerning 2011 Housing Tax Credit (HTC) Application

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1. TDHCA Outreach Activities, May 2011
2. Report Item on Secondary Market Activity on single family variable rate debt
3. Executive quarterly report of Housing Tax Credit Program amendments, extensions and ownership transfers

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P R O C E E D I N G S

MR. CONINE: Is our system working here? Can everybody hear us okay? Welcome to the June board of directors meeting for the Texas Department of Housing and Community Affairs.

We will call the roll right quick and see who is here. Leslie Bingham is absent today. Kent Conine is here. Tom Gann?

MR. GANN: Here.

MR. CONINE: Lowell Keig?

MR. KEIG: Here.

MR. CONINE: Dr. Munoz?

MR. MUNOZ: Present.

MR. CONINE: J. Paul Ozer.

MR. OXER: Here.

MR. CONINE: All right. We have got five. We have quite a bit of public comment today, as you can see by everyone in the room today.

And so I would remind those that have signed up for public comment that we generally allow three minutes for each speaker; three speakers for any one particular item against or for. Against, you get three. If you are for, you get three, a total of six. So we will try to enforce that today so we can keep the meeting moving right on along.

Today, we want to recognize June as Home Ownership Month. Everyone knows that home ownership in the whole country is undergoing quite a bit of struggle and strain. But in Texas, we are fortunate to not have the peaks and the valleys in the home ownership business the way that some

of the rest of the country is doing. And for that, we are especially thankful.

And for the Department's sake, we are especially thankful for our partners that help us in putting low and moderate income people into their first home. That is always a joyous occasion for me to witness and a joyous occasion for those that get to participate in that process. We are thankful for our partners. And we want to recognize some of those here today.

And before we do that, I want to say welcome to Tim Irvine, who is sitting up here on the dais with us. He is acting executive director for TDHCA. And I will turn it over to Tim and let him recognize some of those partners.

Tim.

MR. IRVINE: Thank you very much, Mr. Chairman. Members of the governing board. First of all, I would like to sort of set the stage with something from our Governor. This is proclaiming Home Ownership Month.

For Texans, a home is more than shelter from steamy summers and cold rainy winters. Home ownership is a major milestone of the American Dream, symbolizing success, security and independence.

The decision to buy a home can stabilize families, giving them space to grown and a yard in which they can work and play. Buying a home injects capital into a community and serves as an investment for homeowners.

It also provides jobs for valuable sectors of our economy, such as real estate, banking and construction.

Despite the many benefits of Home ownership, purchasing a

home remains a challenge for many Texans. Not only must they find an acceptable area, they also must have the financial resources to sustain this commitment.

During the month of June, the Texas Department of Housing and Community Affairs will conduct a campaign to promote the benefits of Home ownership across the Lone Star State. At this time, I encourage everyone to learn about the numerous resources available through the Department, financial institutions and other organizations that help make real the dream of owning a home.

The steps you take today can make a difference for yourself, your families, and the great State of Texas. Therefore, I, Rick Perry, Governor of Texas do hereby proclaim June 2011 to be Home ownership Month in Texas and urge the appropriate recognition. Whereof in official recognition, I affix my signature, this 31st day of May 2011. Signed, Rick Perry, Governor of Texas.

And with this recognition and inspiration from our Governor, that we really did undertake a lot of activity to promote Home ownership awareness. And I know that Eric Pike and Tim Nelson and our First Time Home Buyer Program folks have been out there, very active this month.

We have also prepared and offered for the Board a resolution with your imprimatur on this important occasion. Reading, whereas, June 2011 is Home ownership Month in Texas. Whereas, it is a dream of many Texans to become homeowners, and own a piece of our Great State.

Whereas, Home ownership can have a profoundly positive

impact on individuals, families and communities. Whereas, Home ownership is a powerful force for binding neighbors and communities. Whereas, the goal of the Texas Department of Housing and Community Affairs is to ensure that all Texans have access to safe and decent affordable housing.

Whereas, the Texas Department of Housing and Community Affairs and the State of Texas are committed to helping as many low and moderate income Texans as possible to purchase a home by providing home buyer education and offering safe and responsible home financing options.

And whereas, the Texas Department of Housing and Community Affairs supports a full spectrum of Home ownership opportunities statewide by offering pre and post purchase home buying, counseling, trustworthy purchase options such as mortgage products and programs that support Home ownership through sweat equity, Home ownership maintenance assistance through energy, weatherization, and home repair assistance, and foreclosure prevention counseling which can help families stay in their homes.

Therefore be it resolved that the governing board of the Texas Department of Housing and Community Affairs does hereby celebrate June 2011 as Home ownership Month in Texas and encourages all Texas individuals and organizations, public and private to join and work together in this observance of Home ownership Month.

MR. CONINE: Do I hear a motion?

MR. GANN: So moved.

MR. KEIG: Second.

MR. CONINE: Second by Mr. Keig. Motion by Mr. Gann.

Any further discussion?

(No response.)

MR. CONINE: All those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MR. IRVINE: And lastly, and probably most importantly, this is really where it all happens; with our local partners. The Texas Department of Housing and Community Affairs relies on local lenders throughout the State.

And we have a few that we would especially like to recognize today. And what we would ask is that, as I mention you, if you would please rise, so that everybody can see you. And if everybody would hold your applause until the end. And then we will give them a hearty round of applause.

First, Robert Heckler, Senior Vice President, Regional Manager on behalf of Cornerstone Mortgage, which earned the 2010 Texas first time home buyer Program Lender of the Year award for originating an impressive 349 mortgage loans totaling over \$44 million. Very good. Cornerstone has participated in TDHCA's programs for a number of years, and have offices located in the Austin, Houston and San Antonio.

Next, we have Sandra Samaniego, Operations Manager and Norma Aviles, Loan Originator here on behalf of Rocky Mountain Mortgage

which also earned the 2010 first time home buyer program Lender of the Year recognition for originating and closing over \$9 million in Texas first time home buyer mortgage loans. Rocky Mountain has also participated in TDHCA's home buyer programs for a number of years, and has its offices in El Paso.

Next is Kim Lewis, Special Programs Director, who is here on behalf of NTFN, Inc., better known as Premier Nationwide Lending which has earned -- you can't hear me?

VOICE: No.

MR. IRVINE: I am sorry. Which has earned the Department's 2010 Mortgage Credit Program Lender of the Year certificate for issuing 95 mortgage credit certificates on mortgage loans totaling \$11 million. Now I think that we all realize that that mortgage credit is more than just a piece of paper.

It is something really valuable that has tremendous lasting importance in the Home ownership process. Premier has participated in the TDHCA program for many years, and was the recipient of last year's Lender of the Year award.

Additionally, she is here to accept the Loan Officer of the Year award, which is also an award you won last year. I like this. You have got a streak going. Ms. Lewis closed 58 loans under the Texas first time home buyer program and was responsible for the issuance of 95 mortgage certificates under the Mortgage Credit Program.

She has been in this industry, believe it or not, for 32 years and has participated in the home buyer programs for 20 of those years, with offices

throughout the state.

MR. CONINE: She is not that old. Come on.

MR. IRVINE: That is what it says. Next, we would like to recognize Charlie Jackson, Vice President and Branch Manager, who is here on behalf of Bank of America Home Loans, which has also earned the Department's 2010 Texas Mortgage Credit Program Lender of the Year certificate for the issuance of 76 MCCs for a total of \$9 million. They too have participated in our home buyer program throughout the state.

Next we would like to recognize Eddie Rinehart, Branch Manager, accepting on behalf -- accepting this recognition of the 2010 Loan Officer of the Year on behalf of Robb Goedert, Cornerstone Mortgage Company in Houston. Robb earned the recognition for closing 59 mortgage loans under the Texas First Time Home Buyer Program. Worked in the mortgage industry for 28 years, then in our programs for a number of those years.

I would really like to thank those people, and also their colleagues, and our entire network. You just are truly exceptional. And this program could not happen without you.

(Applause.)

MR. IRVINE: We also, we would now like to turn, and honor and recognize our first home buyer to close with assistance provided through the Department under our new Texas Homebuyer Assistance Program. This is a new pilot program offering down payment assistance to eligible home buyers in connection with a mortgage loan originated through a conventional

lender.

We have got high expectations for this unique program because the funds are offered directly to consumers, unlike most HOME programs. The new Texas HOMEbuyer Assistance Program is available in the six county area of Bastrop, Blanco, Burnet, Caldwell, Hays, Travis and Williamson counties, excluding the City of Austin. Please welcome and give a big round of applause to Ms. Leticia Leal.

(Applause.)

MR. IRVINE: From your son, congratulations. And let's see. That pretty much concludes my remarks.

MR. CONINE: Okay.

MR. IRVINE: And it is a great thing: home ownership in Texas.

MR. CONINE: Again, thanks to all of our partners, and to our first time home buyer. We appreciate all of you being here. And we look forward to doing the continued good work of putting our Texans in their first homes.

Now we will move on to the public comment portion of our agenda. Again, let's please respect the time limit the best we can. The witness affirmation form I have is from State Representative Fred Brown.

MR. BROWN: Thank you, Mr. Chairman, and members. By looking at this crowd, it might be a good time to pass an offering plate.

Collect a little money for our state budget.

(Simultaneous discussion.)

MR. BROWN: Yes, sir. Thank you for letting me come before you today.

MR. CONINE: Sure.

MR. BROWN: I think our office kind of messed up with the applications for a number of different parties, for our TDHCA project in Bryan College Station. And we submitted a number of letters, and we withdrew the letters.

And one letter that they withdrew that we did not mean to withdraw is the Merit Bryan Station Project. And so I am here just to ask that you reinstate that letter of support.

MR. CONINE: Okay. Any questions of the witness?

(No response.)

MR. BROWN: That was easy.

MR. CONINE: Thank you for your service and your hard work.

And appreciate you being here today.

MR. BROWN: Thank you so much

MR. CONINE: You bet. Anne Billingsly. Is Anne here? Oh, here she is. John Longoria is after Anne.

MS. BILLINGSLY: Good morning. My name is Anne Billingsly. I am Chief of Staff for Representative Connie Scott. She is unable to be here this morning. She is preparing to have shoulder surgery tomorrow morning. So I will be speaking on her behalf. We have a letter that we have written for the Board. And we would also will provide copies along with our letter.

Dear Chairman Conine and members. Thank you for this opportunity to appear before you in support of the proposed development, the Palms at Leopard. Application number 11166. 120 units proposed by the Palms at Leopard development is important to my district, and the City of Corpus Christi, as it will serve to replace the 120 units of housing up in Northside Manor Apartments that are currently located in an area that the City now wishes to reserve for industrial use.

As a result of this need, the City issued a resolution that will be attached, naming the Palms at Leopard as its number one housing priority. I also support the Palms at Leopard development because of the strength of the partnerships and the local support.

A local nonprofit housing community service is mission driven to provide quality affordable housing for working families. They are also the owner of Northside Manor Apartments, the City wishes to close. Also the development is supported by the Leopard Street Corridor Association, that has a long history of striving to rejuvenation in the area.

In closing, I appreciate this Agency's work in helping me create an environment that fosters such strong applications. And I also appreciate the members of this body whose guidance has helped steer their efforts.

Thank you for your consideration of a forward allocation for the Palms at Leopard. I thank you for your service for the State of Texas.

Sincerely, Connie Scott.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much.

MS. BILLINGSLY: Thank you.

MR. CONINE: John Longoria.

MR. LONGORIA: Good morning. And thank you, Chairman and members of the Commission. I am here as President of the Corpus Christi Independent School Districts, speaking on Application 11166, referred to as Palms at Leopard housing development.

I also wanted to thank Ms. Anne Billingsly, Chief of Staff for Ms. Scott, and the Representative herself for working with us. She is also my State Rep, in my home in Corpus Christi, Texas. So I thank her for her work and I appreciate all she does for the State of Texas.

This particular application, the Palms at Leopard is, as Ms. Billingsly stated is a priority for the City of Corpus Christi. We also received, in addition to the resolution, we received an allocation of over \$800,000 from their HOME funds to help develop this property.

The developers have communicated with the school districts, inquiring about the capacity of the local schools to accept the residents that live there into our schools. And we had at full capacity, able to do that; to serve those students.

The one real unique item about this particular project, moving from Northside Manor to the Palms at Leopard is the project based Section 8 rent subsidy will be transferred to the new location. It is new for us. We are able to do.

The old location has outlived its economic life. The City is now

transitioning to light development. So we are moving that property to a more appropriate location.

And in the packet, I handed a letter signed by me with the resolution from the City. And other details are there. So I am here to speak on behalf of that. I am for that project. And I hope you will look favorably upon it, if the opportunity comes up for you to support that. Thank you.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much.

MR. LONGORIA: Thank you, sir.

MR. CONINE: Thanks for being here today.

MR. LONGORIA: Thank you.

MR. CONINE: Ryan Fisher.

MR. FISHER: Thank you, members. My name is Ryan Fisher. I am Chief of Staff for State Representative Jake Jackson. And he wasn't able to make it today. But he asked me to read a letter into the record, that he wrote last month.

MR. CONINE: Okay.

MR. FISHER: Members. The proposed 140 unit Evergreen at March Lane senior living community is contained in my district. And I previously submitted a support letter to TDHCA for this proposed development.

As I understand it, in normal years, this application would score high enough to be funded in the competitive process. Due to forward

commitments from 2010, there probably will not be enough money to fund all of the higher scoring applications in Region Three. Therefore, I am requesting that TDHCA staff and board provide a tax credit allocation for Evergreen at March Lane with either waiting list funds from 2011 or a forward commitment from 2012 funds.

I have enclosed a letter and attachments from apartment market data. The entity containing this site is indicated on the attached map. According to this letter, the delineated area has 352,000 people and 12,429 age and income qualified residents.

I was told that this is one of the largest urban populations not served by any age restricted TDHCA senior communities. With the increasing numbers of baby boomers retiring, and difficulty of obtaining affordable land in this area, it would appear that this need would become even greater in the future.

I greatly appreciate the staff and TDHCA Board considering Evergreen at March Lane, Application 11145. Thank you.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much. Ginger McGuire.

MS. MCGUIRE: Good morning. My name is Ginger McGuire, and I am with Lancaster Pollard Mortgage Company. I want to -- we provide FHA, USDA and Fannie Mae debt. And I want to talk with you about the USDA 538 program and Congressional appropriations today, because there are a number of applicants that will be affected by the lack of appropriations.

In 2011 Congress appropriated 30 million for the program. Typically, the program received 130 million. At the time they appropriated 30 million, they had 40 to 60 million in the pipeline in applications. And so there are a number of applications that will not be funded.

So far, for 2012, Congress has zeroed out the 538 program. There is a group that is working and making some progress on making that program revenue neutral. But at the pace they move, on these transfers and transitions, I don't expect that program, even if they are successful to be available until the end of 2012.

So the reason I am up here is to let the Board know that there are some applicants in both your 2010 and 2011 application rounds that did rely on the 538 program. It was a surprise to us that the program was not funded. And they are going to have to find other financing.

Some we have been able to help with the other, with FHA or Fannie Mae. But some just didn't fit into that category. So if you have any questions about that, I would be happy to answer it.

MR. CONINE: Causing stress in the system, I can imagine.

MS. MCGUIRE: And in our place, too.

MR. CONINE: I can imagine. Any other questions of the witness?

(No response.)

MR. CONINE: Okay. Thank you very much, Ginger.

MS. MCGUIRE: Thank you.

MR. CONINE: All right. Mike Lyttle.

MR. LYTTLE: Mr. Chairman, I have a letter from Senator Eddie Lucio, Jr., that he would like to have read into the record.

MR. CONINE: Okay.

MR. LYTTLE: It is addressed to Mr. Irvine. It reads, I am writing to respectfully ask that you carefully consider Hidalgo Housing Authority's request for a forward commitment from the Texas Department of Housing and Community Affairs to their Hidalgo Senior Apartments Development.

Understanding of all the hard work that TDHCA does through the Housing Tax Credit process, I perceive it is difficult to select additional projects that have not scored competitively. The need is greater than the allocation providers.

In the Lower Rio Grande Valley, my district, the hardest housing to fund is senior housing. Since 2007, there have been few senior housing units provided in the Valley. Ever since Hurricane Ike and Dolly disasters, it has been even harder for our seniors to find decent affordable housing.

The Hidalgo senior apartments in Weslaco, TDHCA 11036 would begin to provide the much needed housing for our underserved senior community. I respectfully request the TDHCA Board take into consideration the need for senior housing in the Lower Rio Grande Valley, and consider providing priority in forward commitments to address this critical housing need.

I thank you for your strong consideration of the Hidalgo

Housing Authority's request for a forward commitment. This project is an important compliment to senior housing efforts in the area. Sincerely, Eddie Lucio, Jr., State Senator, District 27.

MR. CONINE: Thank you very much. Jeff Stokes.

MR. STOKES: Good morning, Chairman, members. My name is Jeff Stokes. I am the legislative director for State Representative Lance Gooden.

And I have a letter to read for the record. It is concerning Item Number 11138, Silverleaf at Gun Barrel City, Texas. Dear Chairman Conine and members of the TDHCA Board. I am unable to be at today's meeting, but write you requesting your favorable consideration of the application for affordable housing tax credits for Silverleaf at Gun Barrel City, Texas.

Henderson County has a critical need affordable housing. I have personally witnessed the success of Silverleaf in Chandler, Texas, also in Henderson County. The project in Chandler has received positive reviews from my constituents that live there. And I am pleased that Silverleaf is planning to further address our affordable housing needs on the western side of Henderson County in Gun Barrel City.

I have met with community leaders, elected officials, and private citizens, all of whom support this project. And I am confident that Silverleaf will continue the good work in Gun Barrel City that has been such a success in Chandler.

I request approval of Silverleaf's application, and Thank you on behalf of the citizens of Henderson County. Sincerely, Lance Gooden, State

Representative District 4.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you for your testimony.

MR. STOKES: Thank you.

MR. CONINE: Commissioner Joey Trevino.

MR. TREVINO: Good morning.

MR. CONINE: Good morning.

MR. TREVINO: Mr. Chairman. Commission. I appreciate the opportunity to testimony before you. I am testifying on Project 11031, La Hacienda Casitas of Harlingen, Texas. I am a City Commission for the City of Harlingen, District 5. That is my district.

And we are in favorable support of this project. The City of Harlingen is experiencing some growth, job numbers. We have a new VA regional ambulatory center coming in, and 160 jobs, along with TYCO valves, another 200 jobs.

And last but not least, we have our Bass Pro Shop opening up in November, which is going to spur a couple of thousand jobs hopefully in the next couple of years. And this project is on this site. So and again, we are in favor of this project. And wish your favorable support on this.

MR. CONINE: Okay. Thank you very much. Any questions of the witness?

MR. IRVINE: Just a procedural comment. Just to remind every speaker to please identify yourself on the record before you begin to

Speak to the Board.

MR. CONINE: Nothing like having a lawyer sitting up here with you.

(Simultaneous discussion.)

MR. CONINE: County Commissioner Dan Sanchez.

MR. SANCHEZ: Good morning.

MR. CONINE: Good morning, sir.

MR. SANCHEZ: My name is Dan Sanchez, and I am from Cameron County. I am a Precinct 4 Commissioner. Honorable Chair and honorable members, Board. Thank you for allowing me to speak this morning. I come with Commission Trevino on behalf of the citizens of Harlingen and Cameron County.

Ever since Hurricane Dolly, we have had a lot of destruction. And this particular project was one that provided housing for people up until then. Since then, because of the damage we got, people had to move out. Families were displaced.

So now, it is time to rebuild. And I know that as stewards of money, you have important decisions to make. One of the things that I would ask you to consider in this particular project is what distinguishes this project from many of the others.

This is the first of its kind. What we are looking to do is, instead of doing normal housing projects you might have seen in the past, we are doing to make them little individual homes. Not just a house.

So that people that are living there have the belief and desire to

live in the home. And at some point, help themselves maybe get out of there and into purchasing another home on their own with their family. But all of that basically starts at home when you are talking about education.

When you are talking about people's future. So for those of us that have homes, that have insurance, that have to deal with destruction, when that happens, you know, car insurance carrier, what hotel am I staying at, when does the contractor come in and fix it. People that live there, basically have to figure out where am I going to go now?

So this project has basically given the opportunity to build a new village, a new community. And I think it is the future of housing throughout the State of Texas and in the United States.

MR. CONINE: Oh.

MR. SANCHEZ: Everything else grows. With time passage, everything changes. And so now, this is the opportunity to be the first of its kind in Texas, in Cameron County, to give these families a better sense of home. Which is going to help develop their children, school, their future, education.

So when you consider the projects, I strongly urge you to take that into consideration. And I thank you for your time. Good day.

MR. CONINE: Thank you. Any questions?

(No response.)

MR. CONINE: No questions. Thank you very much. Hank Clements.

MR. CLEMENTS: Good morning, Mr. Chairman, Board

members. Hank Clements, resident of Dallas, Texas. And I am here to speak on behalf -- in favor of the E2 Flats project. That would be project number 11244.

And as a lifelong resident of Dallas, I just want to say, one of the things, compared to a lot of metropolitan areas throughout the country and throughout the world, we have been lacking a very vibrant downtown in the last decade or so. There has been a lot of headway made, and work underway to turn that around.

I think it is very important that they include a family oriented place for housing in the downtown area to help contribute to a more vibrant downtown, and a more active downtown. And essentially, that is all I really wanted to say.

Is that I am in favor of the project. And I hope that you will give it your utmost consideration. Thank you.

MR. CONINE: Thank you. Any questions?

(No response.)

MR. CONINE: Lisa Stephens.

MS. STEPHENS: Good morning, Chair and Commissioners.

MR. CONINE: Good morning.

MS. STEPHENS: Last month at a Board meeting -- I am Lisa Stephens, Taylor Grand Development. Last month at a Board meeting, staff mentioned that there is a potential problem with a shortfall in credits this upcoming year.

Basically said that because of the amount of credits that are

being requested for a deal, that there are not enough credits to go around. And it could result in regions going unfunded, particularly subregions and the urban subregions are over requested.

The top deals in the urban pool are asking for more credits than are available, resulting in those deals being unfunded in the first half, as they go through. I know they have been working diligently to find a solution. And we appreciate all of the efforts that staff has put into that.

