

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD OF DIRECTORS MEETING

Ric Williamson Hearing Room
Dewitt C. Greer Building
125 East 11th Street
Austin, Texas

Thursday,
April 16, 2015
9:10 a.m.

MEMBERS:

J. PAUL OXER, Chair
JUAN MUÑOZ, Vice Chair (not present)
LESLIE BINGHAM ESCAREÑO, Member
TOLBERT CHISUM, Member
TOM GANN, Member
ROBERT THOMAS, Member

STAFF:

TIMOTHY K. IRVINE, Executive Director

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P R O C E E D I N G S

1
2 MR. OXER: Hi. Good morning everyone. I would
3 like to welcome everybody to the April 16th Board meeting
4 of the Texas Department of Housing and Community Affairs.
5 We=ll begin with the roll call. Ms. Bingham?

6 MS. BINGHAM ESCAREÑO: Here.

7 MR. OXER: Mr. Chisum.

8 MR. CHISUM: Present.

9 MR. OXER: Mr. Gann.

10 MR. GANN: Here.

11 MR. OXER: Mr. Goodwin?

12 MR. GOODWIN: Here.

13 MR. OXER: Dr. Munoz is not with us today. And
14 I am here. So we have got five. That is a quorum. We
15 are in business. Tim, lead us in the flag salute.

16 (Whereupon, the Pledge of Allegiance was
17 recited.)

18 (Whereupon, a Pledge to the Texas Flag was
19 recited.)

20 MR. OXER: Okay. Tim, I understand we have a
21 resolution?

22 MR. IRVINE: We do, sir. It is Fair Housing
23 Month. And Michael Lyttle will read a special resolution.

24 MR. LYTTLE: Okay. It reads as follows.
25 Whereas 20, April 2015 is the Fair Housing month, and it

1 marks the 47th Anniversary of the passage of the Federal
2 Fair Housing Act, signed by U.S. President Lyndon Baines
3 Johnson on April 11, 1968.

4 And whereas; the Fair Housing Act provides that
5 no person shall be subjected to discrimination because of
6 race, color, national origin, religion, sex, disability or
7 familial status in the sale, rental, financing or
8 advertising of housing, and charges the Secretary of the
9 United States Department of Housing and Urban Development
10 with administering HUD programs in a manner that meets the
11 requirements of the law and affirmatively furthers the
12 purposes and policies of the Fair Housing Act. And
13 whereas; the Texas Department of Housing and Community
14 Affairs administers HUD and other housing programs that
15 promote the development and supply of safe, decent,
16 affordable housing for qualifying Texans.

17 And whereas; it is the policy of the Texas
18 Department of Housing and Community Affairs to support
19 equal housing opportunity in the administration of all of
20 its programs and services, including encouraging equitable
21 lending practices for its homebuyer programs and ensuring
22 compliance with Fair Housing rules and guidelines for its
23 multifamily developments. And whereas; the Texas
24 Department of Housing and Community Affairs, through its
25 programs, workshops, trainings and materials seeks

1 continually to educate architects, property managers,
2 consultants, program administrators, contractors,
3 developers, engineers, lenders, real estate professionals
4 and others about the importance of their commitment and
5 adherence to the requirements of the Fair Housing Act.

6 And whereas; the Texas Department of Housing
7 and Community Affairs encourages the development of
8 educational Fair Housing programs in local communities
9 throughout the state, and is seeking to build new
10 opportunities for Fair Housing education and training.

11 And whereas; the Texas Department of Housing and Community
12 Affairs and the State of Texas support equal housing
13 opportunity in accordance with the Fair Housing Act not
14 only during Fair Housing month in April, but throughout
15 the entire year.

16 Now therefore; be it resolved that in the
17 pursuit of the goal and the responsibility of providing
18 equal housing opportunities for all, the Governing Board
19 of the Texas Department of Housing and Community Affairs
20 does hereby celebrate April 2015 as Fair Housing Month in
21 Texas, and encourages all Texas individuals and
22 organizations, public and private to join in and work
23 together in this observance for free and equal housing
24 treatment and opportunity for all. Signed, this 16th day
25 of April, 2015.

1 MR. OXER: Good.

2 MR. IRVINE: We recommend that the Board adopt
3 this by acclaim.

4 MR. GOODWIN: I will so move.

5 MR. OXER: Motion by Mr. Goodwin.

6 MR. CHISUM: Second.

7 MR. OXER: Second by Mr. Chisum. All in favor?

8 (A chorus of ayes.)

9 MR. OXER: Opposed?

10 (No response.)

11 MR. OXER: There are none. We hereby adopt the
12 resolution.

13 MR. IRVINE: And I want everybody to know that
14 Fair Housing Month is more than just a commemoration at a
15 Board meeting. It is a commitment that extends to every
16 day of the year and every corner of the great State of
17 Texas.

18 And we have a lot of special activities going
19 on this month, some webinars and educational activities
20 regarding Fair Housing. And we also thank our partner in
21 these efforts, the Texas Workforce Commission Civil Rights
22 Division. So good things for good people.

23 MR. OXER: Great. Okay. The consent agenda is
24 next on the agenda.

25 MR. IRVINE: Mr. Chairman, we have one item we

1 would like to pull from the consent agenda.

2 MR. OXER: Item 2(d), as I understand.

3 MR. IRVINE: Item 2 Delta.

4 MR. OXER: We will pull that one for comments
5 here, as soon as we are through. Any requests for items
6 to be pulled from the consent agenda by members of the
7 Board?

8 (No response.)

9 MR. OXER: Okay. Motion to consider?

10 MS. BINGHAM ESCAREÑO: Move to approve the
11 consent agenda with the exception of Item 2(d).

12 MR. OXER: Okay. Motion by Ms. Bingham to
13 approve consent agenda as defined.

14 MR. GANN: Second.

15 MR. OXER: Second by Mr. Gann. Is there any
16 other public comment on the consent agenda? Peggy? You
17 have something to read in?

18 MS. HENDERSON: Peggy Henderson, TDHCA,
19 representing Fred Fuchs, who is representing home owner
20 Pamela Franklin in support of staff recommendation for
21 Agenda Item 1(e).

22 MR. OXER: Always glad to have comments that
23 support what we are trying to do. So any other comments?

24 (No response.)

25 MR. OXER: There appear to be none. All right.

1 Motion by Ms. Bingham. Second by Mr. Gann to approve
2 consent agenda with Item 2(d) pulled. Those in favor,
3 aye.

4 (A chorus of ayes.)

5 MR. OXER: Those opposed?

6 (No response.)

7 MR. OXER: There are none. It is unanimous.
8 Okay. On Item 2(d). Patricia, you'll make the
9 presentation, I understand?