Unfortunately, there is just -- there aren't enough credits to do every deal. And that is the reality that we all live with. The challenge appears to be in four urban subregions.

And those four subregions, their top ranked applications have asked for more credits than are available in the urban pool. Obviously, I represent one of those applicants that is affected in that subregion.

This appears to be unprecedented. The QAP does not address how to handle ranking applications with the various regions. If you are within the same region, they are ranked by score.

But when you are in varying regions, the QAP doesn't address what you do, other than looking at what is underfunded. All of these regions are going to be 100 percent underfunded. So that doesn't help, either.

We are here to suggest today, that as staff goes through and makes their funding decisions, they use the same process that they do in looking at applications within one region. That they use score. When they take these score regions, they look at them. They rank them by score.

And they make their funding decisions based on score. That

seems to be the most fair and transparent way to do it. And I appreciate your consideration, and your time this morning.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: Appreciate your being here.

MS. STEPHENS: Thank you.

MR. CONINE: Marc Eichenbaum.

MR. EICHENBAUM: Chairman Conine, Board. Good morning. My name is Marc Eichenbaum. I am in charge of intergovernmental public affairs for the City of Houston's Housing and Community Development Department. I am here this morning to give you a quick update on our current Ike disaster relief single family home repair program.

Almost two months ago, at this Board meeting, the City of Houston testified that the pipeline to provide single family home repair assistance was finally built, and that assistance should be flowing freely. In fact, we put all of our chips in the pot by hedging the future of our administration of this program on our ability to obtain a contract extension by uploading 44 single family home repair contracts to the TDHCA system by today, June 30th.

I am proud to say that we have met this goal. As of 7:00 a.m. this morning, we have uploaded 51 complete contracts to the TDHCA system, of which 39 have already been approved.

And we expect approval of five to seven more contracts

sometime today, This is in addition to 64 applications that are in the City's pipeline, pending contractor procurement and contract execution.

We would like to thank the staff of TDHCA immensely. We have had our challenges administering this program. But we have finally streamlined our processes, working together. And we are really getting stuff accomplished.

Additionally, we would like to thank Mike Gerber for his friendship, leadership and most importantly, believing in Houston. And lastly, you the Board for giving us the contract extension.

We are already working on processing our next batch of applications. On our way to achieve our larger goal of 242 home repairs and reconstructions.

Going forward, we look forward to working with the State, Commissioner Patterson, and the General Land Office in responsibly getting these disaster funds out the door in the most expeditious manner as possible to help the citizens of Texas. Thank you for your time.

MR. CONINE: Thank you. Any questions of the witness?

MR. OXER: I have a question, Mr. Chair.

MR. CONINE: Yes, sir.

MR. OXER: Mr. Eichenbaum --

MR. EICHENBAUM: Yes.

MR. OXER: Eichenbaum. If I said it incorrectly, correct me please.

MR. EICHENBAUM: Yes. No problem.

MR. OXER: What were the mechanisms that you streamlined to make this move more quickly, and can anybody here learn from that?

MR. EICHENBAUM: In the past, we had to completely have a full complete application before submitting it to the State for approval. Now, we are able to work on our approval mechanism simultaneously.

So once we perform our income eligibility review, then we upload it and give it to the state. And they are able to do their income eligibility review approval, while we are still working on other matters of the application. The same goes for environmental review.

And by that, it has cut down the turn around process. So now, the state is able to approve our contract in less than a week. In the past, it took much longer.

MR. OXER: So you are essentially parallel processing.

MR. EICHENBAUM: Yes. Exactly. Thank you.

MR. OXER: Thank you.

MR. CONINE: Thank you. George McShan.

MR. MCSHAN: Good morning. I am George McShan.

MR. CONINE: Good morning.

MR. MCSHAN: I am here to speak in support of agenda 11031. Honorable Chairman and Board members. Thank you for the opportunity.

I am a school board member from Harlingen Consolidated Independent School District. I have been a long time Board member, 24 years. Past President of the National School Board Association as well as

the Texas Association of School Boards. I am a public servant.

And I am so excited about the opportunity for the Harlingen school district to partner and collaborate with the Brownsville Community Development Corporation with this project. This cottage project would bring something that we have never had before. We want this project in our school district.

It is going to be located in a district that is a recognized school district. And the elementary campus is exemplary. One of the best in our district. So the students there will have an opportunity to get a great education.

What I say to you is this, this development allows for community center, with computer labs and technology, so that we can have our after school programs there. It would also allow for a garden. Students will be able to understand the importance of fitness and wellness, about health.

As you know, in the Rio Grande Valley we have a high incidence of diabetes. This will give children an opportunity to have an equal life chance to understand how they can reach their hopes and dreams. We view this with concern.

We view this as an opportunity to invest in our young people. And I say to you that you can help us build a pyramid for success. A foundation of the school board, the County Commissioners, the City Commissioners and the vision with the housing development board, locally as well as statewide.

We think the focus on students will give us an opportunity to make this the dream that we all want to see happen in this nation. Thank you so very much.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you for being here. And thank you for your service.

MR. MCSHAN: Thank you.

MR. CONINE: Appreciate it. I found two more witness affirmation forms that were on the project of the Palms at Leopard. And I think that we have had two testimonies already.

I will call on both of these, and one of you can come up and speak. Mary Hernandez, or Amanda Castro. One out of two can come.

MS. HERNANDEZ: Good morning. My name is Mary Hernandez. And today, I stand before you in reference of project 11166. Ms. Castro, another speaker which will not be speaking today is handing out the minutes of a council meeting on April 26, 2011.

And as you can see on page 2, item 24, a resolution has been approved by every present council member. The City of Corpus Christi is locally supporting our project. And as a resident at Northside Manor, totally I am for the relocation to the Palms at Leopard.

Today, I am here to be heard, because my community is in dire need of simple accommodations like central heat and air, washer and dryer connections, and playground for our future leaders to expand their way of

thinking, or just playing. At Northside Manor, we don't even have these mentioned.

But the opportunity is here at the Palms at Leopard, is our way to change how we live. And as a single parent, I stand as the voice of representation in hope that we at Northside Manor are given the opportunity. Thank you for giving me the chance to be heard.

MR. CONINE: Thank you very much. Any questions of the witness?

(No response.)

MR. CONINE: Thanks for being here. Paula Neff.

MS. NEFF: Good morning.

MR. CONINE: Good morning.

MS. NEFF: Paula Neff. I am the Chair for the Galveston Housing Authority. I am pleased to be here this morning to give you a brief update of where we are with our rebuild plan.

We are happy to announce that we have put out a very strong RFQ for a master developer. And we literally had the best of the best in the nation respond. We have now acquired McCormack, Baron and Salazar to lead the initiative of our mixed income development. And we are excited to have them on board in addition to a very strong human capital plan that will help us really not just address the housing needs, but the cycle of poverty in Galveston, and what we can really do to have it be different than it was before Hurricane Ike.

We are also working very closely with HUD to get a portion of

the insurance proceeds released, so that we can start with some redevelopment. Where we are right now, our hands are kind of tied. We are going, working closely with the City, and we are working closely with HUD to get some sort of funds released for redevelopment costs.

Right now, all of our funds are kind of tied up in sticks and bricks, if you will. And as you all well know, you have got to do some community development things before you actually put stakes in the ground. So we are working closely with both entities to do so.

Our scattered site initiative is ready to roll, other than the funds for the predevelopment. The Housing Authority is very much committed to bringing back our residents as quickly as possible.

We are also, like I said, committed to -- we have a strong desire to create something better, truly something different than Galveston, Texas has ever seen. Probably than a lot of other cities in Texas have seen.

We are moving towards and will be initiating a mixed income model that is designed to do just that, to really look at why poverty has -- I hate to use the word thrived but it is what it is. It has thrived in our community for far too long. And the Board and Commission is taking it upon themselves to really have that look different, when those 569 are back in Galveston.

MR. CONINE: Okay. Any questions of the witness?

(No response.)

MR. CONINE: Good luck.

MS. NEFF: Thank you.

MR. CONINE: Ron Williams.

MR. WILLIAMS: Good morning, Mr. Chairman, members of the Board, Mr. Irvine. My name is Ron Williams.

I am the Executive Director of the Southeast Texas Housing Finance Corporation, SETH for short. And SETH is a local Housing Finance Corporation organized by nine counties and 11 cities in Region Six. And we have been in existence since 1981.

SETH has been the largest provider of homebuyer assistance through the TDHCA program in Region Six since 1995. It has been a great partnership and helped hundreds of first time home buyers realize the dream of affordable home ownership. Many years ago, we were very happy in receiving \$500,000 contracts. Then we went to \$300,000 contracts.

Then several years ago, we had to apply in both our program and the region, urban and rural areas for separate contract. The problem with that system was that our urban funds went out in about nine months. 22 months later, I still have half of my rural funds available. Therefore, I have not been able to apply for any funds within about a two year period.

Then about two years ago, the HOME staff recommended and the Board approved of a new delivery system for HOME funds. I am here today to let you know that the current system of HOME fund delivery by TDHCA is the best in the nation. It is the best practice. And should be recognized as that.

Recipients can now apply all during the year, as long as funds are available. This system is especially helpful to regional providers such as SETH, where we have both rural and urban counties, because the urban funds

go out so quickly.

I cannot say enough about the HOME staff, their professionalism, and the very thoughtful way they have improved the delivery of the HOME fund, statewide. I know I am going to miss some people. But they are all included.

But I want to especially thank Jean for her leadership. I would thank Cameron, but since he has gone over to the dark side, in real estate analysis. I want to thank Valerie and Chris and Abigail and Christie and Francis and Kay, and Terry Noonan for all of it.

But especially the person that has answered all of my annoying questions over the years; Sandy Garcia. Again, I just want to come to you today to express my gratitude to the staff, the administration, and to the Board for having the best delivery system of HOME funds in the country.

MR. CONINE: Thank you, Mr. Williams.

(Applause.)

MR. CONINE: We appreciate those kind words. Walter Martinez.

MR. MARTINEZ: Thank you, Mr. Chairman and Board members. My name is Walter Martinez. I am here today, representing the American G.I. Forum Village Apartments in Robstown, Texas. The entity is applying in the at-risk pool, the statewide pool.

The project was founded by Dr. Hector P. Garcia in 1970 and by the Robstown chapter of the American G.I. Forum. As you may be aware, the American G.I. Forum is a national veterans organization founded by Dr.

Garcia. The story of Dr. Garcia is one of perseverance. A Mexican refugee, medical doctor, [indiscernible], decorated war veteran, civil rights activist, and Presidential confidante.

He worked tirelessly to assist Mexican-Americans throughout the state. Returning to Texas after World War II, Dr. Garcia founded the American G.I. Forum, and through peaceful protests and legal resource, worked to empower Mexican-Americans. Dr. Garcia's signature is contained in the founding trust documents establishing the American G.I. Forum Village Apartments in Robstown, Texas.

This project replaces some of the squalid conditions found back then in area labor camps. The project containment today, providing affordable housing in South Texas. This shared story of perseverance entails the effort on the behalf of the American G.I. Forum Village Apartments in 2008.

In 2008, the G.I. Forum was awarded tax credits by this Department. Reluctantly, these tax credits were returned to the Department, as a result of the financial collapse in the capital markets. Not to be deterred, but this 40 year old project is again seeking tax credit financing, and in view of the above, is requesting a forward commitment it needed to reach its goal.

Over the last five years, every effort has been made by the American G.I. Forum to work toward a goal of preserving this 40 year old property. We have accomplished, we have gained tremendous support by the residents and by the local community. The mayor and the City Council have endorsed this project.

I do not want to minimize how heart wrenching it was, how gut wrenching it was to have to return those credits at the time. But you know, there are some things you can do to prepare yourself and to apply, and to do the best job you can to submit an application and put it forward, and get community support.

And there are just some things that are out of your hands. And in 2008, the collapse of the markets was just at our doorstep. We had investors at our doorstep and just, they could not move forward with it. So as a not for profit with limited resources, we just were not able to move forward at the time.

So given that, I want to make a point to the Board for you to consider awarding a forward commitment to this project. It is a property that is in dire physical and financial need.

We are working very closely with HUD to preserve the Section 8 rental subsidy for the low income families that live there and we have a strong commitment, and a strong and qualified local nonprofit that we are working with. I appreciate your consideration. Thank you very much.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: We appreciate your testimony today.

MR. MARTINEZ: Thank you very much.

MR. CONINE: David Koogler.

MR. KOOGLER: Good morning. My name is David Koogler. I am President of the Mark-Dana Corporation. I am here to speak on behalf

of one of our applications, Spring Trace, Number 11037.

Good morning, Mr. Chairman, Board members and Mr. Irvine. Thank you for this opportunity to speak with you. I just wanted to take this opportunity to ask you to consider putting Spring Trace on your list of projects, when you are considering forward commitments.

I will provide more information at future Board meetings. But basically, we believe that this is a project that in a legislative district that won't obtain affordable housing tax credits unless it is via a mechanism like a forward commitment. Thank you.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: Guess not. Okay. Lawrence Hamilton? I have two witness affirmation forms for a particular project, and several against.

MR. HAMILTON: Lawrence Hamilton, speaking on behalf of 11056. Is it my understanding that you want to limit to three minutes for -- cumulatively? If so, I would yield my time to --

MR. CONINE: No. It is three minutes per speaker, unless someone gives you, volunteers their time. In which you can go up to five minutes.

MR. HAMILTON: Okay.

MR. CONINE: That is the way we are structured here. And I may not have articulated that too well at the beginning of the meeting.

MR. HAMILTON: Okay. I --

MR. CONINE: But only three five minute speeches on for and three five minute speeches against are the max.

MR. HAMILTON: Okay. Well, there are of two of us here. And you will hear from Ms. Crispin who represents the downtown residents council.

You are going to -- some opposition to our project has just bubbled up. And it is primarily the First Presbyterian Church Day School. And you will hear from them. We have -- I want you to know that we have tried to meet with them.

They have refused to meet with us, except on the condition that it is in the company of City Council, and that the only item for consideration is not doing the project in that location. So but our offer remains open. We would like to -- the door is open to meet with them. And we would like to do so.

Reverend Joe Clifford of the Presbyterian Church is a neighbor, is next door to our project. And their day school is adjacent to the project. And he told me he was giving a sermon on the subject, this past. It was scheduled for past Sunday. And I went to it.

And in the sermon, he indicated that the Stew Pot day resources service center that is operated in their mission to the homeless has operated for over two decades from that location, alongside the day school. And without any problem. And he also indicated that there was a pressing need for permanent supportive housing downtown. And the theme of it was either or; a rock and a hard place. And he talked about

Abraham being instructed by God to sacrifice his son Isaac and made the simile of the two. It is a little bit stark. But anyway, his point was that two can exist and co-exist. And he demonstrated that in the City Place project. Which has just received the award from the --

(Simultaneous discussion.)

MR. HAMILTON: So the National Association of Housing Finance Agencies had just recognized this project, which has 200 SRO units, of which 100 are for persons who are at risk of homelessness, or homeless. And this project is in downtown Dallas.

It is adjacent to the Pegasus School and the First Baptist Academy. There has never been a problem. There has never been a problem in 20 years with the Stew Pot.

We think that -- and moreover, we are building the \$41 million Atmos Lofts project, a portion of which is supported by your tax credit allocation from last year. We wouldn't do that if it had the potential to degrade adjoining properties. Because the St. Paul apartments is across the street from it. Thank you very much.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you. Crispin Lawson.

MR. LAWSON: Good morning, Mr. Chairman.

MR. CONINE: Good morning.

MR. LAWSON: Board members. My name is Crispin Lawson, and I am here today to speak on Item Number 11056, St. Paul

Apartment project. And offer my support for it. I have been a downtown Dallas resident for five years. I am currently the coordinator of the Farmers Market Crime Watch, which is about four blocks away from this project.

I am the Chair of the Downtown Dallas Residents Council policy and efficacy subcommittee. And just so you know, the Downtown Dallas Residents Council has been in existence since 2008. And it serves as the neighborhood association for downtown.

And on behalf of the DDRC, and the 6,000 residents in downtown, and particularly my part, downtown near the Farmers Market, I want to offer our unqualified support for this project, as we believe it will provide a means of addressing one of our most serious problems, which is chronic homelessness downtown.

Historically, downtown always has the greatest concentration of homelessness in the city. And that has become more and more of an issue as residents have started to move back to the area. Most of the residents who are coming to downtown Dallas understand this one again, urban instead of a suburban experience.

But our belief is that our enthusiasm for the walkability and the vibrancy, and revitalizing the central business district outweighs the knowledge that there is going to be grit, and there is going to be crime, and there is going to be homelessness. However, just because we acknowledge the fact that there is homelessness doesn't mean that we accept it, or are just going to ignore it.

Now that has been a growing consensus of studies that show

supportive housing is very effective in reducing the number of homelessness. And unfortunately, downtown Dallas only has one current project that offers that kind of supportive housing. Which is the City Walk project that Mr. Hamilton just referred to.

And the Downtown Residents Council and the residents firmly supported that project. But it doesn't have nearly enough units available to address the number of homeless that live downtown.

The Residents Council and residents have a good understanding of the seriousness of the problem. We are committed to doing what we can to address it. And we believe this project could help.

Now, there are some non-residents who have voiced concerns about the project, based on an incomplete understanding of the project and the clientele. They have children who are attending the adjacent day care center. And they feel that the children there will be exposed to sexual offenders, basically.

We have a lot of residents downtown who also have children. And we are not concerned for their safety; we don't believe the project will have a negative effect whatsoever. We don't believe that being poor and being homeless necessarily makes you a sex offender. Sex offense, sexual deviation is not tied to income levels, as several Representatives of Congress have demonstrated over the past few years.

And we are frankly, a bit put out as residents, that outsiders would come in and attempt to impose their perception of the situation on us, and tell us what projects we can have in our neighborhood. Especially when

there is a very obvious solution for them, which is to move their children to a different day care center.

Just one more sentence. We understand the problem of homelessness downtown. We believe that the solution is to assist them to become productive members of society again, which this project will do.

And we believe that once they are productive members of society, we will be happy to work them into our ranks as progress into downtown Dallas. Thank you very much.

MR. CONINE: Any questions of the witness?

MR. MUNOZ: Yes. I have got a question.

MR. CONINE: Dr. Munoz.

MR. MUNOZ: What do you mean, when you say outsiders?

MR. LAWSON: They are people who are not residents of the downtown area. That is my understanding.

MR. MUNOZ: What do you attribute this recent flurry of opposition to? I mean --

MR. LAWSON: I am not sure exactly where it came from. My understanding is that the knowledge of the project had been out there for a while. And I am not exactly sure what sparked it recently.

It has been discussed for a while in the Resident's Council at our meetings. We actually had a meeting about it, that provided a lot of information last night.

And what I have heard about the meeting was that everyone there was very enthusiastic about the project, and wanted to know how they

personally could help with it. So as far as I can tell, from my perspective, and being on the Resident's Council, everyone in downtown is very supportive of this project.

MR. MUNOZ: Do you know if someone were a registered sex offender, isn't there a certain distance that they have to be from schools and day care? Wouldn't that preclude them from possibly living in this facility?

MR. LAWSON: I believe that is correct. Yes. And I think Mr. Hamilton could speak to that better than I could about the actual criteria for living in the project. But the fact of the matter is, it would be a standard that would apply everywhere across the city.

MR. MUNOZ: That is right. You said something about representing 6,000 residents. So I am sure you haven't spoken to 6,000 people. But how many have you heard from?

MR. LAWSON: We usually have -- we have had several meetings. And they usually are attended by probably less than 50 at a meeting. But notices throughout the meeting, information goes out to a neighborhood wide email list.

Notices of the meetings are posted in buildings. I talked about it at Crime Watch. And so the information is out there if people want to attend. We can't make people show up.

MR. MUNOZ: Okay.

MR. CONINE: Okay. Thank you for your testimony. We appreciate it. Okay. I have five witness affirmation forms against the project. And three of you can come up and speak. The others can donate time if you

like.

Cathy Kaufman, Grady Jordan, Kristy Macktinger, Julie Kaufman and Matt Montgomery. Three out of five. Just one at a time would be great. Just decide which way you want to go.

MR. JORDAN: I am Grady Jordan speaking against, this project. 11056 St. Paul Apartments. Honorable members, thank you for hearing us today. I have been a member of our church over 40 years.

I am presently one of 45 ruling elders at our church. It is organized as a corporation. There are six trustees. I am one of those trustees.

I am also treasurer of community ministries, also known as the Stew Pot, which is not a separate entity. And it is run by our church. And I am chair of our supportive housing committee of our church.

By profession, I am a real estate broker. I have eight grandchildren. They are all too old to be in this day school.

Reverend Dr. Joe Clifford spoke before you last fall on another matter when were awarded forward tax credits for a project more than a mile away from here. And he can't be here today, due to scheduling conflicts.

I am not speaking in an official capacity for the church, but as an invested member of a church, concerned about a broader vision. I understand how hard sponsors work.

Because I was involved in my church receiving those forward tax credits, as I mentioned. Before the City council had to withdraw it due to neighborhood opposition.

However, our church still advocates PSH, because it is one of its ministries, as is our day school. And which the church financially subsidizes. The meal services over 1,500 a day every day at the Bridge, three blocks away, that we serve, is another one of our ministries.

The Stew Pot itself is across the street from this location at Hamilton and the day school, joining each other on. And we have numerous programs over there. Dental clinic. Representative pay. Community voice mails. Support services galore over there, that we still run.

That is a very important ministry. I served one of the first meals at our church in '75 to the homeless, down in the basement of the church. I believe my church knows a lot about how the locations of its ministries should be carefully determined, and how they should be designed to interrelate.

Mr. Hamilton is right; the day school and Stew Pot coexisted for a long time. But alongside is not one foot from a day care outdoor play yard for kids. We manage those two programs, and there are some others in our church.

And we make sure how they interrelate. We handle the security for all of that. There is a big difference between a residence a few blocks away and one foot away.

The sponsors of St. Paul Apartments approached my church last year. I was involved in almost every meeting with them. They want us to participate somehow as a partner, owner, sports service provider proponent. Joe Clifford and I told the sponsors that we support public

supportive housing.

But we felt like a better vision was something we had been working on for several months, that we had a great six through twelve downtown charter school which is needed a great deal down there. We didn't think it was a good idea for this separate day school entity, even though the church owns it, it is governed by a separate board. To have a PSH project right next door to it.

And I just urge this Board to carefully consider and deny this award, and not consider it for a forward allocation. I can't speak for the church. But it and I are very worried about the future of our day school, from what we are hearing from the parents about the success, the future success of it as a ministry, if this project is approved.

I think the various shareholders and stakeholders in the area can meet. We have met once or twice. We can meet and perhaps work out a good solution. We offered alternative sites. Not just one in the area, but the developer says it is too far down the road.

We bought one of those sites two days ago. It is across the street from the Stew Pot and it would be across the street from this. So I don't have a map. Thank you. Any questions.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you for your testimony.

MS. MACKTINGER: Good morning. My name is Kristy Macktinger. I am one of the parents that you have heard about at the school.

And I am representing other parents there as well. I have three children currently attending the school.

This just to set this up, it is the location that we are talking about. This is the St. Paul Apartments. This is our school, and our two playgrounds. This is what it looks like. Where this man is standing is where the building will be. Here is the playground and our children.

You wouldn't know the school was even there, reading this tax application. Because of 600 pages, it is never mentioned. What is mentioned time and time again is the great amount of neighborhood support. And I am here to tell you that we were never approached about this project.

And as you can tell from this map, we are the closest neighbors this project has. Not the residents that live in buildings on the other side of downtown. Not the renters like Mr. Crispin who lives over on Farmers Market, who doesn't own his property.

We are the closest neighbors. And we have been in contact with other property owners and businesses in the Farmers Market area, which also are closer than many of these residence buildings that are represented by the Downtown Residents Council.

We have parents in our school that have condos in Farmers Market who didn't know this was going on. And they do not support it. So I am not sure if the Downtown Residents Council is supposed to support them. But they assured me they were not part of that agreement. We have been ignored from this process.

And we can only guess at why. We would seriously question

the Applicant's sanity and greed by putting this development next to our children. There is a place for permanent supportive housing. And it is not on top of our kids.

They stated that this is going to be for people who have been chronically, and I quote, chronically or long term homeless with a disability which is often mental illness or a long term challenge with an addiction. To be clear, we are not against PSH projects. And you heard that from the church as well. We are not against the project.

We are against this location on top of our kids. We are asking for a margin of safety. If they had come to us in the beginning, we could have worked on a solution. But instead, they operated under the, let's get away with it policy, and wait until somebody gets in our way. And they want to act surprised that we have an opinion.

When they were very clearly told by the church that we are a separate group from the church. And frankly, they needed to come talk to us.

That never happened. Whether a sex offender slips through a background check, or a person slips up one time while battling their demons, it only takes one person a foot away from our kids to destroy a child's life.

The developers called the parents ignorant. And I can assure you that we are far from that. We have done extensive research on the census excluded from the child safety zone laws. So those laws, you would be amazed at what is not included in those laws.

We have state laws that actually allow some sex offenders to get deferred adjudication and not even register and be reported. That can

slip through the cracks. We have real stories on the news.

Talking about an American Airlines flight attendant who used an alias to get -- he was an illegal immigrant with a criminal history, and he was a flight attendant. He got through American Airlines background checks, aviation background checks. And we are supposed to feel safe that these background checks are going to catch everybody, when we know the state laws are not supporting us.

I guess the developer thinks that the First Presbyterian Church is ignorant as well. And as you have heard, they have a significant amount of history here. They know their stuff. And they don't believe this is the right location.

I am also, while I am up here going to go ahead and read you a letter. It is very short. I know I am limited on my time.

MR. CONINE: That is what that buzz was. Go ahead and wrap it up.

MS. MACKTINGER: Okay. I am just going to read this paragraph, if that is okay.

MR. CONINE: Okay.

MS. MACKTINGER: Dear Ms. Meyer. And this letter is from State Senator John Corona. I am writing to oppose an allocation of Housing Tax Credits for permanent supportive housing to be known as St. Paul Apartment.

I have been contacted by constituents who have raised serious concerns about the housing project designed to house a concentration of

persons who have criminal histories and such in close proximity to a long established day school for children. While there may be a need for this type of housing, questions must be raised about this immediate location.

Sincerely, John Corona. And I have that letter to circulate to you guys.

MR. CONINE: I think we have got a copy of it.

MS. MACKTINGER: Okay. So we implore this Committee to use your better judgment and your discretion to help us protect our children.

Thank you.

MR. CONINE: Any questions of the witness?

MR. MUNOZ: I have a question. Where do you live, in proximity to this day care? Earlier somebody indicated or suggested that some of the people opposed to this don't live in the vicinity.

MS. MACKTINGER: No. We have 90 families that have kids with the school. Only probably six of those families are church members. I work downtown, as do my husband, and I live five minutes away.

We have -- I don't know the exact number. But we have plenty of our parents that do live downtown. They are downtown residents. All of our parents either work downtown or live downtown.

And this school, there is only four daycares downtown. And this is the only NAEYC accredited one in the downtown area.

MR. MUNOZ: And earlier, I think it was Mr. Hamilton maybe.

MR. CONINE: Hamilton.

MR. MUNOZ: He said that he had made efforts to approach.

You heard that?

MS. MACKTINGER: We sat down in a meeting on June 8th.

MR. MUNOZ: But you were saying that they never approached you. I think you said something to the effect of them, the get away. Trying to get away with it.

MS. MACKTINGER: Yes. And that is true. Because they did their application without ever asking -- without ever talking to us. And you know, my understanding, for permanent supportive housing to be successful, neighborhood involvement needs to be done on the front end.

And the application was made back in obviously, February or March. We went to the City Council and made public comments. We were able to get our City Council people to at least get us a meeting. And all sit down together June 8th.

MR. MUNOZ: Last June 8th.

MS. MACKTINGER: We found out about this in May.

MR. MUNOZ: Okay.

MS. MACKTINGER: So we have not been involved when we needed to be involved. The get away with it is because at this point, the reaction we got was well, we are too far down the road. That is not an acceptable excuse.

MR. CONINE: All right. Any other questions?

(No response.)

MR. CONINE: Thank you for your testimony. One more.

Matt.

MR. MONTGOMERY: Yes, sir. My name is Matt

Montgomery. And I am a member of the day school board of directors. And also a parent of two children in the school.

The day school, for your information, is a nonprofit entity that serves 90 families that live and/or work in the downtown area. We have 130 children that range in age from six weeks old to five years old.

Importantly, the day school employs 38 staff members that serve as teachers or support to our children. The day school is one of only four child care facilities in and around downtown. And most importantly, is the only NAEYC accredited facility in downtown. NAEYC is an acronym that stands for the National Association for the Education of Young Children. It is very -- I don't have time to tell you how difficult it is to get accredited by NAEYC, but I was a part of the Board and we were going through that process. It is very difficult. It is very exclusive, and it is hard to do. There are at least ten if not more different entities in downtown Dallas which provide support to the homeless. There is one NAEYC accredited day school. This is a very valuable resource to downtown Dallas. The daycare Board has written you folks a letter which I am sure you have read, where we have outlined arguments in opposition to this project. We do understand that the previous speakers have indicated that a PSH facility is a valuable way to fight homelessness. But we also understand that as you all have heard today, there is very limited resources to fund those type of facilities. We believe that the Board should do what it can to maximize those resources by spending

them on projects that can serve the greatest amount of people. Even Mr. Hamilton has acknowledged after he was faced with our opposition that because this is literally as you saw, next door to a school, he would have background checks and additional security. A good background check is expensive. Security is expensive. Why should a facility be located there that is going to have to spend a good amount of its budget on security and background checks, when it could be located elsewhere and spend that same money trying to serve the people that it is designed to serve. Further, as we all know, background checks and security are not fool proof. Whether it is in airports, a courthouse, the State Capitol, anywhere there is security checkpoints involved, there are mistakes. It just takes one person to slip up to put our children in danger. Further, even if promises are made here on the front end about security and background checks, who is going to enforce those promises one, three or five years down the road. Whenever funding is short for this facility in three years, and they have to make budget cuts, are they going to cut services, or are they going to cut background checks. If they cut the background checks, how can we enforce that down the road. Once you folks award this credit, it is built, and there is nothing we can do. Finally, I want to end by talking about City Walk. We did meet with Mr. Hamilton on June 8th, with some City Council folks from Dallas. And he challenged us at the time to learn more about the City Walk project. And he felt that if we just look into the City Walk project, that we would feel better about this. I know I am out of time. I am finishing here. I took Mr. Hamilton up on his offer, and I looked into City Walk. I looked at a publicly available

database that the Dallas Police Department puts up regarding the crimes in the last six months at that address. I found five assaults, three family violence assaults, one sexual assault, one aggravated sexual assault and one arson. I could go on. But those are the most serious ones. Mr. Lawson, the community residents advised that there are even sexual deviants in Congress. I will tell the Board, I will take my chances with my kids living next to members of Congress, than individuals that have been charged with the crimes that I just listed. Thank you for your time today.

MR. CONINE: Any questions of the witness?

(No response.)

MR. MUNOZ: Come on back.

MR. MONTGOMERY: Yes, sir.

MR. MUNOZ: Those instances that you just shared with us, occurred in the development that we were shown posters of?

MR. MONTGOMERY: Correct. The City Walk facilities.

MR. MUNOZ: In the last six months?

MR. MONTGOMERY: Yes, sir. And I do want to point out, as he said, that is not a permanent supportive housing facility. That has low income housing, all the way up to million dollar penthouses.

It serves a different, if not a different clientele. Some of those folks are just low income and in need of housing. Some of them are homeless. This here serves the chronically homeless that need services, that need drug and alcohol treatment.

That is a different, maybe even better if you could say, facility.

And that is the list of crimes that we saw in the last six months.

MR. MUNOZ: Okay.

MR. CONINE: Thank you. Any other questions? Mr. Oxer?

MR. OXER: Mr. Chairman.

MR. CONINE: Yes, sir.

MR. OXER: Is there another location proximate to this area that you would support this development? They have made -- you said that they are too far down the road. But in the event that they -- if you were successful in your opposition, would you support another location?

MR. MONTGOMERY: We would support another location.

Yes, sir.

MR. OXER: Could you define that on that map?

MR. MONTGOMERY: We have a handout, I think we gave the Board. Mr. Jordan from the church talked about a land swap with the church. And we would have no opposition to the facility being located where the church has suggested trading the land.

MR. OXER: We have the handout. Thanks.

MR. CONINE: No, I don't think so.

MR. OXER: We don't have the handout. Could you bring that up?

MS. MACKTINGER: I only have one. I didn't realize -- This location was the proposed swap location, one of the several.

MR. IRVINE: That is the alternative to this?

MR. OXER: Could you get some copies for this?

MR. MONTGOMERY: I hope that drawing shows moving it across the street and just down a little bit, and we are okay. We just ask the Board not to come right on the property line.

MR. OXER: Okay. Thank you.

MR. MONTGOMERY: Thank you all.

MR. CONINE: Thank you. Appreciate it.

MR. IRVINE: Just as a comment to everybody, when you do bring materials to the Board, please bring enough that everybody can see them.

(No response.)

MR. CONINE: Okay. Gary Boren. I apologize for getting you out of order again. This is Silverleaf at Chandler.

MR. BOREN: Good morning, Commissioner and Board. My name is Gary Boren, the City Manager of Gun Barrel City. Located on Cedar Creek lake in East Texas.

I am here to support 11138, Silverleaf at Gun Barrel City. As Gun Barrel City has a population of about 6,000 residents. And these residents came to Gun Barrel City; most of them came to Gun Barrel City when the lake was created about 40 years ago.

These citizens then, came into the lake, built a retirement home. And all the labor force. And raised their children. And today, these people are senior citizens, living on a high taxable piece of property that is on

lake frontage. And we have no place to go.

They don't want to leave the home. They don't want to leave Gun Barrel. They don't want to leave their church. They want to stay in the community that they came to stay at. And that is the reason that I really support this subdivision.

You know, they want the doctors that they have had with their families throughout the years and stuff. So when we were approached at City Hall about this opportunity, we really sat back and thought about what is the need of the community? How can we ensure that these new residents, as they move there, have a -- we meet these quality needs that they have.

Well, the choice of the piece of property is not a pasture. We didn't put them out to pasture. We took a prime piece of property that on the east, the City is going to build a road, a new road maybe a church road or whatever.

And it is going to lead to the two largest churches in the community, where most of them go to church at. It is a hell of a way to go to church.

To the north, we are going to build a retention ponds for the future park that we are building that has a native area, so they can remember what Gun Barrel looked like when they first moved out there to the lake. The pond, will let them remember the water that they lived on and stayed on.

To the other side of the road, on the other end of the road, is our medical facilities. Doctors offices, the clinics. An Olympic center for East Texas medical center, where they can go do rehab and work out, and then

stay healthy. We have trails being planned all around this area.

You know, the police and fire station is just a block and a half away down the road. And so one, they have nearly every need within this ten to twelve acre area that we are planning on developing.

Now Gun Barrel City doesn't have a post office. That is where a lot of people, when I grew up, that is where a lot of people met on Saturdays to just get the weekly news, I guess we will call it that. Well, we have got a Dairy Queen directly south. So this new subdivision is Dairy Queen, so they can do that part.

I hope that through partnerships, with your group, our developers, EDC and the City, that I can report to the paper soon that affordable housing is coming for our senior citizens. Thank you for your time.

MR. CONINE: Any questions of Mr. Boren?

(No response.)

MR. CONINE: Thank you for your testimony. Steve Webster, who has time donated to him. Five minutes.

MR. WEBSTER: Mr. Chairman, members of the Board, I am Steve Webster, President of the Gun Barrel City Economic Development Corporation. I am definitely here to voice our whole-hearted support for 11138, Silverleaf at Gun Barrel City.

The Economic Development Corporation of Gun Barrel City has committed \$160,849 in in-kind contributions of land and right-of-way for the development. Gun Barrel City doesn't have any senior housing. We have very few apartments. A lot of our retirees are living in trailers. And some of

those are not in very good condition.

We do have a lot of retirees, and they are growing. We need, safe and affordable housing for our growing senior population. As Gary said, the location is close to ETMC facilities and a growing medical community. A new park is coming.

We just put in a new pavilion. And we are planning a community center for our youth and senior programs, right next to that pavilion.

I have been working with Mr. Segrue on this project for over two years. To put the project in the right place. And I know we have done this. There is no guessing as to the quality of the construction and the attractiveness of these facilities.

I, and most of the Economic Development Corporation Board visited the facilities in Chandler. We were overwhelmed with the care and the thoughtfulness of the development. The area is now in our land use plan and our transportation thoroughfare plan. Our citizens are constantly asking about this wonderful project. I solicit your support. Thank you.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MR. CONINE: Appreciate your being here today. Naomi Byrne.

MS. BYRNE: Good morning, Chairman Conine, Board members.

MR. CONINE: Good morning.

MS. BYRNE: I forgot and brought one letter from my councilperson. So my bad on that. My name is Naomi Byrne. I am the Executive Director for the Housing Authority of Texarkana, Texas. And I am going to be short and sweet, because I parked at a meter.

I am asking today for the Board's consideration for our project number 11097, Rose Hill Ridge. We are in one of those regions that doesn't have enough credits to fund both an urban and a rural allocation.

And I hate the fact that I am following Gun Barrel, because they are in my region, and they are the rural application. And we don't want to take credits away from them.

But we have one really troublesome issue, if we are not awarded credits in our region this year. We have a HOPE 6 grant that we received in 2008 of \$20 million. One of the smallest housing authorities in the nation to ever receive this grant.

This is our third phase of redevelopment through this grant, which is set to expire in September 2013. Our issue is, that we don't get either an award of credits from the collapse, or a forward allocation of credits from 2012, that the likelihood that we can find funding to be able to finance this final deal of multi-family development becomes very slim.

And just like TDHCA has the authority to give money back to HUD, and we are hoping that we don't have to. This project has done a lot for this community. It has taken a blighted African-American neighborhood and has brought in over \$90 million of investment to date.

And that is not just the Housing Authority. That is the City that

is invested in each of these deals, the school district that has invested money in new facilities, as well as private businesses that have come in.

And so, I just ask for the Board's consideration, as awards are meted out, that the Housing Authority 11097 Rose Hill Ridge is considered for credits from either the collapse or forward commitments. Thank you very much.

And I am here with a letter of support from the City Council member whose ward is represented with our project. And I am available for any questions.

MR. CONINE: Did you say when the HOPE 6 award was awarded?

MS. BYRNE: 2008.

MR. CONINE: 2008.

MS. BYRNE: Yes, sir.

MR. CONINE: Okay. Any other questions?

(No response.)

MR. CONINE: Thank you very much.

MS. BYRNE: Thank you.

MR. CONINE: Michael Hartman.

MR. HARTMAN: Good morning, Mr. Chairman, members of the Board. My name is Michael Hartman with Brownstone Development in Dallas. I will try to be very brief. I am here today in support of our development, Aster Villas, number 11105 in Del Rio, Region Eleven, Rural.

And just to bring something to your attention. I know this could

change, because you have a number of appeals that are still to be heard. You have a number of challenges still to be resolved.

But if you take the list, as of this date, due to the breakdown, the applications filed, and the forwards that have been committed last year, in any of the 13 rural regions, no 2011 deals will be funded until the collapse. Okay. So right now, a majority of the regions don't get anything until the collapse.

Once the collapse starts to happen, then of course, under the rules, the regions that have the most shortfall get funded. As it stands today, if nothing changes, based upon appeals and challenges, two of the rural regions will not have any deals funded at all in 2011. One of those would be Region Eleven Rural.

So we would just ask that when the final list is coming out next month, that you take a look at it. And if there is any rural region that is not having any deals funded in 2011, that you would consider forward commitments to those regions. Thank you. And I am available for any questions.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you for your testimony. I love those listologists that show up and figure out the list every time. Kind of like the NCAA brackets.

(Simultaneous discussion.)

MR. CONINE: All right. Clifton Phillips.

MR. PHILLIPS: Mr. Chairman, members of the Board. My name is Clifton Phillips. I am with Brownstone Development, here on behalf of the unified housing foundation.

I am coming to ask for a forward commitment for Kenwest Manor, TDHCA number 11107. It is located in Irving, Texas. I have provided a handout.

The reason we are asking for a forward on this site, it is more than likely this site would never score high enough to meet the funding line. But it is a prime site; a market rate site, if you will.

The AMI in this area is 135 percent over the AMI for Dallas County. It is located right next to a subdivision where the homes range from about 350 to \$600,000.

It is adjacent to a lot of retail. I mean, it is within walking distance to Target, Barnes and Noble, Kroger, gas stations, tons of restaurants. And it is also within about a mile of two medical facilities and a lot of other specialty medical.

The other reason we are asking for this deal is, Irving has not seen one senior deal since the program started, according to the database for the Agency. And it also, it has only received two family deals in the last ten years.

And I think this is demonstrated by the capture rate in our market study. It was 6.2 percent. From our perspective, that is a great capture rate for the family deal. But for a senior deal, that is a really good capture rate.

So it is probably due to the economic times that we even have an opportunity to look at a site like this. Otherwise, this would be filled by a market rate developer, in an area that really needs housing.

So I know there has been a lot of questioning about how people select sites, and what we look for. This is a fine site. And so we would ask that you consider giving a forward commitment when it comes around this next month.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you for your testimony.

MR. PHILLIPS: Thank you.

MR. CONINE: Joy Horak-Brown.

MS. HORAK-BROWN: Good morning, Chairman Conine and members of the Board. I am Joy Horak-Brown. And I am the Executive Director of New Hope Housing in Houston, Texas.

New Hope Housing is a true nonprofit. And our core purpose is to stabilize lives through affordable housing for adults who live alone and whose incomes are extremely low. Typically called single room occupancy housing, it is a supportive housing type. And \$13,000 a year is a typical income.

Our SRO units rent for an average of \$420 a month, and that includes free utilities, free cable television and all social services. It is, trust me, the best deal in town. And our properties are beautiful ones. I hope, over the next couple of meetings, to make a compelling case to you for

a forward commitment. I have never asked you for a forward commitment before. And I have known you for quite some time now.

When I first met the Department, we owned and operated 129 units of SRO housing. Today we have 634 units. We effectively doubled in size last year, opening three properties. Two of them are our first tax credit deals ever.

And my colleague Nicole Cassier is here with some very pretty pictures. Because I want you to look briefly at the quality that we represent with the credits that you allocate to us. There is also a package that you have that has some pictures.

Our first tax credit deal ever. New Hope Housing at Braes Crossing opened in early 2008. Since that time, it has won a Houston AIA award, two Houston Business Journal landmark awards, for public private partnership and for community impact.

And two Urban Land Institute awards. Urban Land Institute is the premiere global institute dealing with responsible land use. Most recently, the award for excellence in the Americas. Open to properties in North and South America. And awarding the entire development process, from site selection through lease up and property management.

It has been won twice before. In Houston once by the Woodlands and once by Gerald Hines for the Galleria. And here is our first tax credit deal ever also, an award winner.

And what is important about that, is this was a certified public nuisance property, transformed into a marquee for affordable housing on I-45

in Houston, on the way to Hobby. And the residents who live here can take pride, that they are in a premiere development.

Later in the year, we opened our second tax credit property ever; 2424 Sakowitz, located in Fifth Ward, Denver Harbor, north and a bit east of downtown Houston. An area with no supportive housing prior to that time.

It opened in October as the first LEAD certified affordable housing in the State of Texas. And it is platinum, which is a rare designation.

We are making a real investment in the future of supportive housing in the City of Houston and waving a banner that others do the same.

We have pledged that all of our future properties, including the one that I am going to be speaking to you about for a forward, 11150, New Hope Housing at Briton House will also be LEAD certified. And while we are waiting for your decision on that very important matter to us, and to the needy citizens of Houston, we won't be resting on our laurels at Braes Crossing and 2424 Sakowitz.

We will be breaking ground in early August on our third tax credit deal, 4415 Perry, 160 units. That will be LEAD certified.

Thank you very much for what you have done to spur our growth in the past. We would never have done it without the allocations. And we hope that you feel proud of what you have helped us do for the citizens of Houston. Thank you very much.

MR. CONINE: Thank you. Is there any questions of the witness?

(No response.)