10 MS. MURPHY: Sure.

11 MR. OXER: Good morning.

12 MS. MURPHY: Good morning. Patricia Murphy,
13 Chief of Compliance. Item 2(d) is a report item for you,
14 that provides an update about the activities in the
15 Compliance Division.

16 We started providing this report to the Board
17 in February of 2014, on a quarterly basis, just to kind of
18 let you know what is going on. So this month=s report is
19 organized by area of the Compliance Division.

20 The community affairs monitoring section, some
21 significant updates that we wanted to provide for you as a
22 follow-up on last month's discussion about Cameron and
23 Willacy Communities Project, Inc. As agreed upon, Wipfli
24 has gone down and has done some work at the agency.

25 They were there the week of March 25th. Their

1 work is ongoing. And we are expecting a report from them
2 within the next four to six weeks.

3 In addition, this report item does comment on
4 the continued need for improvement between communication
5 between the subrecipient network and the Department. And
6 we are continuing to look at ways to improve that
7 communication.

8 We started providing a customer service survey
9 after our monitoring visits. And the response rate to
10 that is rather low. I am considering alternative ways to
11 get some feedback on the issues.

12 I was raised with lots of sayings. I am from
13 Rhode Island. And my mom always said, if you are not part
14 of the solution, you are part of the problem. So I am
15 still looking for ways to --

16 MR. OXER: It sounds like you were from upstate
17 Maine actually.

18 MS. MURPHY: I am still looking for ways to be
19 part of the solution for improving the communication
20 between the Department and the network. The Urban League
21 of Greater Dallas is also in your report. That is another
22 community action agency that is one of our CSBG eligible
23 entities.

24 We had an issue with a delayed receipt of their
25 required A-133 single audit. That single audit has come

1 in, and is under review. And we are working with that
2 agency. And we=ll have a funding recommendation for you,
3 for a contract recommendation for you at an upcoming Board
4 meeting.

5 Contract monitoring, things are going
6 relatively smoothly. We have had resolution of some
7 outstanding findings through the enforcement rules that
8 you adopted for us last year. We got some things resolved
9 through that process. So that has been great.

10 Multifamily monitoring, first of all, I would
11 like to give a shoutout to the multifamily staff. I know
12 I have told you before, there has been a tremendous amount
13 of turnover in that area which has left you know, a really
14 big backlog of work that needed to be slogged through.
15 And the staff has really done a great job in getting a big
16 backlog of work done on top of their additional regular
17 duties.

18 In addition, there is an update for you about
19 an issue regarding UPCS, the Uniform Physical Condition
20 Standards and local codes. There has been some
21 inconsistent guidance that has been provided to our
22 multifamily owners that we have clarified.

23 It is, you know, in this report item for the
24 public. A listserv went out. And the individual
25 properties that were affected have been notified. So that

1 is my update for you.

2 We are working hard at getting everything done
3 to the best we can, in the best manner possible. And you
4 know, continually seeking feedback on ways for
5 improvement.

6 So if anybody has any questions, I would be
7 happy to answer them. Otherwise, I think we have some
8 people who would like to make some comment.

9 MR. OXER: Any questions from the Board?

10 MR. GOODWIN: Patricia, you made reference to
11 reaching out to the network and not getting much of a
12 response. My experience is those comments have a lot of
13 story behind them. Would you mind kind of being a little
14 more specific about what that means?

15 MS. MURPHY: Well, let=s see. How to say this.
16 There has been an issue raised by the monitoring network
17 in particular that I am very concerned about that there is
18 inconsistencies between the program area, the community
19 affairs program area and training and technical assistance
20 staff and the monitoring staff. And I am very concerned
21 about that.

22 And I don=t want there to be inconsistencies.
23 However, I can=t solve this problem unless I know what.
24 Where are we inconsistent. What is the issue.

25 You know, if there is really specific areas

1 that we are inconsistent in, we can work together to get
2 on the same page. So one of -- you know, in hopes of
3 eliciting, where is the problem here.

4 You know, we send these surveys out, you know,
5 that ask that kind of a question. They ask you know, was
6 the monitor professional? Did they explain findings to
7 you? Did you understand the exit conference? Do you have
8 any suggestions for improvement, of how we could do this
9 better?

10 So we are trying to get some feedback. And
11 since the last meeting, only one subrecipient has filled
12 out the survey and responded. So this is obviously not a
13 very effective way to get to what is the problem. You
14 know, where are the problems. And what ideas are out
15 there for how we can improve this.

16 So I think I am going to start following up
17 with a phone call instead, to see if people would be more
18 willing to talk to me. And if people are not willing to
19 talk with me, I am also considering some kind of a third
20 party to -- that is a very preliminary idea.

21 I have not really talked about that with Tim.
22 But having some kind of a third party to really get to the
23 heart of what is the issue here. Because you know, I
24 really would like the Department and the community action
25 network to work on improving communication here.

1 MR. CHISUM: Thank you.

2 MS. MURPHY: You bet.

3 MR. OXER: Any other questions?

4 (No response.)

5 MR. OXER: Tim, would it be -- and I assume it
6 would be okay for the Board to have a copy of whatever
7 request you put out?

8 MS. MURPHY: Sure.

9 MR. IRVINE: Sure.

10 VOICE: Yes.

11 MR. OXER: Send it to each of us. Because we
12 would like to help make sure it works also.

13 MS. MURPHY: Right. Yes. The first time I did
14 this, I said, you know, does this look like the right
15 questions to ask. Does anyone have any suggestions.

16 MR. OXER: Right.

17 MS. MURPHY: But I can bring that back.

18 MR. OXER: Yes. Okay. All right. All right.

19 We apparently have those who wish to speak on this. I
20 will remind everybody for a housekeeping item, the first
21 three chairs up here on my left, on the room=s right is
22 for those who wish to speak.

23 If you are going to speak on an item, when we
24 are considering it, make your way up here, and be
25 prepared. Do you have a question, or would like to speak?

1 MS. BENAVIDES: Yes.

2 MR. OXER: Okay. We will give you three
3 minutes.

4 MS. BENAVIDES: Good morning, Mr. Chairman and
5 members of this Committee. I am here. My name is Sophia
6 Benavides. And I am the County Commissioner for Cameron
7 County in Precinct 1.

8 I also served as a member and most recently, I
9 am the newly elected Chairman of the Board for the Cameron
10 Willacy County Community Projects, Inc. Obviously, we
11 have been having some problems with the state agency and
12 with our agency. And I am here to assure this Commission
13 that as head of the Board, we are willing and are willing
14 to ensure that all communications are open.

15 And I want to also thank the Department as well
16 as this Commission for allowing our request to come
17 through, and sending in an outside auditor. I have always
18 believed in our community action program. It serves and
19 has served for many, many years. And so I have appealed
20 to our State legislators to step in for us.