MR. CONINE: Those are beautiful properties. You ought to be proud of them.

MS. HORAK-BROWN: Thank you very much.

MR. CONINE: We are proud of you. Thank you very much. Cindy Carthel. She has got extra time.

MS. CARTHEL: Hello. My name is Cindy Carthel. I am here in support of application 11196, Central Village Apartments, Plainview, Texas. Again, my name is Cindy Carthel. I am presently the Executive Director of the Hale County Housing Authority.

I have 28 years as an executive director, ten as Hale County Director. This is a community of 22,000 people. We have Wayland Baptist University. We have South Plains College entity and it sets on I-27 between Lubbock and Amarillo, Texas.

I also have a letter from the Chief of Police. I would like to read it first. And he is William Mull. And I am just going to kind of hit some of the highlights. That he has been advised of the plans to improve this property. The physical appearance, and the security of this complex.

We have checked our calls for the service to this address for the past 18 months. And I found out that the Plainview Police Department has been dispatched 363 times on various calls. That is only calls that came from them, not other calls that led them there.

The majority of these calls appear to be for disturbances, loud music, assaults, and warrants. It is our opinion that the improvement in

security will reduce the number of official calls for the police service. The improvement in the appearance in the apartment complex, but also reduce some of the incidents.

The apartment complex is over 30 years old. Any changes to the complex should enhance the lives of the citizens living in and near the area. One of their suggestions was the possibility of having a police officer or qualified security officer living in the complex.

The Plainview Police Department has no objections with these security changes. These changes would benefit not only the owners of the complex, but also enhance the daily lives of the citizens residing at the complex. These changes could also improve the complex for the current owner or any future owners. Sincerely, William Mull, Chief of Police.

And I believe a copy of this is going to be emailed. I didn't know I needed a duplicate.

My support for this, we don't have any -- personally I have no financial interest in this property, nor does the public Housing Authority that I represent. But I came to give a statement of the need for this property to be renovated.

I have a Section 8 voucher housing program. It is a 380. And it is very needful in our county. These apartments sit in a residential area. There is two schools within two blocks. An elderly complex, and another complex is there close by.

And the conditions of these units are very bad. They are infested with roaches. Mice, of course. The West Texas wind blows. And

we have been blowing for 60 days now. And we have very little resistance. Not many trees, because we haven't had any rain.

So the window units are falling out. The air conditioning doesn't work correctly. There has been floods in the apartments. The repairs have not been done. And on my end, I have not sent people out. When they come to orientation, and they need a good place to live; this is not a good place to live at this point. I don't encourage them to rent there. It is good for my program to have them rent there. But in my own consciences, I can't send anybody there.

Sometimes, they will bring me a paper, that they have already planned to rent there, and I will ask them, are you sure you want to rent there?

Do you know what goes on? And they have children. And I don't feel good about this.

But then they say, I don't have any choice. I need a place to live. I can't pay the utilities. Utilities are furnished in these apartments. I can't afford the utilities. They may get \$400 a month, and that is all.

And so reluctantly -- and they may bring that unit, that particular unit that I need up to standard, because they have to, if I am going to have to pay rent on it. But they may bring that particular unit up to standard, but the others don't get that same treatment..

So we need to -- I am asking for the support of this application, on behalf of a personal reason. And the Housing Authority would benefit from it too. The whole community, we have a lot of college students. They wouldn't even consider living there.

If I had a home there, like I said, it is in a residential area, it is not worth much. You could not sell it for what it was worth, because of the conditions of this property. I feel like the renovations would do wonders for this.

They talk about putting cameras there, putting a policeman up in the property. It would cut down considerably on the violence, the drugs that are in and out of the property. I can't -- this is the first time I have ever spoken like this, on behalf of anything. And so I hope that what I say isn't gibberish.

But it is very important to our community. And there was others that probably would have come. It is a long way for us to come. And I was in a better position to be able to come, with a staff, and represent this effort to renovate this property and get it in good condition that would make our town proud. It would be a safe haven for tenants in the future to go to.

MR. CONINE: Any questions of the witness?

MR. MUNOZ: Is it in Hale Center, or is it in Plainview?

MS. CARTEL: It is in Plainview. Hale Center is also in Hale County. I am also the Executive Director of the Hale Center Housing Authority too. But this property sits in Plainview, Texas. Okay.

MR. CONINE: Thank you very much for your testimony.

MS. CARTEL: Thank you very much.

MR. CONINE: Susan McDowell.

MS. MCDOWELL: Good morning. I am Susan McDowell, and I am Executive Director of Life Works, an Austin based youth and family

service organization that provides support for more than 10,000 families every year. I am here today to speak on behalf of the Works at Pleasant Valley. And I have been here before to talk to you. It is project 11218. We will be looking at five minutes from this meeting, in East Austin. It is a 36 unit supportive housing program that will focus on families, and young adults who are most at risk of homelessness, including former foster care youth.

At our last meeting, there was some question about community engagement in our project. So you will also hear today from a leader of the Govalle Neighbors neighborhood association, as well as a young woman who is currently in residence at Life Works young moms and baby shelter. She is as well a foster youth.

So in East Austin, at the corner of Pleasant Valley and Lyons Avenue, there is currently under construction a 31,000 square foot youth and family resource center that will provide social services, work force development, counseling and educational support for thousands of community families every year. It is on budget. And scheduled for completion in December.

And financed by an already complete \$6 million philanthropic campaign conducted by Life Works. This is really what makes the Works different from your typical supportive housing program.

The Works at Pleasant Valley will be located on the same line and the social services, mental health support, work force training will be available to all residents. Typically in affordable housing projects, you see the developers having to focus most of their resources on the construction.

Life Works has kind of turned that model on its head. We are focused on families and young adults most at risk of homelessness. We have privately raised money for the social service infrastructure. So obviously, we are coming to you to ask for support for the Works, for the affordable housing.

Additionally, we have commitments of more than \$600,000 of philanthropic money to help with the construction of the Works. But this funding is contingent on us getting tax credits. So if we are not successful, that money will likely go away.

If we can't tell our funders, by the end of the year, that this project is moving forward, then we lose it. It goes elsewhere. So if we are not successful in this bid, and our score pretty much indicates right now that we won't be, we will ask you to consider our leverage investment when we ask you to consider a forward commitment.

Life Works provides a pathway from homelessness to self-sufficiency for thousands of families in the Austin area, every year, particularly homeless youth, young adults who have aged out of the foster care system, and teenage parents. We have a strong record of working with TDHCA for several programs, including the ESGP program, HHSB, and the HPRP program.

We have an equally strong track record of leveraging public dollars with philanthropic investment. The Works will provide an affordable, safe and nurturing environment in a community that supports the project. I am confident youth and families will thrive.

I want to thank you for the opportunity to address you today. And thank you for your service. I am available for any questions.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much. Corinne Carson.

MS. CARSON: Hello there. I am Corinne Carson, from the Govalle Neighbors neighborhood association. And I am here to speak on behalf of the Works at Pleasant Valley, I mean, on behalf of the neighborhood association in support of the Works at Pleasant Valley.

We have been speaking with the Life Works people since October, 2009, when they first came up with a plan for this project. They immediately sought us out and had a meeting with us, that was well attended by our residents so that we could discuss their plans.

Over the past couple of years, they have met with us on three occasions. And also, made themselves available via phone and email to consult and answer questions that we might have about the project. So we really appreciate their willingness to collaborate with our neighborhood.

We are a low income area that is kind of in transition. We have some, like the rest of Austin, we have some need for affordable housing.

A lot of the long time residents can't even afford to pay their taxes anymore. And you know, there is an issue with there not really being enough affordable housing. And so anything we can do to increase affordable housing, especially in our area, we are all for it.

And we think this is a great project. We also have a lot of issues with crime in our area. And so that is a huge concern for our neighbors. And one thing we really like about this project is, the fact that it is supportive housing.

That they are going to have case workers on site, everything including background checks, and constant interaction with social workers to so that if anyone is kind of falling through the cracks, they have an opportunity to get back on track. So as far as projects go, I can't think of a more -- a better way to do it, to avoid people slipping into criminal behavior and things that at-risk, low income individuals sometimes might do in a less supportive environment.

Right now, it is just an empty lot. It is dangerous. It is not well lit. but as they are building on it, they are bringing an employment center to our area, with the social service agency.

So there is going to be more eyes on the street. More cars in the neighborhood. People to kind of keep a watch over the area. And that reduces crime, and just generally makes our neighborhood more viable and thriving. So we are definitely in favor.

I don't know if this is a concern for you all. But we are also really excited that they have decided to make it a green project with a lot of plant life. They are planning kind of a wildflower garden and a community garden. So it is going to kind of bring some aesthetic beauty to the neighborhood as well.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much for your testimony.

Emalee Wooten.

MS. WOOTEN: Hi. I am Emalee Wooten. And I am a resident at the young mom and babies program. I was in foster care for nine years. And I just aged out last month. I have a two year old son, and I am 35 weeks pregnant.

When in care, I wasn't really prepared to adapt. I was, see you. Be on your way. And I looked all over Texas for places to live. Nobody would take me. Because I already had a son, or I am so far along, or all of this.

Life Works was the only place I could get into on such short notice. Because everywhere else has waiting lists that are 50, 100 people long and then some. And so I was able to get in. And they let me finish my school. I have my CNA.

And I appreciate living there because it is, for the most part, very stable. I know I don't have to worry about anything. I don't have to worry about putting food on the table for me and my kids, nothing like that. And a stable place for when I have my daughter.

An appropriate time to get on my feet, and find a job and housing. That is why I think this is really important. Because it is really hard to get on housing lists. Some of them were closed.

I am normally from the Houston area. Housing down there has been closed for three years, some of their lists. So there is a really big need

for this stuff.

MR. CONINE: Thank you for your testimony. Any questions of the witness?

(No response.)

MR. CONINE: We appreciate you being here today. Bert Magill.

MR. MAGILL: Thank you, Mr. Chairman. Board. I am here, and I think you should have had distributed to you a letter from the Mayor, City Manager, Mayor Pro Tem the City of White Settlement. I sponsored an application in the City of White Settlement. We asked for as many points as we could.

We were awarded all of the points that we asked for. It is just that it is -- and then we do not have any neighborhoods in White Settlement. We didn't get those points. No CP points, no revitalization zones.

But this is a city, a community. If you are not familiar with it, it is actually in Fort Worth, right next to the Lockheed Martin facility there. It is a community that has minimal affordable rental housing.

Their housing stock is very old. It doesn't have the modern amenities of what we normally provide in the more modern tax credit or conventional properties. That is why the City is so supportive of this. They have put their resources behind it.

They are asking for a commitment, a forward commitment, or whatever we can do. This is the first application that has been in the White Settlement community. And so hopefully, they are looking for good things.

I will also say that this is a site that is already zoned multi-family. That is a rarity in the Tarrant County area. I know, I have looked under every rock for multi-family zoning. So it is ready to go if we do get an award.

And the other properties that I have in the Tarrant County area are full. There is a big demand for affordable housing. And hopefully, you will consider this favorably. Thank you.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much, sir. Dennis Hoover. Where did he go? He was here. Now he is not here. Somebody step outside and see if Dennis is outside. Because he happens to be the last one. We will, after Dennis speaks, we will take a break for Executive Session and lunch.

And we will try to be back probably around 1:00 ish or so to continue the meeting. I would remind everyone that at the end of today's meeting, we will have a brief thank you to Mike Gerber. And I encourage each of you to stick around for that.

We also have a board outside that we are going to give to Mike at the end of the day. And I would encourage you to write a little note on there of appreciation to him for his service to the Department through the years.

And then I believe there is a reception for Mike at 5:00 at the Austin Club for those of you that would like to come by and wish him well, as

well. So no sign of Dennis Hoover. We will go ahead and break for Executive Session.

(Whereupon, the Board adjourned into Executive Session at 12:00 noon.)

MR. CONINE: Okay. We are going to get started back again. We are going to -- due to the fact that we have got a lot of paperwork up here today, and the fact that I overlooked a couple of other folks who wanted to speak in public comment, we open the public comment back up again for a couple of more folks. Steven Lawrence.

MR. LAWRENCE: Good afternoon, Chairman Conine, Board members. My name is Steve Lawrence, Vice President of the Michaels Development Company. And on behalf of our President Bob Grier, I appreciate the opportunity to speak to you this afternoon, and stand alongside our partners of the Corpus Christi Housing Authority.

Over the last 40 years, Michaels has developed over 30,000 units in 33 states. It has been recently named both the number one developer and owner in the country by Affordable Housing Finance Magazine.

Today we come before you with partnership with the Corpus Christi Housing Authority, requesting a forward commitment for Lexington Landing project, application 11079.

The 156 unit Lexington Landing project is just a portion of the proposed 700 units of affordable housing planned on their La Armada site. In the 1940s, during the Roosevelt administration, the original site was constructed with 650 units that were built to provide temporary housing for

enlisted and Navy and civilian personnel.

Over time, these units were transformed to Service permanent housing. Thousands of Corpus Christi's lowest income residents. Unfortunately, 70 years later, there are many units that have become functionally obsolete and in dire need of repair.

Fortunately, 128 of the original units have been demolished, and a new affordable townhouse community is now under construction. With regard to development of the rest of the side, the Housing Authority has applied three times in the past for HOPE 6 funding. And despite receiving high scores, have not received funding each time.

We are working with the Housing Authority to provide an alternate solution that will enable them to go forward with the rest of the project. No alternative is more important today than a forward allocation of credits which will allow us to demolish the existing section of units, and for us to build 156 units of new sustainable and affordable housing, equipped to serve a new mixed income community for many years to come.

The project is actually located in a strategic location that we feel is pretty high profile. Located between the downtown central business district and the growing south market. We believe this project will have a dramatic effect on the community. And it will become a catalyst for renewed community and economic development in this section of Corpus Christi.

My partner, who will come up in a minute, Deborah Sherill is going to go into detail about the actual site itself. If there is no other question, I will bring Debbie up.

MR. CONINE: Questions? Debbie Sherill, come up.

MS. SHERILL: Good afternoon, Chairman Conine, Board members, and all. My name is Deborah Sherill. I am the Senior Vice President of Housing and Community Development for the Corpus Christi Housing Authority.

We are here today for two reasons, actually. We still would like to extend an invitation to the Board to hold a Board meeting in Corpus Christi. I just wanted to throw that out there, and remind you guys of that.

The second reason is to discuss what we call this. Is the Renaissance of the Armadas. It is a five year plan that we have started in 2008. Since 2008, the Housing Authority has had a vision and a plan for the Renaissance of the Armadas to demolish and rebuild the Armadas. Today, you are going to get a little history lesson on the Armadas.

In the 1940s, the U.S. Navy announced an allocation of \$25 million for the Naval Air Station in Corpus Christi. This was to become the world's largest naval air training station, making the need for adequate housing acute. The term Armada means fleet. La Armada was the initial defense housing project in the country.

The Armadas were built in the 1940s as temporary barracks for the Navy of enlisted men and civilian employees that worked for the Navy. Get this, rents at that time ranged from \$17.75 to \$28.50 per month. Annual incomes were \$650 to \$1,695. The design of the current Armadas was to resemble Mexican ranch homes. The courts were named to correspond with this theme.

Other courts were named after the late Corpus Christi leaders, F.U. Painter and Thomas Southgate. Painter Street and Southgate street today currently, the central office of the Corpus Housing Authority sits between these two seats. Franklin D. Roosevelt also quoted, these homes were built by the people of the United States for the defenders of this nation.

Although the Armadas have served our community well, it is time to demolish and rebuild a designed development -- I am sorry. It is time to build a green design development in a mixed income, mixed use residential commercial environment. The Armadas, they don't have central air and heat, or any updated amenities. And currently, we have 95 units that are offline due to structural and inhabitable conditions.

The CCHA did apply for HOPE 6 grants in 2008, 2009 and 2010 for the demolition and disposition of the Armadas that currently have 650 units of public housing. Unfortunately, we have been unsuccessful.

However, through the TDHCA tax credit program, Phase One which is Corban Townhomes is currently 50 percent complete to date. The second phase of the Renaissance at the Armadas is the 2011 proposed Lexington Landing project, number 11079.

We have assembled a great development team to include the Michaels organization whom you just heard from, JHP Architectural Urban Design, who is an award winning architectural planning and urban design firm from Dallas, Texas, and last but not least, we have been fortunate to have both -- I call them both Saras. Both Sara Anderson and Sara Andre as our consultant.

With this being said, I think we are very blessed to have such a great development team. We would like to continue with the Renaissance of the Armadas and Phase Two of the overall Renaissance of the Armadas. And therefore, at this time, we would like to request a forward commitment. Thank you very much.

MR. CONINE: Thank you. Any questions of the witness?

(No response.)

MS. SHERILL: We just wanted to show also right here, the design. This is the Corban site. Here is the Lexington site. We don't have the full 156 unit site.

But there are four phases, and Corban was the first phase. Lexington would be the Phase Two, Phase Three, and then we have another phase up here for Phase Four. Okay. And I will be sending you this by email.

MR. CONINE: Okay. Thank you. And I appreciate the opportunity to come down to visit Corpus Christi. We will try to put that on our agenda. And I will make sure Dr. Munoz sleeps on the U.S.S. Lexington.

(Simultaneous discussion.)

MS. SHERILL: And I will be sure to guide you to some good restaurants in Corpus Christi.

MR. CONINE: Sounds good.

MR. IRVINE: And don't send it to them, send it to staff.

(Simultaneous discussion.)

MR. CONINE: Okay. We are going to close public comment

and move on to the agenda for the specific agenda items. The first one that we have, the consent agenda, Items 1(a) through (u), I guess. Any Board member wish to pull anything off the consent agenda?

(No response.)

MR. CONINE: If not, I will entertain a motion to approve.

MR. MUNOZ: So moved.

MR. CONINE: Motion to approve.

MR. GANN: Second.

MR. CONINE: Is there a second, Mr. Gann. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries. Item 2.

MR. IRVINE: Brooke Boston is coming to provide our staff report on --

MS. BOSTON: Brooke Boston, Deputy Director for community based programs, and also in charge of our grant oversight. From the report in your book, I do have a couple of additional updates.

First, I wanted to mention, I think as some of you may know, our Program Services Division has a new leadership in there, which is Brenda

Holt. She is to lead our office of Recovery Act accountability and oversight. So we are sad to see her go.

But David Johnson has taken on as manager of that area. And so we are very pleased to have him in that position and feel very comfortable that we will get through all of the rest of our other leadership. So that is a change in management at the Agency.

In terms of following along in your report, the first program that we did is Weatherization Assistance. And an update from what is in your book; we actually have expended through Friday, we have expended \$207.4 million, and we are at 63.43 percent.

And I had noted in here that our federal funding expires in March. But then, we have a 90 day close out period. So you will probably continue to hear from us through June. And then I would think next summer, probably around the same time, as tax credit awards, we will have a really big ARRA close out type 80.

So Homelessness Prevention and Rapid Rehousing, HUD is coming in the next few weeks for an audit of that program. We feel good about that. I have talked with Fanny, our internal auditor a little bit about that. So we get some insight from her as well.

That program is actually now at \$32.8 million. And we are at 79.3 percent. That program we are required to have done by July of 2012. We actually intend to be ramped down by December of this year.

On CSBG, that one has already been completed. So that just your names on there as an update of just the program being finished. Then

for tax credit assistance, we are now at 85.49 percent and we are on track to meet the final federal deadlines.

And on the Tax Credit Exchange Program, we are now at 81.3 percent and are also on track for completion. Are there any questions about the Recovery Act status?

MR. CONINE: Any questions?

(No response.)

MR. CONINE: Tim.

MR. IRVINE: Our next item is the Housing Resource Center presentation regarding the release of RFP to finish or conduct our Phase Two Analysis of Impediments. But before Jennifer starts, I wanted to do two things.

One, we don't just do ARRA on our time schedule, we do posters on a time schedule. And the plan is to take down the poster that is outside, that is being signed for Mike by 2:30. So if you haven't had a chance to sign it, please go out and take care of that, when you have a moment.

Second, I am very thrilled that Jennifer Molinari who has been just a lynchpin in our disaster recovery and has just been such a great contributor to so many of this Agency's efforts has agreed to come over and become our Fair Housing coordinator.

And fair housing is something that is just vital to all of us. And it is not just about nondiscrimination. It is about intentionality. And doing things that really make our communities better, and make individual lives better.

And it is a lot to put on Jennifer's shoulders. But she is one of the few people I know that can take on that challenge. So take it away.

MS. MOLINARI: Mr. Chairman, Board members, as you just heard, my name is Jennifer Molinari. And some of you do know me from my work on the disaster recovery programs.

Recently, I did accept a position as Fair Housing Coordinator. And it is in that capacity that I present to you Item 3(a) today. Item 3(a) is a request to authorize and direct the TDHCA Executive Director to move forward with the release of a request for proposals to procure a vendor to carry out our Phase Two Analysis of Impediments to Fair Housing Choice for Texas also referred to as an AI.

For background, the State of Texas as a recipient of federal funding from HUD is required to have a current analysis of impediments to fair housing. TDHCA as the state agency is statutorily directed to administer most HUD funded programs for the State, is responsible for ensuring that the AI is current. HUD recently directed the State to update its AI. And the Department last formally updated the AI Analysis of Impediments in 2003.

TDHCA has committed to update the Analysis of Impediments in two phases. One that covers the 62 county area most impacted by Hurricanes Ike and Dolly. And another that was intended to cover the balance of the State.

TDHCA completed the first phase of the updated AI and received HUD approval of that document in May of 2011, this last month. TDHCA now needs to complete the Phase Two, which will include the entire

state, and will be informed by Phase One which largely relates to the disaster recovery funding.

Upon governing board approval, TDHCA will release an RFP consistent with written guidance 4(c) from HUD in its Phase One approval letter, seeking a qualified firm with which to contract for the preparation of the Phase Two Analysis of Impediments.

MR. CONINE: Staff questions?

MR. KEIG: I move staff's recommendation.

MR. CONINE: Motion by Mr. Keig. Is there a second.

MR. GANN: Second.

MR. CONINE: Second. I seem to recall that last, when we went out for the first phase, we contracted outside, and then ended up doing it internally. Have you had a chance, or staff had a chance to think about doing this internally as well?

MS. MOLINARI: We have started to look at that. And it is a very large undertaking. And when we did that in 2003, it taxed resources then. And we anticipate that this is going to be much more comprehensive, and outside of our resources at the moment.

MR. IRVINE: And there is also a provision, as I recall, a reconciliation agreement that speaks specifically to seeking qualified outside contractors. So we will absolutely have the housing resource center and Jennifer and members of executive management involved in the process, and do as much of it in-house as we can.

You know, I think we will also be, frankly, without the time

constraints and demands of getting the Ike Dolly money moving, we will be able to do this in a little bit more orderly fashion, and hopefully procure somebody that really is very capable. And we will be able to devote the necessary time and attention to it.

MR. CONINE: Okay. I guess I still have some reservations about the outside world. And I would like to suggest that we take one more final look at doing this internally.

I know we do the state housing plan on an annual basis. We get a lot of good qualified folks internally. So I would ask we table this until our next meeting on the 18th and bring it back.

If you guys have a chance to take a look at that. And maybe we can have some discussions as well, in the meantime. And come back and convince me that we should go outside to get this done. If that is all right.

MR. KEIG: There is a motion before the Board.

MR. CONINE: Motion to table.

MR. KEIG: I can withdraw the motion.

MR. CONINE: Do I hear a motion to table until the next meeting.

MR. GANN: I so move.

MR. CONINE: Mr. Gann moves. Is there a second?

MR. KEIG: Second.

MR. CONINE: No discussion. All in favor, say aye.

(A chorus of ayes.)

MR. CONINE: Thank you. Item number 4, appeals.

MR. IRVINE: I believe Raquel Morales with our Housing Tax Credit program will be presenting the staff's side on appeals.

MS. MORALES: Hello.

MR. CONINE: Good morning. Afternoon. How are you?

MS. MORALES: Good. How are you?

MR. CONINE: Good. Peachy.

MS. MORALES: Before I get into the specific appeals that are listed on your agenda today, I kind of wanted to give the Board a brief preview of what you are going to be listening to.

MR. IRVINE: State your name please.

MS. MORALES: Raquel Morales, Housing Tax Credit program manager administrator. Sorry.

(Simultaneous discussion.)

MS. MORALES: This has turned out to be a very competitive year as far as the tax credit cycle goes.

MR. CONINE: Really.

MS. MORALES: As you have heard already, and will hear in the next meeting as well.

MR. OXER: You have the gift of understatement.

MS. MORALES: Yes. The number of appeals and challenges that you will consider at both this meeting and the next will have some common themes as they relate to what they are appealing or challenging. They fall into primarily four categories.

The first being termination of the application for missing the

mark on just basic eligible requirements. Another will be the 24 point max request for quantifiable community participation, which is also known as QCP.

We also did get, or will have several challenges and appeals as it relates to the 18 point max for local funding support for local political subdivisions. They are this year known as governmental instrumentalities.

And then finally, the three points for new construction with community revitalization specifically focusing on that community revitalization part. Many of these matters get into very technical and nuanced facts, trying to assert that they do or do not fit the requirements of the QAP.

Staff has been very mindful of following the technical requirements of the QAP and maintaining consistency with the underlying statutory precepts of these specific items. Namely, that the application is extensive and somewhat detailed. But the elements of ineligibility have been clearly defined.

And the majority of the applicants are able to follow those requirements, which represent implementation of policy, policy decisions made by the Legislature and this Board such that there is a fair and a transparent process. QCP, quantifiable community participation is intended to enable individuals actually living in the area where the development is proposed to be located, it is supposed to allow them to get a meaningful opportunity to participate through a properly organized body to provide input.

If these substantive elements are not present, staff believes that the superficial appearance of technical compliance is not enough to

support awarding the second highest scoring item in this QAP. LPS was brought in to acknowledge and allow for the fact that many communities create specific bodies to administer housing related activities and funds.

It also acknowledges the fact that if the City lacks the resources to award its own direct financial support, it may identify and accept help from other sources. And finally, community revitalization is more than a platitude, that it would be a city's goal to improve or to administer funds under a Consolidated Plan. Community revitalization involves a city, and a duly adopted official plan document actually targeting a specific area which includes the proposed development for some specific revitalization activity that includes housing development.

So, as always, if the ultimate decision is to deviate from staff's recommendation on these appeals and challenges, the Board should find and state its good cause for doing so.

MS. MORALES: We have the first group of appeals before you today that deal primarily with terminations of applications. The first is for application number 11035, E. Thurman Walker, which is an urban Region Nine application located in San Antonio, Texas.

E. Thurman Walker proposes new construction of 200 affordable units targeted toward the elderly population. Staff determined a review of the application that would be 50 percent of the developer fees being deferred.

As a result, staff terminated the application for not meeting this application test pursuant to Section 49.4(b)(11) of the QAP. The Applicant

has appealed that the local funding from the City of San Antonio tax increment reinvestment zone requires that at least 50 percent or more of the developer fee be deferred in order to keep the long term interests of the general partner in the development.

This requirement of the City stands almost in direct conflict to our rule on this issue. The Applicant requests that the Board reinstate the application for E. Thurman Walker and allow the permanent loan to increase in order to cure the fact that the deferred developer fee as proposed, exceeds the 50 percent restriction.

The Board added this specific item to the QAP as an application test, and not an underwriting test that could be mitigated as proposed by the Applicant. Additionally, it is not clear that the proposal would satisfy both the City's requirement and TDHCA's requirement.

As we have not evaluated that proposal, since it wasn't part of the original application submission. Staff does not recommend approval of the appeal.

MR. CONINE: I have a couple of witness affirmation forms here for this item. David Marquez.

MR. MARQUEZ: Thank you, Mr. Chair, Board. My name is David Marquez. And I am here for the E. Thurman Walker, 11035. And ask you to approve our appeal. I would like to introduce our President and Chairman, Mr. Fernando Godinez who has given me history minutes.

I have listened to the staff's recommendation. And what I would like to say is that under the statute, 2306, 3.03 one of the majority

threshold is that it meets financial feasibility. This project does meet financial feasibility.

And what we did was, when we ran our numbers, we sent our numbers to Daltry Mortgage and to WNC. And they gave us a letter stating that the project was feasible and they again, rewrote those letters for this Board meeting.

So I have always understood that kind of the investors and the banks kind of run the program, because they have to live with it long term, especially for the 30 years. So I understand the QAP, and I understand why it is there. But we are only talking about \$17,000. It is 50.7.

So as we were trying to take care of the State's requirements and the City's requirements. And I have to tell you, the City did step up. They put up \$700,000 to purchase this land, and to pay for the application. So they are there. They are with us in partnership.

They also gave us another \$100,000 in waivers. And they gave us \$500,000 as they did all of the tax credits. They put 3 million in for tax credits. Because we have three projects in San Antonio. We requested \$500,000. So they are committed to do that.

This is in a TERS area. It was created. It is called TERS 11. It was created to bring economic development into an area that has long been forgotten.

And so we have the Mexican American Unity Counsel that has been in business for 43 years. They are the oldest Community Development Corporation in Texas, created in 1966. And we are doing this project on the

East Side of San Antonio. And we have gained all kinds of support from the communities, and neighborhood associations, and the churches.

The other thing is, is that it is already slated for MF 33. And it is -- there is not that many ten acre clean sites. So what we ask the Board is they not make us wait another year for \$17,000 oversight. That is my plea.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Mr. Marquez, when you filled out the application, were you aware of the 50 percent deferred developer fee requirement. And when the math drove it over the 50, what did you tell yourself?

MR. MARQUEZ: I have to be honest with you, it was an oversight, Mr. Conine. I am sorry. I can't put it any other way. I think what happened was is that we were trying to meet the City's requirements in order to receive the money that they have allowed us.

And the fact that we didn't go over the \$17,000, I guess we should have caught it. That is why we are here today, I guess. Because of the appeal process.

But I would like to say in all fairness, we have a City that is interested in this project. We have a community that is interested in this project. There has to be a reason for an appeal process.

We wouldn't have a lot of people behind me, in fact, you know, the development didn't make the mistake, or the consultant didn't make a mistake. So collectively, that is why we went back to WNC. They wrote us a

letter that is in your Board book. Daltrey Mortgage, Jerry Wright wrote us a letter.

You know, when we go through this underwriting process, that this happened in two previous tax credit deals that we have received, it is that they take the credits and go up and down. So it increases the mortgage. So we are saying it is a 50 percent. But it might be at 48. It might be at 50 point whatever.

But you know, as underwriting goes, we always have to increase the mortgage. The last two deals, we have had to increase the mortgage. All we are saying is that we need to increase it \$17,000. And let us get back on the track of the underwriting.

MR. CONINE: Any other questions?

(No response.)

MR. CONINE: Do I hear a motion?

MR. GANN: I move we support staff's recommendation.

MR. CONINE: Move staff recommendation to deny. Is there a second?

MR. OXER: Second.

MR. CONINE: Mr. Oxer seconds the motion. Is there further discussion? Tom, did I -- or I guess Raquel. Let me ask Raquel a question. I don't want to talk to you, anyway.

MS. MORALES: You can if you want to. I am not offended.

MR. CONINE: This does kind of seem like a unique circumstance where you have got a piece of leverage that we encourage folks

to go out and get, requiring 50 or greater. And you have us requiring 50 or less.

And lord knows, it is hard enough to make those numbers come out exactly right, when you have got a lender and a syndicator. There is no other, other than this process of appeal, there is no way to adjust these numbers internally, staff wise, is there?

MS. MORALES: Right. Because we took it. And the discussion of this was going to be an application test, as far as, it meets eligibility. Not something that can be corrected in order to get back into eligibility.

MR. CONINE: Right. Okay. Any other discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MORALES: The second appeal is for allocation number 11086, La Belle Vie, which is a rural Region 5 application located in Lumberton, Texas. La Belle Vie proposes the new construction of 80 units of affordable housing targeted towards the elderly population.

The development is proposed to be located in Hardin County, which does not have a zoning ordinance. Therefore, in order to meet the

Department's threshold requirements, the Applicant must provide a letter from the most local political subdivision confirming that there is no zoning ordinance, and making a statement that either the development is consistent with a local Consolidated Plan or other local planning document that addresses affordable housing, or making a statement that there is a need for affordable housing in the area, if that local planning document doesn't exist.

In this case, a letter from the Hardin County Judge was provided, whereby the Judge confirmed that a zoning ordinance does not exist for the area. And that no local planning document exists.

The Judge however, did not provide a statement as it relates to the need for affordable housing in the area, indicating that no formal investigation or evidence concerning the need for affordable housing in the county has been performed. And therefore, the Judge did not want to make a statement that was not supported by the facts.

The Applicant is now appealing to this Board to waive their requirement for a statement of need for affordable housing from the local political subdivision. Nevertheless, the Applicant has also provided letters of support from the State Representative, representing the district in which this development will be proposed, as well as from a neighborhood group in the community, both indicating the need for affordable housing.

However, since these letter of support were not directly from the most local political subdivision, and were not enough research for the County Judge to make the same conclusion of the need, the Department did not accept these letters to meet the threshold requirement. Staff

recommends denial of the appeal.

MR. CONINE: Okay. I have a witness affirmation form.

Donald Ball. Oh, you are going to do it.

MS. DULA: I would like to speak first.

MR. CONINE: Okay. Tamea Dula.

MS. DULA: I should have some time ceded to me by Chris Ackburg [phonetic].

MR. CONINE: You do.

MS. DULA: Thank you. Good afternoon, I am Tamea Dula with Coats Rose Law Firm. I am here to speak today on La Belle Vie Apartments in Region 5 Rural. This is number 11086.

And under appeal is the termination of the application because the County Judge did not want to state that there was a need for affordable housing in Hardin County. This is an appeal that is totally within the jurisdiction of the Board.

The state legislation requires that if there is a zoning ordinance, a tax credit application has to provide a letter indicating that either the zoning ordinance permits this particular type of project, or alternatively, that a rezoning is going to be pursued. And the Applicant has to give an indemnification of the local jurisdiction in case the zoning appeal is denied. That is all that is required.

The QAP however, goes farther, and requires that if you have no zoning ordinance, that there be a letter from the local political jurisdiction indicating that there is no zoning ordinance. And indicating either that if there

is a Consolidated Plan, that the project is in accordance with that plan, or some other kind of planning document that the local jurisdiction has that addresses the need for affordable housing. Or alternatively, if there is not such a plan, then they have to make a statement that there is a need for affordable housing.

When the developer went to the Hardin County Judge, the Judge consulted the county attorney in determining what he would state in this letter that was requested. He does not wish to state that there is a need for affordable housing in Hardin County, because there has been no study, or any kind of report on which he can base that statement. Now Hardin County has almost 254,000 people.

According to the TDHCA's published records, there are currently 196 tax credit units in Hardin County. 36 of those units are for seniors. This is an 80 unit project for seniors. It is located right outside the city limits of Lumberton. And it has only got the county to look for, for the no zoning letter.

Now the County Judge wouldn't make the leap of faith to say that there was a need for affordable housing in that county. However, State Representative Mike Hamilton did. He gave a letter of support.

He said there is a dire need for affordable housing in this part of Southeast Texas, because of the hurricanes Rita and Ike. Joan Abshire, who is President of a local homeowners association also took that leap, and said affordable housing, affordable senior housing is needed within this community.

You are in a lucky position today. Rural Region 5 has only two active applications. It has a \$1,692,128 in tax credits available for the rural applications.

Both of those applications are for senior developments. One is for 36 units. This one is for 80 units. Both of them can be funded with the allocated tax credits.

We ask you to exercise your discretion, waive this QAP requirement, and permit this project to go forward and be funded. Mr. Don Ball, the developer would like to speak.

MR. CONINE: Okay. Don Ball.

MS. DULA: Any questions?

(No response.)

MS. DULA: Thank you.

MR. BALL: Good afternoon, and thank you so much for letting us present our case to you this afternoon. My name is Donald Ball. I have been in affordable housing for 16 years.

And I would sure like to thank you for what you have done in Southeast Texas. Our area was devastated with Hurricanes Rita and Ike. I am talking about, really bad. And you all did a tremendous job in that area of our state, helping the rest of us that live there. However, there is very little senior housing. I believe Tamea presented to you, there was only 36 senior housing units in this area.

And in Hardin County, 759 homes, amounting to \$96 million were damaged during Hurricane Rita and Ike. And most of these have not

been repaired. A lot of them are still sitting out there with blue roofs on them.

And there is really a large need for this senior housing. We have other senior housing in areas around this community. And most of them are really highly rented up.

I was talking to a manager from Mark Caldwell's Palm Gardens in Orange, a few weeks ago. And that one had two vacancies. And they had a waiting list to decide who would move into those two.

And in Hardin County, it is a very rural county. It has had very little development there. There are a lot of people that are living in substandard housing that need to have a decent place to move into and live. And then there are a lot of people that are perhaps living with family, that just don't have anywhere to move into and live.

And so I would just ask you today, if you would, just to consider this. Because there is tremendous need there. And this is a good project.

It is a much needed project. And it is a project that I think that would be well served in this area, this really rural county here. Any questions?

MR. CONINE: Mr. Ball, did you submit a market study with your application?

MR. BALL: Yes, sir. We did.

MR. CONINE: Did you show that to the County Judge?

MR. BALL: No, sir. I didn't. He wanted to do his own study. Mr. Carroway was afraid that he would sign something that would -- I believe his comment was, he didn't want to perjure himself on anything that went to

the State of Texas. And that is why he had to refer to his attorney to help him with his letter.

And his comment was, I received the letter from him. A gracious man. A really nice guy. And when I received the letter from him, I said Mr. Carroway, we need you to address affordable housing on this letter.

He says, you know, we have not done our own market study. And I would be hesitant to say there is or there is not a need for affordable housing. I just don't feel comfortable that I would put it on there. And I am not going to perjure myself by doing it.

MR. CONINE: Even when presented the professional market study that you had done.

MR. BALL: I didn't show him the market study. I told him that we had done it. And I asked him, would he like to see it.

MR. CONINE: Right.

MR. BALL: And he preferred that they would do their own. That he would only be willing to do it after they had done their own study. And in this really rural county, Judge Carroway is a tremendously busy man.

He does all of the court proceedings for all of the violators in the county. They don't have a judge, a court of law judge that does that. And Mr. Carroway was always just tremendously busy.

A couple of times, I had to wait several hours to see him, because the sheriff was bringing prisoners in and out. And you know, he really was stressed with what he was doing. And he was afraid to add this to his letter.

MR. CONINE: Any other questions?

MR. OXER: I have a question.

MR. CONINE: Yes. Mr. Oxer.

MR. OXER: Who was the entity that did the market study for you?

MR. BALL: Tamea?

MS. DULA: I don't have that information.

MR. OXER: An outside contractor, or somebody in house?

MR. BALL: Yes. Gerald Teal and Associates.

MR. CONINE: Okay. Any other questions of the witness? Dr. Munoz?

MR. MUNOZ: Has there been any movement on the part of the Judge's office to do this study, that you know of?

MR. BALL: No, sir. I don't think that he feels that he has time, at this time. Along with his other duties, that are extensive, there are fires burning there in the county.

And of course, at some point in time, we will probably go back and visit with him on this. And hopefully, you know -- well, actually, he told me that he would support the project. But he just couldn't write the letter.

MR. CONINE: Any other questions? I will entertain a motion. We need to just say, parenthetically before we vote, we need to make note of this situation when we go over the QAP for next year.

MR. OXER: Is it -- let me make sure I am clear on this. This is simply a product of not having had the County Judge to write this, to put it

into that letter. That is all this is hinging on, basically?

MR. BALL: Yes, sir.

MR. OXER: Okay. All right. I move we approve the appeal.

MR. CONINE: Mr. Oxer moves that we approve the appeal.

Is there a second?

MR. KEIG: Second.

MR. CONINE: Second by Mr. Keig? Any further discussion?

VOICE: Might I just ask, what is the -- is the good cause then that you made a determination that there was a need, as evidenced by Representative Hamilton's letter?

MR. OXER: Yes. Thank you, Counsel.

MR. CONINE: Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MR. BALL: Thank you very much.

MS. MORALES: Okay. The next appeal is for application 11114, Green Haus on the Santa Fe Trail. If you will remember, this appeal was brought to the Board at its last Board meeting, regarding ineligibility due

to unit size requirements and single room occupancy design issues.

At that time, the Applicant appealed to the Board. And the proposed development, and its unit mix was something new and different than the Department had seen previously. And as a result, the Board tabled the issue, and directed staff to work with the Applicant to see if there was a way to resolve the design issues, in order to fit within the current rules as opposed to waiving the rules to fit the design of the development.

We did sit down and work extensively with the Applicant thereafter. Unfortunately, sometime between then and now, staff was made aware that the Applicant communicated with the Board directly, by supplying Board members with information. Which is a violation of our ex parte provision, and renders the application ineligible.

Therefore, while I do I have more to provide the Board as it relates to the design issues, I think that the Board has to address the ex parte issues first. Is that, Tim, is that right?

MR. IRVINE: Yes. That is correct. Basically, this is deemed to be an ineligible application because of the violation of the ex parte communication rule.

MR. CONINE: I have a couple or at least one witness affirmation form here. Chris Luna. He has got time dedicated to him.

MR. LUNA: Good afternoon, Mr. Chairman, members of the Board. My name is Chris Luna. I am a volunteer with Shared Housing. I will only comment on the ex parte issue, and save my comments on the design issue pending the termination of the ex parte issue.

I do want to acknowledge that our Executive Director Maria Machado is here with me, as well as our developer Mike Segrue. On the issue of the ex parte, we believe that we did not violate the ex parte rule.

At the last Board meeting, a Board member specifically requested additional information. And I would like to go through the transcript, to kind of refresh everyone's recollection.

On the bottom of page 165, Dr. Munoz said, "If we move to table, and provide a greater amount of time for you to interact with the staff, you know, I would like a little bit more. A little bit clearer evidence of the efficacy of the shared housing thesis.

And I will tell you why. But much of this rests on the premises that your physical structure of the residency is somehow leads to an appreciable beneficial effect. I am not persuaded by the two lines that I read. That this is effect and outcome.

And I would like, I would think that your argument would be much more compelling if there were a little bit more evidence to the efficacy of your design." On page 166, towards the bottom, I answer. "Dr. Munoz, we would love to do that. We would love to come to Lubbock and sit down with you. But we have been doing this for 25 years with four properties."

At the bottom of that page, Dr. Munoz replied, "I don't want it to be too onerous. But just something that sort of says, look. Here is clear evidence of why this kind of redesign is necessary for this population."

And my response on top of page 167, "Easily doable, Doctor."

And so we believed that there was an express waiver of the ex

parte rules, and a request of additional information. And at the least, there was an implied waiver of that rule.

And it is also important to know that we did send a copy of that information which dealt with that very issue of the history and the thesis of the success and the statistics and the metrics to Dr. Munoz. And we believe that to not provide the requested information would have made us nonresponsive to a specific Board member's request, and in my view, have been disrespectful to that Board member.

We are very sensitive about the ex parte rules. And in fact, there was an article in the Dallas Morning News last month about the Chairman being inducted into the National Housing Hall of Fame, we specifically did not write a congratulatory letter for fear of it being viewed as ex parte communication and or sucking up.

(Simultaneous discussion.)

MR. LUNA: So we elected not to send him a congratulations note for that, in our perspective, overdue honor. So that is why we do not believe that it is applicable.

In an open Board meeting a Board member asked for information. We provided information. And now the staff is saying that is a violation of ex parte rules. We do not believe it is.

MR. CONINE: Any questions of the witness? Mr. Oxe.

MR. OXER: I have a question of the staff. Tim, and Jennifer. Is there a capacity for us to waive ex parte?

MR. PENDER: Jeff Pender, acting General Counsel. I don't

think you can waive the ex parte rules.

MR. OXER: Implied or direct.

MR. PENDER: And I am not sure. I haven't really looked at the transcript that was shown there very closely. But it doesn't really look like there was any kind of direct request by Dr. Munoz there, to send him information, you know, directly to the Board.

I don't see the violation of the ex parte rule in that transcript. But like I said, I haven't really had an opportunity to look at it in detail.

MR. IRVINE: I have a slightly different take on that. Regarding the fact that it is labeled as an ex parte communication prohibition, I don't really think that is what it is.