21 As Mr. Irvine told us, we have a lot of
22 advocates in our favor. Those that serve us know the
23 importance of those South Texans that need this continued
24 assistance for our communities. And so I just wanted to
25 come and present myself, and make myself available to

1 yourselves or to any of the staff members here to ensure
2 that we get everything straightened out.

3 And if there is any doubt that everything be
4 put out on the table, because I am very interested in
5 ensuring that this community action program that has
6 existed for so many years continues in the same direction.

7 There is always room for improvement. And if that is the
8 case, then we will improve whatever it is, or whatever
9 areas need to be improved.

10 But my concern is that I understand there is
11 only one area that is being served. The only location
12 open is in Harlingen. From the Willacy County area that
13 is 35 miles. From my area, it is 25 miles. From Port
14 Isabel it is 30 miles.

15 So my concern is that if they are going to be
16 mailing out applications, who is going to fill it out for
17 them? A lot of my people do not, cannot fill these out
18 for themselves. And they need assistance. But it is not
19 feasible for them to go all of the way to Harlingen.

20 And so I ask you all to please help me out, so
21 that we can get those areas and those locations that we
22 have had to close opened up, and soon. Thank you so very
23 much.

24 MR. OXER: Thank you for your comments, Ms.
25 Benavides. Does anybody else wish to speak on this item?

1 This is a report item only, as I understand it. Is that
2 correct, Tim? So no Board action is required, except for
3 that we accept it on the consent agenda as presented.
4

5 MR. IRVINE: Correct.

6 MR. OXER: Okay. All right. We'll move to the
7 action items? Mark? And before we start, I would ask,
8 and -- this will be a report on the meeting of the Audit
9 Committee with Ms. Bingham as the Chair of the Audit
10 Committee. Have any comments to make?

11 MS. BINGHAM ESCAREÑO: Thank you, Mr. Chair.
12 We had a very productive Audit Committee meeting this
13 morning. Mark is going to review very briefly for you the
14 outcome of the two scheduled audits that were completed
15 since the last meeting.

16 And then we will give you an update about some
17 other items that are pending. So at the Chair=s
18 discretion, how much detail you would like. He will give
19 a brief summary. And then if you or any of the Board
20 members have additional questions, we are available for
21 those.

22 MR. OXER: Great. All right. Let=s hear it,
23 Mark, and then we will see what else we need.

24 MR. SCOTT: Good morning. I am Mark Scott,
25 Director of Internal Audit. The Audit Committee met

1 earlier this morning to discuss a payroll audit and the
2 audit of records management processes.

3 The results of both audits were very favorable.
4 And we also went over the new audit report format as well
5 as we discussed the ongoing consultation that Internal
6 Audit is conducting on subrecipient monitoring. And as
7 Ms. Bingham indicated, I will be more than happy to answer
8 any questions, go into detail on the subrecipient
9 monitoring or the audits to whatever extent the Board
10 would like.

11 MR. OXER: Okay. Would you like to continue,
12 then? Or either one of them. Or I guess I will ask, are
13 there any questions of the Board on either audit?

14 (No response.)

15 MR. OXER: Okay. With respect to the
16 subrecipient monitoring, I think it is becoming apparent
17 that we need to make sure that all of their auditors need
18 to be well versed in A-133 audit process.

19 MR. SCOTT: Yes, sir. That is one of the
20 things we are doing. I have set up a process where if we
21 get -- if we continually get audits from CPA firms, audit
22 firms that we think are substandard, we will refer them to
23 the State Board of Public Accountancy.

24 And I have ways to kind of broadcast those.
25 And so hopefully this will encourage the audit firms to do

1 a better job, so we will get better product.

2 Because the A-133 audits are a very important
3 control point in the subrecipient monitoring process. And
4 I have been working with Patricia Murphy on --

5 MR. OXER: Mark, hold on just for a second.
6 Penny, can you hear him? Okay.

7 MR. SCOTT: Do I need to talk louder.

8 MR. OXER: Either closer to the mic, or turn
9 the volume up on the mic.

10 MR. SCOTT: Okay. I will just get closer. Can
11 you hear me all right?

12 VOICE: Yes.

13 MR. SCOTT: Okay. Sorry.

14 MR. OXER: I can hear you. I didn=t know if
15 those in the back can hear you.

16 MR. SCOTT: Okay. So yes. The A-133 audits
17 are a very important control point in the subrecipient
18 monitoring process. And the Agency has been relying on
19 those for a long time. And what is coming to light
20 recently is that perhaps the auditors aren=t doing a
21 thorough job.

22 So I have been working with Patricia Murphy on
23 reading the A-133 audits and really deciphering what they
24 mean, as Mr. Irvine talked about earlier today. They are
25 written in auditesese, which is kind of like legalese.

1 MR. OXER: I know that is a language like
2 engineers speak and techs speak. So it is all right.

3 MR. SCOTT: Yes. So we have been working on
4 that. So that is a very important project we are working
5 on. And as far as the rest of the Audit Plan, I talked
6 about that this morning. We are on schedule to finish it
7 well in time.

8 MR. OXER: Great. So we are in pretty good
9 shape.

10 MR. SCOTT: Yes, sir.

11 MR. OXER: Generally.

12 MR. SCOTT: And actually, I think this was a
13 report item. But I guess, if the Board wants to formally
14 accept the report out of the Audit Committee, I am not
15 sure how that works.

16 MR. OXER: It is a report item. But I would
17 like to have some indication that the Board finds
18 favorable the fact that you are reporting.

19 MS. BINGHAM ESCAREÑO: Mr. Chair, I am prepared
20 to do that. I just thought I would add just a little bit
21 more in non-auditese or legalese or engineeringese.

22 MR. OXER: No more nerd speak over here.

23 MS. BINGHAM ESCAREÑO: Yes. Just regular lay
24 terms. So what I think the Committee heard from Mark and
25 the team and from Patricia this morning in the Committee

1 meeting is, we will be looking at the A-133s more
2 rigorously.

3 So it is kind of a -- it is a great thing. But
4 in the introduction of it, it might be a little
5 uncomfortable, right. Because our process won't
6 necessarily change, but will become more rigorous.

7 I think what the subrecipient community will
8 experience from the staff is the same great feedback that
9 we always get about staff, right. Which is that we are
10 collaborative. That we communicate. That we help resolve
11 problems.

12 But the bottom line is, it is our
13 responsibility as an organization to hold subrecipients
14 accountable for the quality of those A-133s. And even
15 though we are not in any way saying there is
16 intentionality behind those being, Mark used the word
17 substandard. Not to misunderstand that we think they are
18 intentionally substandard.