I think, when you talk about ex parte communication prohibitions, they are typically directed to keeping adversaries from independently lobbying the ultimate decider. I think that really what this provision goes to is open government and the need for the public to have the opportunity to see all of the same materials that the Board sees. And for the public to be able to watch the Board as it reacts to those materials, and hear the discourse, and all of those things.

So I think that taken in that light, that is the substance of this issue. I think perhaps, and this is not something I have formed a definitive view on.

But it might perhaps be curable by providing all of these materials to everyone at the same time, in the appropriate public manner. And then allowing consideration.

MR. PENDER: Yes. I would kind of read the transcript the same way. But I will also mention that I don't have an exact citation here. But I do believe there is a rule in the QAP that says that the application is ineligible if the Applicant violates 2306.113, which is the ex parte rule.

So in direct answer to your question, no. I don't think it can be waived.

MR. OXER: Mr. Chairman, just a parallel comment here. As a general nature, in the event that you are lobbying on behalf of a common -- or on behalf of a project, or actively seeking resources to support that, I would recommend anybody in this area that is going to be doing that, direct all of the communications to the staff. And they will get whatever they need to, to us.

MR. PENDER: Yes. That is right. And actually, there was no ex parte going on at that point. I believe Dr. Munoz was here in this room, or in the hearing room. And everybody else was present, including the parties. So that is not ex parte.

MR. OXER: The ex parte component was not the communication at the meeting.

MR. PENDER: Right.

MR. OXER: It was the communication afterward.

MR. PENDER: Yes.

MR. MUNOZ: Given my role in this, you know, number one, I would like to see -- I would like to explore the possibility of the sort of curability that you might be alluding to, number one.

Number two, I would still like to see the information, and to assess the efficacy of this design, as I suspect others would as well. And at the same time --

MR. CONINE: Well, let's -- it appears to me that tabling this might be appropriate. We have another meeting in a couple of weeks, to the 18th. I know that meeting is going to be long.

But I think we need a little more clearer understanding of which lawyer is right. And sometimes that is hard. Right. So do I hear a motion to table.

MR. MUNOZ: Move to table.

MR. OXER: Second.

MR. CONINE: Table. Motion is on the table. If there is no discussion. All those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MORALES: The next appeal that is listed on your agenda, 11136 has been withdrawn. So we are going to move on to the last set of appeals that deal specifically with scoring items.

The first of those will be application number 11127, 1400 Belleview. 1400 Belleview is an Urban Region Three application located in Dallas, Texas. The Applicant proposes a new construction of 164 affordable units targeted towards the general population.

The Applicant is appealing the loss of four points for Section 49.9(a)(18), which provides points for developments located in census tracts with no other existing same type development supported by housing tax credits. The key to this appeal is that at the beginning of the application acceptance period, another tax credit development that was awarded a forward commitment by the Board was located in the same census tract as the 1400 Belleview development, thereby rendering this 2011 application ineligible for the point request.

The 2011 Housing Tax Credit site demographics report was published on or before the beginning of the application acceptance period. Anyone participating in the 2011 competitive round is referred to this report for purposes of determining eligibility for specific point items in the QAP, such as the one being appealed now.

While the report reflects the census tracts ineligibility for these points, the Applicant submitted an application knowing of this ineligibility, and requesting the points anyway. The Applicant is requesting that the Board approve reinstatement of the points on the basis that after the start of the application acceptance period, the forward commitment that was located in the same census tract was rescinded by the Department.

The Applicant further appeals reinstatement of the points on the basis that even if that forward commitment still existed, or was still in place today, the Department site demographics report fails to differentiate between general, elderly and supportive housing. The forward commitment was made for a development proposing a supportive housing development which

targeted homeless individuals versus the 1400 Belleview application which targets the general population. Staff recommends denial of the appeal.

MR. CONINE: I have got some witness affirmation forms.
Tamea Dula.

MS. DULA: Thank you. Tamea Dula with Coats Rose. Here to speak on behalf of 1400 Belleview in the City of Dallas. This is an appeal of a denial of four points for being in a census tract where there is no other existing same type development supported by tax credits that serves the same type household.

This obviously, is a selection criterion that is designed to try to deconcentrate the tax credits. Go to a place where there aren't any other projects that are serving the household type that you want to serve.

The TDHCA's demographic information indicated that there was a project in the census tract where 1400 Belleview was going to be located. And therefore, 1400 Belleview is not qualified for these points because they both serve the general population.

You are invited to provide evidence of your qualification for points behind the tab in your application. And this Applicant did provide evidence. They provided evidence that in 2010, you had to choose from being a general population, an elderly population or a supportive housing population.

And supportive housing population was chosen by this other application, Evergreen Residences, 3800 Willow, which I will call Willow hereafter. Behind that tab was evidence that there is a distinction between

the families that 1400 Belleview intends to serve with their one to three bedroom project, and the individuals that Evergreen Residences, 1300 Willow intended to serve; individuals who were seeking supportive housing, who would go into a project that had units that were 350 square foot with no kitchen, no separate kitchen, communal kitchens.

These project units are from 700 to 1,100 square foot approximately. They are designed for families. That is not the same population. And in 2010, that was acknowledged in the application process.

But the demographic information only distinguishes between general populace and elderly. But all of that is irrelevant, because subsequent to filing the application, it was discovered that the Willow project had its forward commitment rescinded by letter dated February 18, 2011. That was before the deadline for filing the applications.

Now it is not reflected in the demographic information. But as of now, this is the only project in that census tract. And therefore, should qualify for points. We ask that you approve the appeal and give those four points to the project.

We have the representative of the neighborhood association supporting the project, and then we have the Mayor Pro Tem of Dallas here to speak on behalf of the project. Thank you.

MR. CONINE: Michael.

MS. DULA: I thought I would let you try that name.

(Simultaneous discussion.)

MR. CONINE: I am from East Dallas. I don't know.

MR. PRZEKWAS: Good afternoon Board member. my name is Michael Przekwas. And I am representing The Cedars Neighborhood Association.

I am here today on behalf of the members of our association, and many of the other down the line property owners to voice our strong support for the tax credits for the 1400 Belleview project, TDHCA number 11127, and request the Board's approval for the award of the four points as this is the only tax credit project in this census tract. Our organization has been very active, representing residents and property owners in the area for many years. And our neighborhood is located on the southern side of downtown. It is adjacent to the downtown area.

The Cedars neighborhood needs this affordable housing that is designed and constructed to provide working families an affordable residential opportunity near downtown. We have been working hard over the years to attract new housing and commercial development to the Cedars.

And 1400 Belleview is the exact type of development that we need. There is no product that exists, or is proposed to exist downtown, or near downtown that is that close to a DART rail station that services two lines, and that has a 164 one, two and three bedroom units at affordable rents.

Over the years, we have been approached by several developers that wanted to build properties using tax credits as part of their financing. And those other projects just did not meet the expectations of the neighborhood, either as a unit mix or the construction quality standpoint. And they did not receive the neighborhood support.

This particular project received 94 percent support. We did vote on it. And the 1400 project is a perfect fit for our neighborhood. It is 900 feet from the train station. It is two blocks from a 16 acre park. It is three blocks from an elementary school.

And we have full confidence in the project's development team to build a multi-family development that we can all be proud of. In short, everybody down there wants this to happen.

And again, on behalf of the Cedars neighborhood members, I urge the Board to grant the request of four points, as the only tax credit project in the census tract. And your support for tax credits for 1400 Belleview. Thank you for your attention and consideration of our plea.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Mayor Pro Tem Pauline Medrano.

MS. MEDRANO: Good afternoon, Honorable Chair and members. My name is Pauline Medrano.

And I am here today as a Dallas City Council member representing District Two to express my full support for TDHCA number 11127, at 1400 Belleview, a proposed 164 unit new affordable multi-family development, located in my district. And in the Cedars tax and finance district, just south of downtown Dallas. And to personally express the City's strong support for this much needed affordable housing for families in our downtown area.

As a true demonstration of support, the Dallas City Council on

June 22nd, voted to approve the development agreement, and provide \$1.65 million of tax increment financing to support the project. This money immediately available.

This is cash in the bank for this project, subject only to your approval of tax credit for 1400 Belleview. At this time, I would like to submit the City's stamped resolution reflecting this action. Thank you.

I urge the Board to grant the development's appeal for four points, because there are no other existing tax credit developments in this census tract. The 2010 forward commitment awarded to a project in this census tract was rescinded in February of 2011 and subsequently terminated.

This area of the city needs 1400 Belleview to provide affordable housing to families.

The one, two, and yes, even three bedroom design, as well as all of the planned amenities will provide working families a wonderful affordable residential option that is virtually nonexistent this close to downtown Dallas. Furthermore, 1400 Belleview will be providing 5 percent of the units for victims of domestic violence.

At this time, I would like to read into the record a statement from Paige Flinn, Executive Director, for the Family Place in Dallas.

"On behalf of the families we serve at the Family Place, I am writing to support the Matthews Southwest affordable housing project. We greatly value the offer to set aside 5 percent of the apartments to be offered on an affordable rent basis to victims of family violence. Very often, the clients we serve are fleeing violence with very limited resources. Their rental

history serve and financial stability has been negatively affected by the unsafe situation they have been living.

"To have an apartment development where we can refer these families after stabilization, that has an access to transportation, education for their children, and close proximity to employment is an exciting opportunity, which we fully endorse."

And after working with the active -- Cedars neighborhood association over the past year, 1400 Belleview received an overwhelming vote of support from The Cedars neighborhood association.

Finally, I would like to express my strong support for the development and ownership team, Jack Matthews, President of Jack Matthews Southwest in Dallas, and a lead principal of 1400 Belleview. As a long and successful development history for commercial multi-family developments in the Dallas area, as well as in Canada.

1400 Belleview is a development that will meet TDHCA desired project specifications for transit oriented urban project, four story elevator served and structured parking for all residents. Thank you very much for your kind attention and consideration for the City's commitment and support of 1400 Belleview. Thank you so much. Any questions?

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much.

MS. MEDRANO: Thank you.

MR. CONINE: That is all of the witness affirmation forms that I

have on this particular agenda item.

MR. KEIG: Move to grant the appeal.

MR. OXER: Second.

MR. CONINE: Motion to grant the appeal by Mr. Keig.

Seconded by Mr. Oxer. Okay. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MORALES: The next two appeals, we are going to take together, as they deal with quantifiable community participation. And specifically with the organization. The organization is the same for both properties.

The Briar Crest Property Owners Association submitted letters of support for two separate applications competing in this 2011 round. Those applications are 11214, Cobblestone Village and 11094, Mariposa at Highway 6.

The main contact for the property owners association is a landowner and seller of the property. In order to qualify for the maximum 24 points under this item, the organization must document among other things, that reasonable measures were taken to provide notice to persons eligible to

join the organization of that right.

In this case, the Briar Crest POA published a notice on February 24, 2011. That same date, the organization held its formation meeting, at which two attendees were present, and a vote to support the application was made.

Due to the fact that the organization posted the notice for participation by the persons the same day that the meeting was held to support the transactions in question, the Department determined that the organization did not take reasonable measures to notify eligible persons to join the group. Staff recommends denial of the appeal.

MR. CONINE: We have got a couple of witness affirmation forms. Cynthia Bast. And Dr. Sam Harrison.

MR. HARRISON: Good afternoon. My name is Dr. Sam Harrison. I am a resident of Bryan College Station. I am the land owner and the developer of this property.

This property has gone through a series of events leading up to what we are discussing here today. I first was able to successfully put it into a tax income finance zone in Bryan College Station which took several months. It was in the paper, the newspaper. It was on TV.

I had a number of people, probably over 50 just talk to me about the project. And I finally got approval. I had spent quite a bit of money getting all of the outline of what we were planning on doing. I knew in the area there were several senior living centers vying for approval.

I went to my lawyer and said, what do we need to exactly to

make sure we stay within the law. Well he says, you can form a homeowners association. Within two or three months preceding to this, I began having conversations with anybody that knows me, knows that I am very free wheeling about who I talk to.

I probably had 30 or 40 people members within side this organization that I spoke to either in church, basketball games and sporting events or what have you, over the course of time. They were well aware of what we were doing.

Still, the biggest mistake, and I thought myself, is that I didn't spend the money at that particular point to form the organization until I knew that we had a fairly good likelihood that it would pass. Preceding the posting -- while I cannot quantify the exact number, but it certainly exceed 30 people that I spoke to. And I would be happy to provide that information for you. At least 30 people.

Once I finally did post, the only two people who showed up was Ms. Becky Wood and myself. We formed it, just like we thought we were supposed to. Just like my lawyer had told me. This is my first attempt at ever having done this before.

But I want to assure the Board that what I did, I thought was to form a homeowners association, I thought I had done everything appropriately to that point. Please interrupt me, if you have any questions I can answer about this.

I felt like I did every due diligent effort that I could. The posting was faulty. I blame myself. Well, not faulty but maybe a little bit later that we

would have liked.

I have subsequently spoke to the people within the Homeowners Association. I think I have provided you with a list of those people that have actively joined. I fielded a number of questions, phone conversations, or other community events about this project and continue to do that today. I was quite surprised when it did not, when it wasn't approved.

I mean, I am here to voice the support of this homeowners association, and this project in general. And I would be happy to answer any questions coming from the Board if that is appropriate?

MR. CONINE: Any questions? Dr. Munoz.

MR. HARRISON: Yes, sir.

MR. CONINE: Dr. Munoz, first.

MR. HARRISON: Yes, sir.

MR. MUNOZ: How many have joined?

MR. HARRISON: Including myself, 14 others.

MR. MUNOZ: Do you have the names of 30 people you spoke with?

MR. HARRISON: I can provide those for you. Yes, sir.
Absolutely.

MR. MUNOZ: Is there another existing neighborhood association that you could have appealed to, that you are aware of?

MR. HARRISON: Another neighborhood existing -- there are other neighborhood associations around me, that I wanted to include in it.

One of those was the Homeowners Association president who gave me his blessing, but also could not attend on that date as well.

MR. MUNOZ: Was it the two of you the only two attending?
Couldn't it have been --

MR. HARRISON: We had to do it on that day.

MR. MUNOZ: And you are certain that he would be supportive?

MR. HARRISON: Absolutely. He better, he is in my Bible study.

MR. CONINE: Mr. Keig?

MR. KEIG: Could I ask the staff some questions?

MR. CONINE: Sure. We have -- Ms. Bast is going to speak as well.

MR. KEIG: Okay.

MR. CONINE: Just to let you know.

MR. KEIG: I could hang on to that question and see if I have any more. Ask her all at once.

MR. CONINE: Okay. All right. Any other questions of this witness?

(No response.)

MR. HARRISON: Thank you for your time.

MR. CONINE: Thank you.

MR. HARRISON: I appreciate you letting me talk to them.

MR. CONINE: Uh-huh.

MS. BAST: Good afternoon.

MR. CONINE: Good afternoon.

MS. BAST: I am Cynthia Bast. I am assisting the Applicant, not the neighborhood association with this appeal. So the question that is posed is whether the Briar Crest Property Owners Association took reasonable measures to allow the neighbors within the boundaries of this neighborhood association to participate in its activities. And in particular, to help make the decision as to whether to support these two tax credit developments. In particular, I just want to go on record, that I -- since there are two properties here, I am representing the Cobblestone Village applicant and not the Mariposa applicant.

You heard from Dr. Henson who is yes, the Loan Officer and President of the property owners association, but also who lives within the boundaries of the property owners association. That he talked to numerous people about this, before the first meeting of the property owners association was held.

So what staff has indicated in their recommendation that is even if the technical requirements of the QAP were met, the manner of forming this organization and deciding to support this development was not consistent with community participation. Obviously, that is a judgment call.

Dr. Harrison believes that he worked with his counsel to do things right. He believes he did talk to a number of people who live with the boundaries of the neighborhood organization. He may not have written record of all of this contact.

But it does seem consistent with a community effort for neighbors to talk to each other about what is going on. It seems to me that if the plain requirements of the QAP are met, the neighborhood organization is on record. It has boundaries. It provides TDHCA with the appropriate forums.

It has at least two residential households. Then matters of interpretation that are open in the QAP should be decided in favor of the neighborhood organization that is really trying to do this. And if they can present plausible evidence that it is -- that supports that interpretation.

So with Dr. Harrison's testimony, his efforts to contact the neighbors and make them aware of this impending meeting. And the organization of this actual association. I believe that should be sufficient to award quantifiable community participation points for Cobblestone Village.

MR. CONINE: Okay. Any questions?

MR. KEIG: Yes.

MR. CONINE: Mr. Keig.

MR. KEIG: The writeup for this item says it is for a maximum of 24 points. How many points were these two properties or applications awarded by staff.

MS. MORALES: Twelve.

MR. KEIG: Twelve, so --

MS. MORALES: Yes. So everybody starts off with a base of twelve points.

MR. KEIG: And that is 24 per application, or 24 between the

two.

MS. MORALES: No. Per application.

MR. KEIG: Okay.

MS. MORALES: So for Cobblestone and Mariposa separately, for QCP, as of right now, they each have twelve points for QCP.

MR. KEIG: So they got 50 percent of the points. It is just, they want the 24 to maximum.

MS. MORALES: They want -- yes. They are asking for the maximum.

MR. KEIG: All right.

MR. OXER: In a process that is as competitive as a tax credit application, even three points can make a difference of being in or out.

MS. MORALES: The thing to remember here, is that again, going back to my comments at the beginning. We don't define reasonable measures.

But certainly it isn't me that is on the same day that I am going to have a meeting, or that the organization is going to have the meeting to vote on approval of the deal. That notice is going to be posted to tell other people you can join and participate in our affairs.

MR. KEIG: I move to deny the appeal.

MR. CONINE: Motion to deny the appeal. Is there a second?

MR. OXER: Second.

MR. CONINE: Second by Mr. Oxer. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor --

MR. IRVINE: Let me --

MR. CONINE: Oh, there is some discussion.

MR. IRVINE: Where is Tom? You know, so often we are reminded about sort of the rules, and how they have to be adhered to. Our flexibility with respect to them is limited.

And did they not satisfy the requirement? Because I understand Ms. Bast to say that we satisfied what was required.

And then secondarily, you are making an assessment that they did, but not to our complete satisfaction. We are not --

MR. GOURIS: Tom Gouris, Deputy Executive Director for Housing Programs. I don't know that I agree that they actually satisfied requirements.

MR. IRVINE: You heard her say it. Right.

MR. GOURIS: Yes. I heard her say it. He gave notice the day that they had the meeting. I don't know if that is even notice. Certainly, if we were to give notice the day that we have a meeting, we would -- we have gone through a lot of struggle in our Agency because folks were given notice the day of the meeting.

In fact, twelve years ago. I don't think we could get away with that. And I don't think it is reasonable to think that that is proper notice.

Moreover, the reason for this requirement is to prevent developers from creating a neighborhood association. Other than his testimony here, we don't have evidence that he is the developer of this

transaction.

However, he clearly has created this neighborhood organization to benefit his development of this property in general. And he did so in a process that wasn't transparent in a way that the Department has come to know what transparency should be.

MR. CONINE: Any other discussion?

MR. IRVINE: If I could just clarify that point a little further. That specific provision of the QAP says a neighborhood organizations must take reasonable measures to provide notice to persons eligible to join and participate in the affairs of the organization of that right. And it was staff's assertion that he gave notice the same day that he held the meeting.

MR. MUNOZ: Didn't I hear him say something to the effect that he advertised in a newspaper, and --

MR. GOURIS: And had he given us evidence of that, he talked about it prior to that, that he could document discussions about forming this neighborhood group, that might have been stuff that we could have taken into consideration.

MR. MUNOZ: Did you ask?

MR. GOURIS: Other than his -- well, when he was asked to support the reasonable measures, he said well, I talked to folks. And that was his opportunity to tell us, here is my evidence of how I talked to folks. I said this. Here is a copy of the advertisement I put out. Here is -- you know.

MR. MUNOZ: You never received anything like that?

MR. GOURIS: We did not. In other words, we don't have a

letter from anyone else that said, yes. He talked to me once before.

MR. OXER: Mr. Chairman.

MR. CONINE: Mr. Oxe.

MR. OXER: As a comment on the process, we have this, the term reasonable that has been just read out there is obviously a subjective term. Because this is not a mechanical process that you get this or you don't.

There is a judgment call that is obliged for us here to make that judgment. So when it comes down to it, I recommend that everybody else in this room not push it. Don't push your luck. And don't run it that close.

There is an intentionality in the law, and in the QAP that we would read into that also. Not just the letter of it.

MR. CONINE: Any further discussion?

(No response.)

MR. CONINE: The motion is on the floor. All those in favor of the motion, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MORALES: Okay. The last appeal is for application 11221 Stone Bridge Place. It is also appealing the points for quantifiable community participation. The South Royal property owners association was formed at a meeting on January 31, 2011. Okay.

Let me just clarify. The motion made or the vote that was just taken was done for both Application 11214, Cobblestone Village and 11094 Mariposa at Highway 6. It is just a clarification.

MR. CONINE: I think that is what you intended us to do.

MS. MORALES: Right. The last appeal, for Stone Bridge Place, again, deals with QCP. South Royal property owners association was formed at a meeting on January 31, 2011, at which two attendees were in attendance and which support for the Stone Bridge Place development was approved.

Thereafter on February 3, 2011, the organization published a notice inviting other persons to participate in the organization. As was the case with the last appeal, the Department determined that the organization did not take reasonable measures to provide notice to all eligible persons to participate in the organization. Staff recommends denial of this appeal.

MR. CONINE: I have a couple of witness affirmation forms. Curtis Fitzgerald.

MR. FITZGERALD: Do I have to get up there?

MR. CONINE: No, you don't have to.

MR. FITZGERALD: I am just like the good doctor from Bryan there. Because I did the same thing. And then anyway, I am here today. My name is Curtis Fitzgerald.

And Mr. Chairman, thank you for your time, and council. I will make just a quick statement, and we will get on with this. My name is Curtis Fitzgerald. I am the President of the South Royal property owners

association. I live within the boundaries of the association.

I took the initiative to work with a Ms. Jane Powell Sussdorf to form the organization, because I believed it would enhance our community. Jane also lives within the boundaries of the association. The organization held its first meeting on January 31. At that meeting, the organization voted to support the development of the Stone Bridge Place affordable housing property.

I understand that TDHCA believes that as organizers of the neighborhood association, Jane and I did not take reasonable measures to provide notice to persons eligible to join or participate. We believe we did take reasonable measures to notify people of our desire to form the organization prior to the January 31st meeting.

I personally talked to at least nine of my neighbors about what who would qualify. Or these nine neighbors would qualify to be members of the organization. I told them about the plans that we had for the organization. And that we did desire to support the Stone Bridge Place apartments. I also informed them of the January 31 meeting, and they were invited to attend.

Subsequent to January 31st meeting, the organization posted a notice of invitation for neighbors to join. That was posted in the Anderson County Courthouse for like a month. That notice resulted in seven additional household members joining.

Because of my conversations with neighbors prior to the January 31st meeting were oral, I do not have any official records of those. But I do believe we took reasonable efforts to let our neighbors know what we

were doing, and invited them to participate.

Jane and I read your rules and tried to follow them. We think we did everything that was required to properly form this organization. And we believe that the Stone Bridge Place should receive the points for quantifiable community participation.

I would like to add that we thought we were forming the organization and then gradually building up what would be the membership of it, which we are doing. We have now got probably 24, 25 members, as of yesterday. I think it is like, 24 or 25. We are having a barbecue at my house, like on Monday, and inviting those people to come over, and to invite other neighbors to come.

So we thought that if we formed the organization, and kind of expressed what you were going to do, and then you tried to recruit your neighbors into it. And then kind of work from the inside out. So I guess we were wrong. From what I just heard.

MR. CONINE: Any questions of the witness?

MR. CONINE:

MR. KEIG: Yes, Mr. Chairman.

MR. CONINE: Mr. Keig.

MR. KEIG: How many points were you awarded for this item?

MR. FITZGERALD: I think, I don't know. I think we were --

MS. MORALES: Twelve points for this particular item.

(Simultaneous discussion.)

MR. FITZGERALD: I thought it was less than that. I guess it

was twelve.

MR. KEIG: Okay. No further questions.

MR. CONINE: Any other questions?

MR. FITZGERALD: Any other questions?

(No response.)

MR. CONINE: Thank you for your testimony. Cynthia Bast.

MR. FITZGERALD: Thank you very much for your time. I appreciate it.

MR. CONINE: You bet.

MS. BAST: Cynthia Bast from Locke, Lord. Again, representing the Applicant with regard to this appeal.

In response to your question, Mr. Keig, just to be clear on how these points work, if there is no neighborhood organization and no letter of support or opposition, you get twelve points. If there is a letter of opposition, you get zero points. If there is a letter of support, you get 24 points.

There is no sliding scale here. It is just one category or another. So this application does currently have twelve points, because the letter that was provided by this neighborhood association was considered ineligible because the neighborhood association in the opinion of staff was not formed in a manner that was consistent with the QAP.

And that I think is what you are hearing in these three appeals. Is that the QAP is not a comprehensive guide as to how to form or operate a neighborhood organization. It gives some general parameters of the things that TDHCA must have in order to award these points, and to score a letter.

But then it leaves a lot of gray area, or room for interpretation or operation. Mr. Fitzgerald said that when he read the rules, he thought he was supposed to form an organization and then define his purpose and then get it going.

You heard Dr. Harrison, not to mention another appeal. But you heard him say he talked to his lawyer. They looked through the rules. They tried to figure out how to first form the organization, talk to people about it, and then get it going.

So there is a theme here, that the QAP does not tell these organizations how to form themselves. What it does tell them with regard to taking reasonable measures to provide notice to people that they can participate. It doesn't -- it gives examples of notice, like publication in the newspaper, or distribution of a flyer. But it doesn't give any time frames.

It doesn't define how that notice should be given. So you have Mr. Fitzgerald saying, I gave notice by talking to my neighbors. Is that sufficient?

Staff is saying, we don't have anything in writing. We don't have anything published. Well, he wrote an appeal letter that says in his appeal letter, I made calls and talked to my neighbors.

Now he doesn't document every call with his cell phone records. He didn't get a sign up sheet that says, I talked to him on this date. But he was making an effort to provide notice. And is that consistent with the QAP. That is the question before you.

I also note that the QAP says that while not required, it is

encouraged to have a meeting to discuss the support of a development.

That -- a meeting is not a requirement in the QAP. This organization did have a meeting. And he has testified that he told people that there was going to be a meeting.

So it seems to me again, that in matters of interpretation, where the QAP is a not a definitive document for how to form a neighborhood organization, but really what you are trying to get there is, are there a group of people out there who really want to support this development. That is where you are trying to go.

And if there is a grey area, and you have a witness who is a president of a neighborhood organization who has driven here from Palestine to tell you, I did my best. I really tried to put this together the right way.

Then should -- and I have provided you a letter of support. Then should you grant those points to that neighborhood association and ultimately, to that Applicant. Thank you.

MR. CONINE: Any questions?

MR. KEIG: Yes.

MR. CONINE: Mr. Keig.

MR. KEIG: Is there anything in the QAP or in our policies or practices that prevents us from awarding points on a sliding scale between that twelve and 24 for this item?

MR. IRVINE: You would need good cause to deviate from the rule provision.

MR. KEIG: And what does the -- I guess that is the question

is, what does the rule say?

MR. IRVINE: The rule says zero, twelve or 24.

MR. KEIG: That is the way the rule is written?

MR. IRVINE: Right.

MR. OXER: So given that this has a twelve point jump either way, and that these are so competitive, you should -- any applicant would rightly pay a lot of attention to this. Okay. Tom, question to staff.

Tom and Tim, were our -- in the event that an applicant is unaware, as many seem to be, about the process for forming this, are staff resources available, people available to tell them whether this is historically insufficient, and give them some guidance. Because it seems like there is a lot of this going on in a vacuum, when they could be partaking of the information that is available within the Agency.

MR. GOURIS: And this is not something that doesn't happen somewhat regularly over the course of the last number of years. But since this has been in the QAP, this issue -- the QAP, we have -- you know. We provide information to neighborhood groups that are forming, on how to be registered, to how do this.

The problem really becomes that a neighborhood group doesn't consider -- the formation of the neighborhood doesn't up for consideration until a development or a developer identifies a piece of property and sometimes, says hey. Is there a neighborhood group around here that I can look to get support for this? And that can get into some greyness sometimes.

MR. IRVINE: And I think another thing that needs a little bit of

clarification, the reasonable notice isn't reasonable notice of the meeting, or inviting to everybody to a meeting, as Ms. Bast pointed out. The meeting isn't even required.

Reasonable notice is notice to the people who are eligible to participate in the organization that hey, there is something out there that you can come to and have a voice in. And while I very much respect and appreciate the local outreach, calling neighbors, things like that, as the witness indicated, he contacted, I believe what did he say, seven or nine neighbors. But now he says the membership is up to 25. I don't know how big the universe is.

You know, there are reasons why we use more formal types of notice to put people on constructive notice of what is going on. Post things on poles or local gathering points, mail pick up stations, things like that. Really to get the word out, and just going around and talking to the people that you regularly talk to, as long as you talk to everybody in the neighborhood that works. But you can't.

MR. CONINE: Any further questions?

MR. MUNOZ: Let me ask a follow up.

MR. CONINE: Sure.

MR. MUNOZ: You know, in the earlier case, you know, I thought I asked that question. I was told, well, they gave notice the day of the meeting.

We don't believe that that is sufficient notice. Is that sufficient notice overall, or sufficient notice for that meeting which is apparently not

required?

MR. GOURIS: Tim, if I might. That is the notice, that is what they give us to show that they made reasonable efforts, reasonable measures at all.

MR. MUNOZ: Overall.

MR. GOURIS: Right.

MR. MUNOZ: Okay.

MR. GOURIS: In this case, other than their own testimony, right.

MR. MUNOZ: Right.

MR. GOURIS: In this case, the previous case was that notice was dated the day of the meeting. In this case, it was dated after the meeting, that the decision was made to support the transaction. If, and I don't -- you know, you can support a bunch of things.

MR. MUNOZ: Yes.

MR. GOURIS: If you were, if I was the developer, or I was the neighborhood association in this case, you know, I would have come back, recognizing that we were -- we don't recognize that notice as being sufficient reasonable, I would have come back and said hey.

Here is an affidavit from 20 of our 24 members that said I talked to them three months before the neighborhood association was formed. That would have given me, or maybe even you all some comfort that yes, that was -- they did evidence this.

MR. MUNOZ: Okay.

MR. GOURIS: It may be true. But all we have now is what they said. And it is an incident and --

MR. MUNOZ: Tom, and they didn't offer? They didn't say listen, I can provide you this. I can give you this affidavit? I just --

MR. GOURIS: I don't believe so. To be fair, I don't think we said, here is how we thwart our -- here is how you thwart our rules, either. And maybe I shouldn't be doing that now. But there was nothing. There was nothing more, other than yes, I did.

MR. OXER: As is the case in every one, or it seems to be the application components, there is some sort of documentation required for the scoring of things. So in this particular case, it would be at least a letter. Or absent a deficiency, or in the case of a deficiency, when you come back to them, at least there would be some documentation as you just alluded to.

MR. GOURIS: Most typically, there is some documentation. Sometimes that documentation is a self-certification.

In this case, there isn't a provision for a self-certification to this statement, did they take reasonable measures. And that would beg the question of what were they, and how do you support that you did that.

MR. CONINE: Any other questions of the staff?

(No response.)

MR. CONINE: If not, I will entertain a motion.

MR. GOURIS: Can I throw one more thing out? I know this is an area of controversy. It is something we are going to work on. Try to improve on in the QAP in the coming year.

If you have got suggestions on that course, I would ask that we all kind of think through this to say, is there a way. We try to clean these things up. And you know, controversy is not what we want to have.

MR. OXER: Just as a point of perspective on this, Mr. Chairman, it seems like there is no clear defining line here. And so what we are having to do is to evaluate whether or not somebody is on one side of it or not.

And if it is unclear where that line is, as an applicant, I would probably make sure that I was way over on one side, the side that you want to be on. Which means a lot of effort. A lot of up front and a lot of documentation.

MR. CONINE: Any other discussion?

(No response.)

MR. CONINE: Is there a motion?

MR. MUNOZ: Move staff's recommendation.

MR. CONINE: Move staff's recommendation to deny by Dr. Munoz. Is there a second?

MR. GANN: Second.

MR. CONINE: There is a second by Mr. Gann. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries. That is the last appeal. Is there anything else in Item 4? If there not anything else in Item 4, we are going to take a ten minute break.

(Whereupon, a short recess was taken.)

MR. CONINE: All right. We need to quickly clarify one administrative issue. Mr. Irvine.

MR. IRVINE: Thank you, Mr. Chairman. I would request that the Board reopen and reconsider the adoption of the consent agenda with 1(d), the ESG awards being pulled.

MR. CONINE: Okay. I need a motion to reconsider.

MR. MUNOZ: So moved.

MR. CONINE: There is a motion by Dr. Munoz. Is there a second?

MR. GANN: Second.

MR. CONINE: Second by Mr. Gann. All those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MR. IRVINE: Thank you.

MR. CONINE: Now we need to pull Item 1(d) off the consent

agenda. And then I need a motion to approve the consent agenda without 1(d).

MR. GANN: I so move.

MR. CONINE: So moved by Mr. Gann. Do I hear a second?

MR. MUNOZ: Second.

MR. CONINE: Second by Dr. Munoz. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries. Item 5, Ms. Robbye.

MS. MEYER: Robbye Meyer, Directive of Multi-family Finance. I will try to make this a little less painless than Raquel did. Item 5(a) is a list of approved eligible applications for the Housing Tax Credit Program for 2011. We had 152 applications that applied for the Housing Tax Credit Program for 2011.

We now have 139 applications remaining as of the two that were just taken off the list. We had Thurman that was denied their appeal, and also Brook Village withdrew their application earlier this morning. And also, we had the Sphinx at Longview withdrew their application subsequent to the publishing of the list, on the agenda.

So if you will take --h we have two lists in your Board materials. The first one is the at-risk log. And that list, all of the at-risk applications, along with the USDA -- the applications that applied under USDA. There is 20 of those. And then the second list in your Board materials, this is a supplemental sheet that should have been given to you.

MR. CONINE: I don't know that I got the supplemental. I got the one that was in the Board book.

MS. MEYER: Friday?

MR. CONINE: Yes.

MS. MEYER: Yes. Okay.

MR. CONINE: Yes. I have got it.

MS. MEYER: Okay.

MR. CONINE: I have got it.

MS. MEYER: All right. You have the at-risk log.

MR. CONINE: Yes.

MS. MEYER: I apologize. It is 5(d) that was supplemental.

MR. CONINE: Okay.

(Simultaneous discussion.)

MR. CONINE: All right.

MS. MEYER: You have the at-risk long, and then you have the regional logs, Regions 1 through 13. And list, at the top of the list, the total amount that is available in the region. It lists the amount in urban, and then the amount available for rural.

The reason I am showing you this on the right hand side of that

list, it shows you the status of the applications. If it has a forward, FWD forward on the right hand side. PA is for, it is a pending application. Those are the ones that are pending. And also, APP means that the application is under appeal, and then terminated, and withdrawn.

The only three are the ones that I told you about. Sphinx at Longview is 11136, and that is Urban Region Three. That one is taken off the list. It withdrew. 11035, E. Thurman in Region Nine Urban. This is the appeal that is to be denied.

And then 11258, Brook Village, Region Three Urban. Withdrew earlier this morning. Staff is recommending these applications are on the list for eligible and reconsideration for award in July.

MR. CONINE: Robbye, we heard testimony this morning from Ginger McGuire about the rural programs having some issues with financing. Have you guys had any staff discussions about that, and how that might affect this list?

MS. MEYER: All of the rural regions, at least \$500,000 in each of the rural sub-regions must be funded. And so every one of the rural regions will have at least one application.

The urban sub-region is where we may have a problem. And depending on how the actual final list falls out, there may be one sub-region that is shorted.

MR. CONINE: Okay. You might have misunderstood my question. She was saying the 538 financing was nonexistent. That Congress had defunded essentially the ability for to allow these 2011

applications and even some 2010 applications.

MS. MEYER: I am sorry. Yes, sir.

MR. CONINE: That is what I was referring to.

MS. MEYER: There are some applications that have used that funding. And I have talked to Ms. McGuire. And we have tried to substitute some of those applications so far with FHA financing. We have been successful with some of those applications.

We may be able to do that with some of the others. I don't know exactly who in 2011 how many of those applications will be affected. We will have to see how many of those actually have the 538 program in them.

MR. CONINE: So underwriting at this point, in determining financial feasibility of a project, before it gets to us at the end of the month. Are they going to consider that as a factor, or not a factor?

MR. GOURIS: You always identify it as -- Tom Gouris, Deputy for the Housing programs. They always consider that as something to look at. They will identify those transactions that have that kind of funding in the write up itself. I would imagine, based on the comments that were made today, that that will rise to a consideration higher in the level of comments. But as you know, most of these things are -- is there a commitment in place, or a term sheet in place or something that makes sense. If we see that, we will probably go back and ask the applicants. For those that haven't yet -- we are going to ask them, hey, do you have any other financing that can substitute that we know where we are with it. But we will identify in the

interim, won't cause the deal to die, per se. But it would be cause us more questions.

MR. CONINE: Okay. Just curious. Any other questions of staff? You want us to approve the list as amended, probably? Do I get a motion from someone to approve the tax credit list, as amended?

MR. GANN: I so move.

MR. OXER: Second.

MR. CONINE: Motion by Mr. Gann. Second by Mr. Oxer.

Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor of the motion, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MEYER: 5(b) is the amendment. The first amendment on the sheet is Emerald Run. This is funded in 1990. The owner is requesting --

MR. CONINE: You are going to have to speak up there.

MS. MEYER: I am sorry. It is, through its first initial compliance period, it is in the extended use period. The owner is requesting a modification in the unit mix.

It is requesting to modify some one bedroom units into two and

three bedroom units. Which would reduce, ultimately, it is reducing the number of units from 108 units to 102 units. They have complied with our material amendment policy, and staff is recommending the request.

MR. CONINE: We have one witness affirmation form. Randy Clinton.

MR. CLINTON: Good afternoon. Thank you for letting me come up here. My name is Randy Clinton. I am the Executive Director of the Community Enrichment Center located in Tarrant County. And I want to thank the Board for their March approval of the policy to allow changes to existing tax credit properties.

The Emerald Run project, which is 70079, is, as Ms. Meyer indicated, is an extended compliance period in its extended compliance period. I am looking for approval of the amendment under approval of this amendment.

And also asking the Board to continue to allow small nonprofits like ourselves to provide this kind of thing through this kind of amendments. It is vital to our community to provide affordable housing for some families that we have not been able to, in the past.

And this property was deteriorating due to its age and the out of state owner, absentee owner. And when we bought it a year ago, it has been built through a lot of improvements through that process, and this being this conversion of some of the one bedrooms as part of that process.

Also I have a letter from Mayor of North Richland Hills that I would like to submit. And I would just read a paragraph from that. As Mayor

of the City of North Richland Hills, I support the CEC's efforts to provide safe affordable housing for families in our community.

They have consistently worked with the City of North Richland Hills to accomplish their purpose in a way that is complementary to the surrounding neighborhoods. I trust that they will be able to accomplish this objective, beginning with Emerald Run project. I thank you for your consideration of this amendment.

MR. CONINE: Any questions of the witness?

(No response.)

MR. CONINE: Thank you very much for your testimony. Do I hear a motion?

MR. GANN: I have a motion to approve staff recommendation.

MR. CONINE: Motion to approve staff recommendation by Mr. Gann. Is there a second?

MR. KEIG: Second.

MR. CONINE: Second by Mr. Keig. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor of the motion, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MEYER: The second amendment is for 06133, Las

Fresas. The owner is requesting a waiver of a threshold requirement. It is a 2006 award.

It was, in 2006 we had CAT 5(e) wiring requirements. They actually put in IG6 coax and CAT 3 wiring, which was changed in the 2009 QAP. And when they actually did the installment of the wiring. That was actually in the draft at the time.

And they installed that. It was actually the industry standard for that time. And it was better. The owner is requesting a waiver of the requirement and staff is recommending approval.

MR. CONINE: We have a witness affirmation form from Dennis Hoover. You showed up this morning.

MR. HOOVER: You can only stand so much of this stuff.

(Simultaneous discussion.)

MR. HOOVER: My name is Dennis Hoover. And thank you for the chance to speak. As Robbye said, we jumped the gun on this recommendation. We put in what is in the QAP now. We put in CAT 3, instead of CAT 5.

I think the intent on CAT 5, was that you could do a network between the apartments. And the office. And I am not sure if anybody really does that. If they do that, they could do it through an email group.

But they probably saved us \$1,000 on this 36 unit deal. But I went to look and see what, did we do anything extra? We did. We put an extra tot lot that was not in our plans and specs, and not anything that we committed to for amenities.

We fenced the property. We put in the tot lot and we put in a pavilion. So I would ask that you approve our request.

MR. CONINE: Thank you. Any questions?

MR. OXER: Question.

MR. CONINE: Yes, sir.

MR. OXER: The intent of the CAT 5 being to network all of those, or the office, the nets -- did anybody --

MR. HOOVER: That is -- you know, I don't know what the real intent was. But my nephew who is our IT guy said that is probably what the intent was.

MR. OXER: And now, even though you don't have that, you can do it with a wireless.

MR. HOOVER: I assume that people, if you wanted to do that, you could form an internet group. If she has got email on her computer, you can communicate with your tenants that way if you choose to.

MR. OXER: Right.

MR. CONINE: Any other questions?

MR. KEIG: I move to approve the amendments.

MR. CONINE: Motion to approve by Mr. Keig. Is there a second?

MR. OXER: Second.

MR. CONINE: Second by Mr. Oxer. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by

saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MEYER: The next amendment is for Leona Apartments, 09943. This is a rehabilitation amendment. And it is -- the reason for it being in front of you today is because it had a reduction in square footage, and the [inaudible] square footage is over 3 percent.

Normally, this would be done as an administrative amendment.

But it is more than 3 percent. And they are reducing the net rentable square footage by 4.56 percent. And they reduced that between -- application there was just a miscalculation in the net rentable square footage.

The units didn't change; just there was a miscalculation. They are also requesting approval to substitute two amenities. They actually have put in a request for a sport court with the application. And they actually, they did a tenant request.

And the tenants are asking they prefer a tot lot play scape and a -- barbeque pits and a tot lot. And they are requesting to substitute those for the sport court.

And they are also actually for clarification in their amendment for -- to clarify that they have two stories to their buildings instead of one. And staff is recommending the amendment.

MR. CONINE: No witness affirmation forms. Do I hear a

motion?

MR. GANN: I move for approval of the requested amendments.

MR. CONINE: Motion to approve. Is there a second?

MR. OXER: Second.

MR. CONINE: Second by Mr. Oxer. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MEYER: On the extensions, the last six extensions for Mexia Gardens, Briton Way, Reddup Apartments, Brookwood Apartments, Hudson Manor, and Hudson Green have all withdrawn their extension requests. So we will only be taking up the first ones.

Mansions at Hastings Green, and Mansions at Hastings Green Senior. And Mansions at Moses Lake all deal with the same owner. That owner has actually been removed from those developments, and the limited partner as the first extensions. And then the fourth extension.

These are all cost certification extensions. The paperwork has been submitted to the Department. And they are requesting that the Board accept the late arrival of their submission. It is the limited partner that has

given an extension request to the Department.

And I need to correct the date on Mansions at Hastings Green, and Mansions at Hastings Green Senior. We actually have it listed 2011 and it should be August of 2010. And we need to correct those two dates so that we get the right extension request.

The third extension that is in your Board materials is for Lexington. That is also a cost certification. That extension was due to heavy rain in the Kilgore area. They were late in getting their commencement of constructions.

And so therefore, they were late in getting the development going. So they got their cost certification in late. So they were late in getting their information turned in.

The last one is Crestmoor. That is an exchange extension. They need an extension in their cost certification to get their last draws priced with the Department. And they are requesting an extension through September 2, 2011. Staff is recommending all of the extensions being approved.

MR. CONINE: I have one witness affirmation form. Mike Clark.

MR. CLARK: And I'm just here. I will pass. I am just here if you have any questions on the Mansions.