19 But some of these subrecipients may be using
20 CPA or audit firms that may not understand the full scope
21 of what is required to complete and submit an accurate and
22 thorough A-133. Right. So they may have kind of more
23 narrow view of that from maybe a financial accounting
24 standpoint.

25 So I just say that to make sure it is on the

1 record that it may be uncomfortable. It may be that some
2 subrecipients say hey, you never asked me for this before.

3 Or I never understood this.

4 But in the end, I think it will end up being a
5 very productive relationship. And it will be one more
6 thing that subrecipients know that there is some knowledge
7 and support behind, you know, through our departments.

8 MR. OXER: Thank you, Ms. Bingham. And I would
9 add to that, that it has -- there is absolutely nothing
10 that we are looking for apart from raising the standard of
11 play within that community.

12 Those of you who know the background and
13 analogies that Tim and I used in the Navy. If you have
14 got a ship, if it is going to turn or speed up, there is
15 always going to be some thrashing around and turbulence in
16 the back end of it.

17 And what you are getting ready to see is that
18 turbulence until everybody figures out what we are looking
19 for. So the faster we all learn that -- make sure it is
20 clear whether it is going to be required, and the faster
21 everybody learns that, the less painful it is going to be
22 for all of us. So any other questions from the Board?

23 MR. GOODWIN: Mark, how many subrecipients are
24 there? Is it a hundred? Or are there 15?

25 MR. SCOTT: I think it would be closer in the

1 hundreds. I don=t know the number off the top of my head.

2 MR. GOODWIN: Okay.

3 MR. OXER: Tim, have you got a thought on that?

4 MR. IRVINE: Well, I mean, there are a number
5 of different subrecipient networks. There is our
6 Community Affairs network, our LIHEAP network, our
7 Weatherization Assistance Program network. And those
8 generally range between a couple of dozen and about 40.

9 But then we also have other types of
10 subrecipients in our other program areas, like our ESG
11 program and our HOME program, and so forth. And in some
12 of these situations, A-133 is a requirement and some of
13 them, it is not. So it is not something we have compiled.

14 But we will try to get you an accurate count for next
15 meeting.

16 MR. GOODWIN: No. It was just a point of
17 curiosity.

18 MS. MURPHY: Patricia Murphy, Chief of
19 Compliance. I believe it is about 140. We report on this
20 in our performance measures. And I believe we do about
21 140 single audit reviews a year.

22 MR. OXER: That is 140 A-133 single audit,
23 right?

24 MS. MURPHY: Yes.

25 MR. OXER: Okay. Thanks, Patricia.

1 MR. IRVINE: Thank you.

2 MR. OXER: Okay. Any other questions?

3 MS. BINGHAM ESCAREÑO: Mr. Chair, I think the
4 Committee would recommend acceptance of the report from
5 the Audit.

6 MR. OXER: Okay. I will take that a motion on
7 your behalf.

8 MR. CHISUM: Second.

9 MR. OXER: Second by Mr. Chisum. No other
10 comment. No public comment?

11 (No response.)

12 MR. OXER: All in favor, aye.

13 (A chorus of ayes.)

14 MR. OXER: Opposed?

15 (No response.)

16 MR. OXER: There are none. It is unanimous.

17 Thanks, Mark.

18 MR. SCOTT: Thank you very much.

19 MR. OXER: Okay. Monica. Good morning.

20 MS. GALUSKI: Good morning. Good morning, Mr.
21 Chairman, members of the Board. I am Monica Galuski, your
22 Director of Bond Finance.

23 This is Item 4(a), which is presentation,
24 discussion and possible action regarding Resolution 15-
25 016, authorizing programmatic changes to the to be

1 announced single family taxable mortgage program. For
2 several years now, as we all know, tax exempt bonds have
3 not been an effective method of financing for single
4 family home ownership program.

5 The Department explored alternative financing
6 methods in order to continue to provide home ownership
7 opportunities for low and moderate income home buyers in
8 Texas. And in October of 2012, we implemented a taxable
9 down payment and closing cost assistance program based on
10 a private sector mortgage banking model.

11 This program, which I call TMP-79 has assisted
12 over 3,600 Texas households with the purchase of their
13 first home, providing over \$25 million in down payment and
14 closing cost assistance to eligible borrowers. This
15 assistance is provided in the form of a 30 year zero
16 percent interest non-amortizing second mortgage.
17 Programmatically, TMP-79 has evolved over time.

18 It began with one assistance option, which was
19 for Government loans, FHA, VA and USDA-RD. It provided
20 five points of assistance and netted three to the borrower
21 after taking into account origination and discount points,

22 In May of 2014, the Department added conventional loans
23 through the addition of the Fannie Mae HFA Preferred
24 Option.

25 In October of 2015, we added the five points of

1 assistance, netting five points to the borrower by
2 eliminating the origination and discount points. Now,
3 that is an additional option. They can still take three
4 points net or five points net. Just depending on what
5 mortgage rate, you know, how much assistance they need in
6 the mortgage rate adjusts accordingly.

7 And in January of this year, we added another
8 option which is the up to \$8,000 flat amount of assistance
9 option. The purpose, this item proposes further evolution
10 through the addition of a refinance option for TMP-79.
11 Sorry.

12 MR. OXER: Okay. Take your time.

13 MS. GALUSKI: This was kind of spurred by HUD=s
14 announcement that they were going to reduce the mortgage
15 insurance premium on existing FHA loans by 50 basis points
16 which is a significant reduction. And that is for loans
17 originated between, I think it is June of 2009 and January
18 25th of this year.

19 MR. OXER: That was 50 points off of what to
20 begin with?

21 MS. GALUSKI: Fifty basis points off their
22 ongoing fee for -- their ongoing fee for mortgage
23 insurance through FHA.

24 MR. OXER: I know. But how much had that been?
25 Fifty points off of -- how many had it been?

1 MS. GALUSKI: Fifty basis points off of --

2 MR. OXER: Fifty out of 150 is significant.

3 Fifty out of 1,500 is different.

4 MS. GALUSKI: No. It is 50 basis points off
5 175, right -- no, off 185.

6 MR. OXER: That is significant.

7 MS. GALUSKI: It is significant. Yes, 135.
8 Yes. Yes. It has been reduced down to 85 basis points.
9 So when they came out with this, it sort of excited the
10 market. And it makes refinances a lot more attractive for
11 most borrowers.

12 That is a 50 basis point savings right there.
13 However, in TMP-79, with us using the second mortgage to
14 secure the down payment and closing cost assistance, the
15 way those documents are drafted and basically a borrower,
16 if they want to refinance, prepay or repay their first
17 needs to repay their second mortgage loan back to the
18 Department.