MR. CONINE: Good idea.

(Simultaneous discussion.)

MR. CONINE: Do I hear a motion to approve.

MR. KEIG: Just one quick question. I didn't get to see, Hastings back here, is there any penalty associated with that extension?

MS. MEYER: No, sir. Those are all cost certifications.

MR. CONINE: Okay. Do I hear a motion to approve staff recommendation?

MR. GANN: I so move.

MR. CONINE: So moved by Mr. Gann. Is there a second?

MR. OXER: Second.

MR. CONINE: Second by Mr. Oxe. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries.

MS. MEYER: Last, but not least. On 5(d), this is the challenges for the Housing Tax Credit Program for 2011. In the tax credit program, there is a provision that allows challenges from a third party for each application.

It can be another application, another applicant challenging the application of another applicant. It can be a completely third party to an application that challenges an application. They can challenge anything that is in the application. They can challenge staff's scoring of an application.

And we have had quite a few challenges. This year, there has been an unprecedented number. We have 41 challenges in front of us. We had hoped to have most of those resolved and presented. But we have quite a number again.

The applicants are still responding to those. We have to resolve and evaluate all of those challenges. Whenever we receive a challenge, we sent that challenge out to the applicant. They have seven days to respond to that challenge.

And then staff looks at that challenge, evaluates that challenge, and then responds. And posts all of that to the web site. This is the supplement that you should have. It is a 34 page document. It is a report item for you.

And as you will see, Raquel actually gave you part of what our problems are this year. And our problem areas. QCP is one of those; quantifiable community participation. You heard some of those challenges that we covered in the appeals.

We have a few more of those in the challenge area. We have applicants that are challenging other applicants. Staff looked very hard and long at the quantifiable community participation this year. We struggled over several of those.

The three that you heard earlier, staff worked very diligently on those. The ones that you see in the challenge log, we struggled with those also. And now they are being challenged at each other.

So there are going to be -- we are going to have review those

again. And you will see those at the July 18th meeting.

Another rather difficult area for staff is the community revitalization, which Raquel also brought up. We have had several things that have been challenged on that one. And applicants are challenging staff. They are also challenging other applicants.

We have had several issues that we have had to look into. We verified some issues with cities that have provided letters. And they provided information that is not quite correct. They provided information that said they had a plan, and there didn't seem to be a plan.

So we are having to go back and verify those kind of things. And we have tried to be as open as we possibly could. Raquel did a tremendous job at trying to verify information and try to play within the rules, and try to work with every city that we possibly could into making things work, and trying to give every applicant the benefit of the rules.

I will let you read through the 34 page document. And if you have any questions, I will address any questions that you have within that document.

MR. CONINE: And we will be seeing the results of those challenges at the July 18th meeting. Is that correct?

MS. MEYER: Correct. There could be more appeals, depending on how the challenges are resolved.

MR. CONINE: Okay. Any questions of Robbye or any other staff?

(No response.)

MR. CONINE: Thank you very much. Mr. Irvine, have you got some report items?

MR. IRVINE: Well last but not least on our action items.

MR. CONINE: Oh, we do have --

MR. IRVINE: I would like Chief Patricia Murphy to come to the microphone, please. We don't often get to hear from Chief Patricia.

MR. CONINE: I almost forgot Patricia.

MR. IRVINE: This is a --

MR. CONINE: Why would I do that.

(Simultaneous discussion.)

MS. MURPHY: Patricia Murphy, Chief of Compliance and Asset Oversight. This last item on your agenda is about resolution of some HOME properties. In general, under the HOME final rule, if we invest funds in a HOME activity, and affordability is not achieved, there is a change that we need to repay those funds through a non-federal source.

In spring of 2009, HUD monitored our HOME rental program. And some of our properties were out of compliance. We have been reporting to them on a quarterly basis on the status of those properties. And the Audit Committee has been updated about those reports.

But our most recent correspondence from HUD has indicated that some of these need to be resolved by October of 2011. And rather than repay from a non-federal source, they have indicated that we can request a reduction in our HOME allocation.

So this agenda item is asking permission to -- if we cannot

resolve these items by October 2011 to request a grant reduction from HUD to resolve these assets.

MR. CONINE: Is it possible for you to, how many of them are here. Eight project here, whatever it is. Can you give me just a two minute version of the nature of the issues with each one of those?

MS. MURPHY: Two minutes for all eight? Or two minutes apiece?

(Simultaneous discussion.)

MS. MURPHY: Some really old properties that are funded in the mid-90s. Some of the first allocations this Agency did. Most of them, the Department was in a second lien position, and we have been foreclosed out.

So there is no way. Our LURA has been wiped out. And I shouldn't say there is no way. We would have to purchase the property of --

MR. CONINE: Right.

MS. MURPHY: There is very limited options for getting these properties into compliance.

MR. CONINE: Okay. All right. Well that tells me enough, there. The shame of it is, we lose \$5 million of future funding. That is the shame of it.

And the lesson learned is, we need to protect ourselves a little better, going forward. Okay. Any other questions?

MR. OXER: Patricia, is this the product of having non-recourse financing on each of these? Since we have got --

MS. MURPHY: Yes.

MR. IRVINE: I think it is a combination of several things. First of all, the issue of recourse is obviously a big one.

But even if you had recourse, they are generally done in -- there is single unit, limited liability entities or done occasionally with nonprofits or others that just do not have material, tangible financial net worth or liquidity. So even if you had recourse, it is probably not worth much.

Second, is the lien position issue. Especially where the first ahead of you is just going to be too large for you to prime your lien.

And third, I think, just had to do with having some tools in the way that you structure the deals. This conversation you and I had the other day, is kind of like at the Treasury, when rates are down near zero, you can't reduce them. You know, when you start at zero it kind of gets hard to calibrate these deals.

I think that we have certainly gotten a lot more sophisticated in the structuring and underwriting of these deals. But you know, there are going to be some of these issues that are going to have to be worked out.

We are looking at every possible creative solution in terms of restructuring financing, if it got foreclosure opportunities. Looking to find ways that we can convey properties to new and capable owners.

MR. OXER: So this is essentially a mop up of an earlier some -- unsophistication, perhaps. Our Agency position.

MR. CONINE: The mid-90s is pretty old stuff around here. Okay. That is a report item for review only. Right.

MS. MURPHY: No.

MR. CONINE: No? We have got to vote on it. We have got to give you the authority to do that. Do I hear a motion.

MR. OXER: So moved.

MR. CONINE: Motion by Mr. Oxeer to approve Item 6 as presented. Is there a second? We'll get to it.

MR. GANN: I will second it. And then talk to Patricia again.

(Simultaneous discussion.)

MR. GANN: I will second.

MR. CONINE: Mr. Gann seconds the motion. All those in favor of the motion, signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: The motion carries. Now we go to the report items, Mr. Irvine.

MR. IRVINE: Mr. Chairman, the only report item I would really like to comment on, is you had requested a report on our secondary market activity with respect to our variable rate debt. And Bill Daly who is our Chief of Administration can certainly talk more knowledgeably to this than I.

But I guess from where I sit, the view is that the market has reacted very favorably to our situation where we have got the controllers, our liquidity provider is very comfortable with it. And things have been blessedly calm. Bill have you got anything you want to add to that.

MR. DALY: No, I think that is the appropriate conclusion.

MR. CONINE: I think, and I appreciate you guys putting this study together. You know, my interest was you know, since the crisis is over, have our investment bankers been able to re-market any put backs. And it looks like to me, since the switch, we have had quite a bit of volume. In most of our indentures, all except, it looks like one has had none, which I think says a lot to begin with. But the fact that you add all of that stuff up, you know, it is a considerable amount of money that has been re-marketed over some period of time since we switched over. And that is providing to be good.

MR. DALY: It is a liquid market out there. We are able to put those things back out.

MR. CONINE: Have you had any discussions recently with any other commercial banks about taking the place of the controller at this point, in the liquidity position?

MR. DALY: It is still --

MR. CONINE: Has your phone been ringing off the wall?

MR. DALY: No, it has not. And the problem is, there is so much demand. I mean, all of these people who put in variable rate debt, it was a very popular thing to do in 2004, '05, and '06, because you could get a very good interest rate advantage by doing that. And everybody got a couple of European banks to provide the liquidity. Dexta and Depa. Well, they both went under in the liquidity crisis after Lehman. And so, there really hasn't been anybody that has stepped forward.

And I suspect that with the new banking Dodd Frank rules, and some of the capital that these people have to put up, they just can't profitably

offer liquidity at the same prices that we got it back then in 2004 and '05. And so I think that is -- variable rate debt in the back of having a bank to come in and buy out a mutual fund. And then want to put it back for liquidity is just not going to be a model that we can do going forward. And there will have to be a different way.

MR. CONINE: But it is similar to our warehouse line, which is \$200 million that we parked loans in, until we get a bond issuance out. Albeit the collateral would be different. I am not sure it is any safer but it would be different. But you still can't -- even though it is an issue, a bond issued by TDHCA, backed up by mortgages, you still can't get any banks to step forward at this point?

MR. DALY: Not at rates that are attractive to us.

MR. OXER: What is the rate, the escalation been on it, for the liquidity instrument?

MR. DALY: I think, and I may have to correct this. But I think commercially, they are at you know, 50 and 75 basis points providing this kind of liquidity. And the Comptroller is providing it to us at twelve basis points.

So if we were to switch over, take them out, and go to a private bank, that will increase our interest costs, and put a little more stress on the indenture. So at this time, you know, we are --

MR. CONINE: Are you keeping your eye on some of the other states having finance agencies, to see what they are doing?

MR. DALY: Yes. And many of them are, have availed themselves of the Treasury program. And the Treasury program that went in

had an escalation already. And it also had an exit. And so a lot of folks are having to exit at the end of this calendar year to find liquidity. And they are going to have to pay 50 and 75.

MR. OXER: So they are being forced back into the pool.

MR. DALY: They are being forced back out. And until, you know, I think there is some sort of regulatory or capital relief to incentivize banks to help out in this market, it is tough. And y'all have gone a lot further on this than I expected. I gave Tim a pass.

MR. CONINE: We just actually wanted to put you as a test.

(Simultaneous discussion.)

MR. CONINE: Since it has been a while. By the way, do we have any cash in the bank?

MR. DALY: Yes, we do.

MR. CONINE: Good. Glad to hear it. Thank you. Any other questions of Mr. Daly?

(No response.)

MR. CONINE: All right.

MR. IRVINE: The only other item I have is the last report in here is information. It is amendments, extensions and ownership transfers proved administratively, as well a list of amendments proved by the Board.

MR. CONINE: Okay. Most of you know, we experienced the resignation of our Executive Director Mike Gerber. He is late for his own recognition.

VOICE: He said two minutes.

MR. CONINE: He said two minutes.

VOICE: He is on the phone.

MR. CONINE: When the chrome dome walks in, we will proceed with that. So a short recess.

(Whereupon, a short recess was taken.)

(Applause.)

MR. CONINE: Glad you could join us today, Michael. We were just thinking about you.

(Simultaneous discussion.)

MR. CONINE: Is it getting hot outside today?

MR. GERBER: Yes.

MR. CONINE: We did do want to pause if you will, and recognize Mike's service to the Department over the last five years, and thank him for his service to the Department and to the State of Texas. I am sure there is a lot of folks sleeping in housing that is pretty nice that wouldn't be sleeping in housing that nice if it weren't for a lot of what Mike has done over the last five years.

And for that, we are all thankful. I do have a witness affirmation form up here. Tama Shaw. Would you like to come up? Sure. We'll go ahead and get this out of the way.

MS. SHAW: Good afternoon, evening and all of that. Whatever it is by now. My name is Tama Shaw. I am an Executive Director of Hill Country Community Action and the President of the Texas Association of Community Action Agencies.

And in that regard, I have a resolution that was passed by the Board for the departure of Michael who we are going to miss very much. And the resolution goes, if I may read it.

Whereas, the Texas Association of Community Action Agencies is comprised of member organizations providing programs and services to low income Texans. And whereas community action agencies are governed by tripartite local board of directors, which are comprised of all stakeholders in order to help improve the community's economic position, including the people affected by the decision, the low income, the people that make decisions, elected officials, and the people impacted by both the business community and private sector.

And whereas community action agencies move people out of poverty by addressing the conditions that keep them at an economic disadvantage, be it education, child care, basic necessities, energy costs, et cetera. And whereas over 4 million Texans, or about every sixth person lived at or below the federal poverty guideline. And whereas in 2010, community action agencies through the community services block grant funds assisted over 1 million Texans with a multitude of services.

And whereas community action agencies value a productive partnership with the Texas Department of Housing and Community Affairs, the lead state agency administering the Community Services Block Grant, Low Income Housing Energy Assistance Program, and Weatherization Assistance Program. And whereas the partnership between TACAA and its member organizations and TDHCA has grown significantly in recent years.

Now therefore it be it resolved that the TACAA board of directors meeting, in official session on May 25th, 2011 in in Austin, Texas voted to recognize and applaud Michael Gerber as the Executive Director of TDHCA. For his leadership in fostering and enhancing the partnership between TACAA, its member organizations and TDHCA. And we really mean that.

We appreciate everything that Michael has done for us. He has come to our meetings. And he has made us a better organization. And we hope, we have made TDHCA a better agency for what we have done.

(Applause.)

MR. CONINE: Is there anyone else out in the audience who would like to come up and say something, a statement for Mike? I know we do have a little reception for him afterwards. Feel free to come on up now, if you like.

MS. JACKSON: Even without a witness affirmation?

MR. CONINE: Probably for you, it would be all right.

MS. JACKSON: Thank you. My name is Tony Jackson. And I am President of the Texas Affiliation of Affordable Housing Providers.

And I am here today to represent our Board and all of our members. Mike, you have been a friend to the industry. And not just a friend, but a participant in the industry. Before you got to TDHCA, you were already helping us resolve issues and find solutions on a lot of difficult issues.

And we really appreciate that, and all of the hard work that you have done for us. And we are going to miss you. But we know that you are

really not going that far. And we are going to be keeping you close by, we hope.

But TAAHP, we would like to say, Michael Gerber, Executive Director of the Texas Department of Housing and Community Affairs, in appreciation for your contributions toward increasing the supply and quality of affordable housing for Texans with limited incomes and special needs, we thank you. The board of directors and the staff, and all of the members, from TAAHP. Please --

(Applause.)

MS. JACKSON: Here is the box.

MR. CONINE: Okay. Anyone else? I also open the floor to members of the Board who would like to address Mike, feel free to do so.

MR. KEIG: Mike I want to thank you for all of your hard work, and for putting up with my pesky questions.

MR. MUNOZ: I would like to say something, Mr. Chair.

MR. CONINE: Yes, sir. Dr. Munoz.

MR. MUNOZ: I will use my teaching voice. It is loud enough. I would just like to thank Michael. You know, sometimes you face such a difficult position. And you did it with such intellect and grace and gentility and fairness. And it was a real example of about how to behave on this dais.

And you are going to be missed for a number of reasons, not all of which you will be aware of. And you are -- how people speak about you and what you have done, and your longevity and your impact.

And I think what the Chairman said cannot be under

emphasized. There is just so many people today whose lives have been changed by somebody that they will never know. They won't know who you are. Whose children's lives will be changed and touched.

And your fingerprints are literally on hundreds of thousands of people. And that is leadership. And that is impact. And you have demonstrated both. And so I thank you for your service to the State.

(Applause.)

MR. GANN: I think I would like to supplement very little but what Juan said, all of those things are so true. But I can remember the day when you were jogging, because the first day I got here, you had to start running. Because that is when all of these funds became available.

And all of these others programs came on. We added whatever number we added to this particular force. You did a great job while I was here, and I really appreciate you.

(Applause.)

MR. CONINE: Mike, we had a little token of our appreciation for you. And a lot of your friends got together today, and put their words of affection on a poster here, that is quite sizeable. Why don't you go ahead and present that to him?

MR. GERBER: That is awesome.

MR. CONINE: I challenge you to read and memorize all of those.

MR. GERBER: Good handwriting. That is awesome. Thank you all very much. That is great.

MR. CONINE: That should be a special memento for you, from the folks here. And I would just like to say that you know, as Chairman certainly, I wasn't the first Chairman you had.

But under my tutelage, you certainly have been an inspiration to me, and have done far and beyond what was required of the position. And I truly am thankful for how easy you made my job through all of these years. And has had been said, I don't think you are going to get too far out of the affordable housing industry.

And we look forward to seeing you around in whatever your next role may be. And know you will be successful at it. And thank you so much for what you have done for the State of Texas and for TDHCA over your time. We really appreciate it.

(Applause.)

MR. GERBER: It should come as no surprise I have a couple of things to say. Good afternoon, Mr. Chairman and Board members and Mr. Irvine. My name is Mike Gerber. I am from Austin, Texas. I am representing myself. I know you have already been subjected to nearly seven hours of testimony. So it is only fitting, probably almost like everyone else in the room, I intend to completely disregard the three minute rule. And I will try not to go past five.

Five years and 30 extra pounds, since becoming Executive Director, I come before you today really to do little more than a thank you for the privilege of temporarily holding one of the what I consider the great jobs of a lifetime.

As most of you know, I am big on celebrating accomplishments. And there have been many that we have had together during the last five years. And when I say we, I mean, really all of us. The Board, the staff, the stakeholders, the clients across the State who make these programs dynamic and effective in what they are.

In my mind, I like numbers. The numbers in my mind, are really quite staggering. 12,000 families became first time home owners. And 45,000 multi-family units got built. And 3,500 homes and 6,200 rental units got fixed under our hurricane programs. And nearly 45,000 units got weatherized. And 3 million at risk families were helped with housing and food and casework.

And then there is all of those people in the colonias who had help because of the great work of OCI. And the list just goes on and on.

And they lead unwaveringly in my mind to the same conclusion that was reached by the Sunset Commission last fall, that despite the prolonged stress test that Mr. Gann, that you alluded to, that we have had from the great recession and massive influx of cash from federal stimulus and disaster recovery dollars, state leaders know that TDHCA delivers. And that we know how to get the job done, and do it well.

Sure, we have our critics. And sure, we have had people that are unhappy. I suspect -- I wasn't here for appeals. But I suspect there was some people unhappy in the room. But TDHCA does its job incredibly effectively. And by any objective standards. And this Department makes a huge difference in the lives of Texans.

More than a century ago, Teddy Roosevelt delivered his man in the arena speech. And it always has been inspiring to me. So I thought I would share just a few of his words.

It is not the critic who counts. Not the man who points out how the strong man stumbles, or whether the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood. Who strives valiantly. Who errs. Who comes in short again and again.

Because there is no effort without error or shortcoming. But who does actually strive to do the deeds. Who knows the great enthusiasms, the great devotions. Who spends himself in a worthy cause.

And who at the best knows in the end, the triumph of high achievement. And who, at the worst, if he fails at least fails while daring greatly. So that his place will never be with those cold and timid souls who neither know victory nor defeat.

Your staff at TDHCA are the heirs, I believe, to that legacy of public service. They strive to make the difference each and every day. To do those good works. Improve the lives of families and of seniors and of kids. And of the disabled. And the colonia residents. And of the veterans. And of the homeless. And of the rural poor.

And in my mind, it is really not the critics who count. It is those who are working to help improve the human condition. And TDHCA with your direction has boldly gone where so few serve. And they have brought real passion and energy at every step of the way.

For five years, I sat on their shoulders. And they could have gone elsewhere and made a lot more money. And probably gotten a lot less grief. Maybe not Gouris.

(Simultaneous discussion.)

MR. GERBER: I am grateful to each and every one of them. In my mind, they really are the heroes. And I would like to ask all of the TDHCA staff that is in the room to stand up for a round of applause. Because I know how hard it has been, the last five years. And I would like to salute all of them.

(Applause.)

MR. GERBER: There is all of the members of the Executive team. There is all of the members of the Management team. And I have learned much from each of them. And I received far more from them than they got in return. And they made me look really far better than I really am.

And a guy couldn't have a better partner than in Tim Irvine. And through thick and thin, Tim has been at my side, ensuring that the Department really has always been at its best in doing things legally, which we like.

He has helped to steer me and all of us through challenging waters these last several years. And the Board I think, really made an inspired choice in selecting him to take the reins as Acting Director. And I have been blessed to count him as a friend and a mentor and a colleague.

Now when I took him five years ago, I received a gift from Edwina Carrington who was my predecessor. And when I opened it from her,

I made some ignorant crack about, I am not going to need these. And I threw them in a file drawer somewhere.

But the truth is, I have needed them every day for the last at least two to three years. And I wanted to pass these along to Tim now.

MR. CONINE: Show everybody what it is.

MR. GERBER: See that is where I got a little preview.

(Applause.)

MR. GERBER: I know he won't be throwing them in the drawer. He is much wiser than I am. But lastly, and most importantly, I want to thank each of you on the Board for your support, encouragement and sound counsel.

And I want to thank each of you really for standing up for these programs. These are programs that are worth defending. And a period of real change is getting ready to come, and I think maybe we are going to find ourselves on the front line of it.

The tax credit program is going to be under the siege of tax reform. The HOME program is already under fire from the national press. There is going to be less for the poor in community services programs probably in the name of deficit reduction. Whatever the politics are, you and everyone in this room has seen firsthand the difference that these programs make.

Be ambassadors for those programs. Share those successes.

And I know that TDHCA is going to continue to show that it can be the best housing and community services agency in the nation. And as I leave here

today, I want to thank you again for the privilege of serving, the privilege really, of a lifetime.

And as I leave, and as the least Irish guy probably in the room, I am reminded of that great Irish blessing of, may the road rise up to meet you.

May the wind always be at your back. May the sun shine warm upon your face and the rains fall soft upon your fields. And until we meet again, may God hold all of you in the palm of his hand. Thank you again. And I hope I pass --

(Applause.)

MR. CONINE: Well said, Mike, as usual. And thank you very much, once again. I would remind everyone that we have got a reception over at the Austin Club, starting at 5:00. This meeting stands adjourned.

(Whereupon, at 4:00 p.m., the meeting was concluded.)

CERTIFICATE

IN RE: TDHCA Board Meeting

LOCATION: Austin, Texas

DATE: June 30, 2011

I do hereby certify that the foregoing pages, numbers 1 through 175, 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.

7/11/2011
(Transcriber) (Date)

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