19 Now, with TMP-79, these are all loans that have
20 been originated since late 2012. That is going to be
21 prohibitive for most borrowers.

22 They are not going to have the cash to come in
23 and repay the second. So we are proposing that we add a
24 refinance option to provide the opportunity for those
25 borrowers to realize the savings associated with the MIP

1 reduction, and potentially for a lot of them, additional
2 savings through an even lower first mortgage rate in the
3 refinancing process.

4 As part of this process though, the Department
5 would modify the maturity date on the current second lien
6 note to match the maturity date of the new -- you know,
7 the refinanced loan, so that we don't have the second
8 coming due before their first mortgage. And we would
9 resubordinate then the second mortgage.

10 This proposed refinance option would be subject
11 to the following terms, and these are just abbreviated.
12 Eligible loans would consist of loans originally financed
13 through TMP-79.

14 So only borrowers who have come in through the
15 last couple of years through this specific program. And
16 those loans would have closed before January 26th.
17 Because everything that closed after that already has the
18 reduced MI insurance. And this is being implemented with
19 the 30 year fixed rate FHA streamlined refinance loans.

20 The Department will reimburse borrower
21 refinancing costs with funds generated by the structure,
22 which would be through the servicing release premium that
23 we receive as well as premiums generated in mortgage loans
24 that are being sold into the forward delivery market. So
25 there would be very little out of pocket expense on the

1 borrower side.

2 We do have maximums built in for the amounts
3 that we would reimburse. And they are different than what
4 is in your Board item. So I will just point those out.
5 The changes to the maximum would be \$1,900 for loan
6 amounts up to \$85,000, \$2,000 for loan amounts between
7 \$85,000 and \$120,000, \$2,100 for loan amounts of 120,000
8 to 150,000. And \$2,200 for any loan above 150,000.

9 That is not an actual change. It is just a --
10 it reflects the fact that certain of the costs that would
11 have been charged by the borrower would be paid directly
12 by TDHCA. So we won't incorporate them in those maximums
13 because they wouldn't be reimbursable back to the lender.

14
15 There would be no origination or discount
16 points charged to the borrower. The borrower would
17 receive no cash back except for minor adjustments at
18 closing as permitted by FHA. Minimum FICO requirement is
19 660.

20 And then the borrower will have to meet all of
21 FHA's streamlined refinance requirements. Since inception
22 in late 2012, TMP-79 mortgage rates have ranged from 3.25
23 percent to 5.25 percent with the weighted average rate of
24 approximately 4.41 percent. Based on mortgage rate
25 combined with other program requirements, we anticipate

1 that approximately 52 percent of the current TMP-79
2 borrowers would be eligible to come back in and refinance,
3 which is about 2,000 loans.

4 I am not expecting that 2,000 loans will come
5 in. But we think that is about the amount that would be
6 eligible. Right now, if we were to go out with this
7 program today, it would have a 3.75 percent mortgage rate
8 on a refinancing with almost no cost out of pocket to the
9 borrower.

10 Staff is seeking authority for these
11 programmatic changes and recommends approval of Resolution
12 15-016. And I would be happy to answer any questions.

13 MR. OXER: Good. Any questions? Mr. Gann?

14 MR. GANN: No. I don=t have a question. I
15 kind of wanted to make a statement on some of that. This
16 whole 79 program has been around for a good while, okay.

17 It is the bond program for first time home
18 buyers basically, okay. But the importance to me, is what
19 it does to the local communities that take advantage of
20 these particular funds.

21 Because it is not -- it is big enough and more
22 important -- I mean, it affects more people than just the
23 young couple -- it doesn=t have to be a young couple. But
24 usually a first time homebuyer. It also affects every
25 person that touches a home in a home sale. J.B., you

1 understand what I am talking about there.

2 Because what happens is, you affect the local
3 community economics wise okay. And you get new carpet in
4 there. You get mom and pops that start contributing. And
5 so many things that go in.

6 MR. OXER: It is the first domino in a cascade.

7 MR. GANN: That is exactly right. And all of
8 this is going into the State of Texas. I have always been
9 proud of that. As a realtor, JB, and you can appreciate
10 some of that, too.

11 MR. OXER: Any other questions? Comments, JB?

12 MR. GOODWIN: No.

13 MR. CHISUM: I have a comment, sir.

14 MR. OXER: Mr. Chisum has a comment.

15 MR. CHISUM: So with the average rate, that you
16 mentioned was something a little over 4 percent.

17 MS. GALUSKI: 440.

18 MR. CHISUM: And so that means then you
19 mentioned, I think, a rate today. Did you say 3.75?

20 MS. GALUSKI: Yes, I did.

21 MR. CHISUM: Then there is opportunities for
22 refinance, refinancing. And that being the case, thank
23 you. The refinancing piece, what -- is there something
24 that we do for outreach to those individuals that have the
25 opportunity to refinance?

1 MS. GALUSKI: We do plan to reach out to the
2 existing borrowers and make them aware of the program.
3 And we also plan probably more importantly to -- some of
4 the lenders have already been calling us and asking us,
5 you know, will we ever be able to refine any of these
6 loans. Our mortgagers want to refine and they can=t.

7 So I think the key to the marketing effort is
8 going to be getting back out to the lenders. Because we
9 will still be using all of our participating lenders. And
10 they will reach out to their customers as well.

11 MR. CHISUM: Okay. And who sets the rate?

12 MS. GALUSKI: We set the rate.

13 MR. CHISUM: Thank you.

14 MR. OXER: So essentially, it sounds like you
15 are harmonizing the program, making it easier, more cost
16 efficient for a first time homebuyer to get in. We are
17 doing, we are meeting our assignment from the circus over
18 on the hill to get this done.

19 MS. GALUSKI: Absolutely.

20 MR. OXER: You have got about 2,000 that are
21 out there now. Apart from talking to the lenders, is
22 there any way to make this more known to each of those
23 2,000 that are out there. And out of that 2,000, you said
24 you didn=t expect all of them, but probably a good
25 percentage of them.

1 MS. GALUSKI: Right. We are expecting --

2 MR. OXER: This could be significant money for
3 a new family or a new homeowner who is out there. Make a
4 lot of difference for some folks out there. And I think
5 that is laudable that we are trying to do that.

6 MS. GALUSKI: Yes. And we have discussed
7 internally. And I think one of the options is that we go
8 out and we actually send a letter to every borrower in the
9 program and say, this is a refinancing option available to
10 you. You know, contact a participating lender. Because
11 they don=t have to go through their original lender. They
12 can go through any of our participating lenders. And you
13 know, break out.

14 MR. OXER: So if their original lender doesn=t
15 want to participate, they have got the option to go to
16 somebody who does?

17 MS. GALUSKI: Yes.

18 MR. OXER: Your average score or minimum score,
19 FICO score is 660, what is the average score for those who
20 came into the program to begin with?

21 MS. GALUSKI: The average score for those who
22 came in the program to begin with --

23 MR. OXER: Come on. We are all data nerds up
24 here.

25 MS. GALUSKI: I knew you were going to ask

1 that. The weighted average is 674.

2 MR. OXER: Good. Okay. All right. Any other
3 questions?

4 (No response.)

5 MR. OXER: Okay. With respect to this item --

6 MR. GANN: I move for approval.

7 MR. OXER: Okay.

8 MR. GOODWIN: Second.

9 MR. OXER: Okay. Motion to approve staff
10 recommendation on Item 4(a) by Mr. Gann, second by Mr.
11 Goodwin. Is there any public comment?

12 (No response.)

13 MR. OXER: There appears to be none. Those in
14 favor, aye.

15 (A chorus of ayes.)

16 MR. OXER: And opposed?

17 (No response.)

18 MR. OXER: There are none. It is unanimous.

19 Thanks, Monica.

20 MS. GALUSKI: Item 4(b).

21 MR. OXER: Yes. Okay.

22 MS. GALUSKI: This is presentation, discussion
23 and possible action on Resolution 15-014 regarding the
24 annual approval of the Department=s investment policy.
25 Texas Government Code 2256.005 requires the Department to

1 adopt a written investment policy and investment
2 strategies and to review that policy annually.

3 You should each have a copy of the proposed
4 policy. And you should have a clean version, as well as a
5 black line version, which hopefully makes it easier to see
6 the changes.

7 Over the years, this policy has evolved to
8 reflect changes in statute, changes in the investment
9 market and internal policies of the Department. As such,
10 this years proposed changes are minor in nature and
11 consist primarily of modifications to add clarity and
12 detail plus a bit of clean up.

13 You have probably noticed the removal of
14 language in Section 7 under ethics and conflicts of
15 interest. We did remove language that was not investment
16 policy specific, but it is rather more a general ethics
17 consideration that are specifically covered in the
18 Department=s ethics policy.

19 So we were trying to sort of narrow the focus
20 to investment policy related items. Other than that, the
21 changes are not substantive.

22 The Department=s Investment Officers are David
23 Cervantes, the Chief Financial Officer and myself. In
24 consultation with legal counsel and the Department=s
25 financial advisor, George K. Baum, we have reviewed the

1 investment policy in its proposed form and have determined
2 that it is compliant with the Public Funds Investment Act
3 and is appropriate for the Department=s investment
4 interests and requirements.

5 Staff recommends approval of Resolution 15-014.

6 And I would be happy to answer any questions. And if I
7 can=t, we do have our financial advisor and bond counsel
8 here with us.

9 MR. OXER: Okay. Are there any questions from
10 members of the Board?

11 (No response.)

12 MR. OXER: Just so everybody knows, I am sure
13 they -- here, Barton, stand up. Show everybody who you
14 are. Since you came casual today, with no jacket. David,
15 you are good with this, right?

16 MR. CERVANTES: [inaudible]

17 MR. OXER: Yes. He says yes.

18 MS. BINGHAM ESCAREÑO: Mr. Chair, I will move
19 to approve the policy.

20 MR. OXER: Okay. Motion by Ms. Bingham to
21 approve Item 4(b).

22 MR. CHISUM: Second.

23 MR. OXER: Second by Mr. Chisum. Is there any
24 public comment?

25 (No response.)

1 MR. OXER: There appears to be none. So we are
2 doing basically okay. Is that what you are saying?

3 MS. GALUSKI: We are doing basically okay.

4 MR. OXER: Okay. That is always a good thing.
5 So all right. Those in favor, aye.

6 (A chorus of ayes.)

7 MR. OXER: Opposed?

8 (No response.)

9 MR. OXER: There are none. It is unanimous.
10 Okay, 4(c).

11 MS. GALUSKI: presentation, discussion and
12 possible action on Resolution 15-015 regarding the annual
13 approval of the Department=s interest rate swap policy.
14 Similar to what we just went over on the investment
15 policy.

16 You should each have copies of clean and black
17 line. In 2004, the Department adopted an interest rate
18 swap policy to establish policies and requirements related
19 to the use and management of interest rate management
20 agree notes. That policy requires an annual review of the
21 policy by the Chief Financial Officer and the Director of
22 Bond Finance.

23 David Cervantes and I have reviewed the
24 proposed policy as presented to the Board for approval.
25 This review was performed in consultation with our swap

1 advisor, George K. Baum. In 2009, the swap policy was
2 substantially changed to reflect changes in the regulatory
3 environment, and in swap and investment markets.

4 Since then the policy has only needed minor
5 edits, which is the case today, with what I would consider
6 one noteworthy modification. We have added the language
7 to provide for, with the Executive Director=s approval,
8 execution of optional par termination rights with respect
9 to the Department swaps.

10 It is the same authority that you granted us in
11 February for the 2004 (b) and (d) swaps. And I thought if
12 we memorialized it in our swap policy, and had it apply to
13 all of our swaps, we wouldn=t have to keep coming back to
14 you.

15 MR. OXER: I think that is a good idea. In
16 fact, and to remind, to restate for the record, the
17 purpose for doing that was to be able to take advantage of
18 short term availability that might not occur until after
19 the Board meeting.

20 MS. GALUSKI: Absolutely.

21 MR. OXER: All right. Okay.

22 MS. GALUSKI: So the staff recommends approval
23 of Resolution 15-015. And I would be happy to answer any
24 questions.

25 MR. OXER: Okay. Any questions from the Board?

1 (No response.)

2 MR. OXER: I am frankly happy to see us getting
3 to where we have got this variable rate debt sort of out
4 of the way.

5 MS. GALUSKI: Yes. Just so you know, on our
6 swaps, the original notional of the swaps we still have
7 outstanding, which we have five single family swaps
8 outstanding right now. The original notional was 367
9 million and we are now currently down to 189 million.

10 MR. OXER: That is the right direction and the
11 right speed. So okay. Any questions from the Board?

12 (No response.)

13 MR. OXER: Any public comment?

14 (No response.)

15 MR. OXER: There appear to be none. Okay.
16 With respect to Item 4(c), motion to consider?

17 MS. BINGHAM ESCAREÑO: Move to approve.

18 MR. OXER: Motion by Ms. Bingham to approve
19 Item 4(c).

20 MR. GOODWIN: Second.

21 MR. OXER: And a second by Mr. Goodwin. No
22 public comment?

23 (No response.)

24 MR. OXER: All in favor, aye.

25 (A chorus of ayes.)

1 MR. OXER: Opposed?

2 (No response.)

3 MR. OXER: There are none. It is unanimous.
4 Thanks, Monica. Well, Patricia, it looks like you are
5 back. I understand Item 5 was an appeal, and it has been
6 pulled. Is that correct? It=s still correct?

7 MR. IRVINE: Correct.

8 MR. OXER: Okay. Thanks, Jean. Okay.
9 Patricia.

10 MS. MURPHY: Patricia Murphy, Chief of
11 Compliance. Item 6 is requesting approval to repeal the
12 current previous participation rule and propose a new one.

13 Previous participation reviews are the process used to
14 evaluate an entity=s compliance status before awarding new
15 funds or entering into contracts.

16 These reviews are required by the Department=s
17 enabling legislation and other federal requirements. And
18 they are important to ensure that organizations that we
19 are doing business with are willing and able to comply.

20 The rule is being proposed as a new subchapter
21 in the Texas Administrative Code with four subchapters.
22 Subchapter (a) pertains to multifamily awards and
23 ownership transfers. Subchapter (b) is about awards and
24 contracts entered into under the Department=s formula
25 funded Community Affairs programs.

1 Subchapter (c) is the process that will be used
2 for everything else. So example, our home tenant based
3 rental assistance program, our Emergency Solutions Grant,
4 our single family stuff. And lastly, Subchapter (d) lays
5 out a process for appeals.

6 Before going into an overview of the rule, I
7 want to give you just a little bit of background about
8 where we have been, and where we are proposing to go. For
9 about ten years, the Department used a system called the
10 material noncompliance status system.

11 It assigned points to different events of
12 noncompliance. The more serious the event, the more
13 points. If you owned a property with too many points, you
14 were considered to be in material noncompliance. And in
15 order to get any funding, it required special Board
16 action.

17 In January of 2014, the Department adopted new
18 rules eliminating this scoring system. The changes were
19 made in part because of legislative changes, and in part
20 because the system just didn=t work anymore. Things got
21 too complicated, and resulted in some properties
22 unjustifiably being found in material noncompliance and
23 other properties with some pretty serious issues that fell
24 below the threshold.

25 So in January of 2014, we moved in a different

1 direction. And we started having the Executive Award
2 Review Advisory Committee better known as EARAC review the
3 compliance history of applicants.

4 This process has its pros and cons. It seems
5 like this new process has really helped to get the
6 attention of some owners and provided a process for the
7 Department to work with owners on internal controls and
8 communication in order to prevent and timely correct
9 noncompliance.

10 But a pretty big downside of this process is
11 that applicants don=t really know where they stand. Under
12 the old system, justified or not, you knew what your score
13 was, and you were in or you were out.

14 Under this new system, applicants have felt
15 uncertain about how EARAC would view their compliance
16 history. So today staff is proposing sort of a hybrid
17 approach that provides some type of scoring structure but
18 still has the EARAC review. The proposed rule introduces
19 a new concept of categorizing applications.

20 At the time the review is being conducted,
21 applications will be categorized as one, two, three or
22 four. Category one and two applications are presumed to
23 have an acceptable compliance history. Category three and
24 four applications are those with past compliance issues
25 that will be reviewed by EARAC prior to making

1 recommendation to the Department=s Board.

2 The rule also takes into consideration the
3 number of rental developments affiliated with applications
4 being considered. The more properties, the more tolerance
5 for past issues of non-compliance.

6 The rule provides a notice to applicants that
7 their compliance history is going to be discussed by EARAC
8 if they are a Category Three or Four. And gives
9 applicants a change to comment on, or explain mitigating
10 circumstances related to noncompliance events. In
11 addition, it gives applicants the ability to suggests
12 terms and conditions to be placed on their awards related
13 to their compliance history.

14 Subchapter (b) is about the Department=s
15 formula funded Community Affairs program. It pretty
16 closely mirrors the process required by the new OMB
17 Supercircular and it evaluates a subrecipients single
18 audit and past monitoring findings as well as taking into
19 consideration capacity issues at the subrecipient by
20 looking at the tenure of key personnel and what type of
21 accounting and client tracking software they will be
22 using.

23 Subchapter (c) is very similar to Subchapter
24 (b) with just a few variances related to the timing of the
25 review. Both Subchapters (b) and Subchapter (c) have

1 provisions for notice to applicants before EARAC
2 consideration. And a process available for an appeal of
3 an adverse recommendation by EARAC.

4 Lastly, Subchapter (d). EARAC does not
5 actually make awards. That is something all of you do.
6 So what an applicant can appeal is an EARAC
7 recommendation. And that is what Subchapter (d) is about.

8 The proposed rule provides applicants an
9 opportunity for a face to face meeting with the members of
10 EARAC before a final recommendation is presented to the
11 Board. However, if an applicant and EARAC cannot see eye
12 to eye on an award or terms to be placed on an award, that
13 issue will come before the Board for consideration.

14 Staff has had a robust dialogue with our
15 stakeholders about this rule through roundtables,
16 conference calls, and online forum discussions. We have
17 solicited feedback and questions. We have incorporated
18 ideas we have received.

19 And we feel pretty good about this new rule.
20 We think it sends the right message about how seriously we
21 take compliance. But it also allows for flexibility for
22 consideration of extenuating circumstances.

23 It is an 11 page rule. There is four
24 subchapters. And this was actually a pretty high level
25 overview. And of course, the devil is in the details.

1 So if you have any questions, I would be happy
2 to answer them. Otherwise, staff recommends approval of
3 the proposed rule and proposed repeal as presented in your
4 Board book.

5 MR. OXER: Questions from the Board?

6 MS. DEANE: Let me just make a clarification.

7 MR. OXER: All right.

8 MS. DEANE: You have discussed the other
9 subchapters. But today is just Subchapter C right. Today
10 we are just doing Subchapter C?

11 MS. MURPHY: Chapter C with subchapters (a),
12 (b), (c), and (d).

13 MS. DEANE: With rule -- well, we are not doing
14 more than one subchapter today. We are just doing
15 subchapter (c) today. And there are what, four rules
16 within subchapter C, correct? Subchapter C is the only
17 thing that is posted today.

18 MS. MURPHY: Oh dear. Subchapter C. Yes.
19 Thank you, Barbara. Yes. It is a subchapter --

20 MS. DEANE: Subchapter --

21 MS. MURPHY: I know. I am sorry.

22 MS. DEANE: Subchapters, paragraph.

23 MS. MURPHY: Yes. It is confusing.

24 MS. DEANE: The way the Texas Register looks at
25 things, it can be very confusing.

1 MS. MURPHY: Yes. It is a subchapter of the
2 general part of the Texas Administrative Code. And like I
3 said, there is four different sections to it.

4 One is about multifamily and ownership
5 transfers. One is about formula funded Community Affairs.
6 One is about all of our other programs. And one is
7 appeal.

8 But they are not labeled subchapters. I messed
9 that part up. Sorry.

10 MR. IRVINE: Sections.

11 MR. OXER: Sections.

12 MS. DEANE: Right.

13 MS. MURPHY: Sections.

14 MR. OXER: Okay.

15 MS. MURPHY: Sorry. And I got all ready with
16 my notes, and I still messed it up.

17 MS. BINGHAM ESCAREÑO: Patricia, I have a
18 question. So you mentioned at the beginning that there
19 was an opportunity for the community to provide some
20 feedback on an online forum.

21 And you didn=t really have any official takers.
22 But staff did receive a couple of emails. That is where
23 kind of the big portfolio recommendation --

24 MS. MURPHY: Extra large.

25 MS. BINGHAM ESCAREÑO: Extra large. There you

1 go. So no other real feedback? I guess I am just kind of
2 surprised that there wasn=t more feedback.

3 MR. OXER: Yes. Let me add -- let me amplify
4 onto that question. Because you said it before. We had
5 put out a request for feedback for the community action
6 network, didn=t get much.

7 You know, you put things out to this network
8 about this problem. You know, you got -- did you get
9 enough that you felt like it made a representative sample
10 of what the general sense was out there, the --

11 MS. MURPHY: Okay. A couple of different
12 things. So we put that online forum out. And we reached
13 out to some key stakeholders that often have comment about
14 the multifamily portion.

15 And my general sense, there is no public
16 comment. But my general sense was that it is actually
17 fairly well received, which made me read it again.

18 MR. OXER: Cameron, what have you got?

19 MR. DORSEY: I just would mention that --

20 MR. OXER: And you are --

21 MR. DORSEY: Cameron Dorsey, Chief of Staff.
22 One thing that occurred was, we did a lot of work prior to
23 putting out the staff draft.

24 And so there was a round table with a lot of
25 feedback prior to that, that helped shape what was in the

1 staff draft. And I think the fact that there wasn't
2 significant comment subsequent to the staff draft simply,
3 hopefully means that we listened and kind of got it right.

4 MR. OXER: So this wasn't the only opportunity
5 they had. This was just their most recent opportunity.
6 And they had availed themselves of that beforehand.

7 MR. DORSEY: That is right. That is right.
8 And you know, we spent time on the phone with folks, and I
9 mean, there was a lot of ground work prior to that staff
10 draft.

11 MR. OXER: Good.

12 MS. MURPHY: [inaudible]

13 MR. OXER: Is that good, Leslie?

14 MS. BINGHAM ESCAREÑO: Yes, sir.

15 MR. OXER: Okay.

16 MS. MURPHY: And the community affairs network
17 in that compliance update that I did, we did have a round
18 table about this. I received a few very small suggestions
19 about the rule itself. And then the roundtable kind of
20 got off topic and onto some different issues.

21 MR. OXER: Okay. Any other questions from the
22 Board?

23 (No response.)

24 MR. OXER: Okay. This is for the proposal for
25 the rules.

1 MS. MURPHY: For public comment.

2 MR. OXER: Describe the sequence from here on
3 out. These have been announced, these are -- so we are
4 getting ready to implement these rules?

5 MS. MURPHY: We are sending them out for public
6 comment.

7 MR. OXER: All right.

8 MS. MURPHY: So they will be available for
9 public comment through June 1st. And then we will do a
10 recent response to any comment we receive. And we will
11 bring them back for final adoption.

12 MR. OXER: Okay. So we are essentially putting
13 them in the Texas Register as we have developed them for
14 now. This will not be the final rule.

15 This is only the most recent edition for public
16 comment. And we=ll have another opportunity to make
17 amendments and additions to it?

18 MS. MURPHY: That is correct.

19 MR. OXER: We get to live with them after July,
20 more or less. More or less.

21 MS. MURPHY: Sounds about right.

22 MR. OXER: Yes. Okay. All right.

23 MR. GANN: I will move for staff=s
24 recommendation.

25 MR. OXER: Okay. Motion by Mr. Gann to approve

1 staff recommendation? Do I hear a second?

2 MS. BINGHAM ESCAREÑO: I will second.

3 MR. OXER: And a second by Ms. Bingham. There
4 appears to be no public comment?

5 (No response.)

6 MR. OXER: Is there any other questions from
7 the Board?

8 (No response.)

9 MR. OXER: Okay. Motion by Mr. Gann, second by
10 Ms. Bingham. Did I get that right?

11 MS. BINGHAM ESCAREÑO: Uh-huh.

12 MR. GANN: Yes.

13 MR. OXER: Okay. Okay. On Item 6, those in
14 favor, aye.

15 (A chorus of ayes.)

16 MR. OXER: And opposed?

17 (No response.)

18 MR. OXER: There are none. It is unanimous.
19 Interestingly, we are moving along briskly on the agenda.

20 We are now at the point where we will accept public
21 comment for items other than those which were posted on
22 the agenda.

23 I would remind all of those present that wish
24 to speak that we can only receive your information and
25 take it down as an item to be attended to in the next

1 agenda. We won=t be able to respond. Is there anyone who
2 wishes to say anything? Add anything to the agenda?

3 (No response.)

4 MR. OXER: Okay. Is there any other public
5 comment from the staff?

6 (No response.)

7 MR. OXER: Any other comment from those on the
8 dais?

9 (No response.)

10 MR. OXER: Any other comment from members of
11 the Board?

12 (No response.)

13 MR. OXER: Mr. ED, are we good?

14 MR. IRVINE: Great.

15 MR. OXER: Okay. I get the last word. We are
16 getting really efficient at doing this, folks. And I
17 appreciate that. I appreciate the effort that everybody
18 puts in onto this. With that, I will accept a motion to
19 adjourn.

20 MS. BINGHAM ESCAREÑO: So moved.

21 MR. OXER: Motion by Ms. Bingham to adjourn.

22 MR. CHISUM: Second.

23 MR. OXER: Second by Mr. Chisum. No public
24 comment required. Those in favor, aye.

25 (A chorus of ayes.)

1 MR. OXER: And opposed?

2 (No response.)

3 MR. OXER: Oddly, there are none. Okay, folks.

4 See you in three weeks.

5 (Whereupon, at 10:25 a.m., the meeting was
6 concluded.)

C E R T I F I C A T E

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MEETING OF: TDHCA Board of Trustees

LOCATION: Austin, Texas

DATE: April 16, 2015

I do hereby certify that the foregoing pages,
numbers 1 through 54, 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.

04/22/2015

(Transcriber) (Date)

On the Record Reporting
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