BEFORE THE
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MEETING OF THE
PROGRAMS COMMITTEE

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

12:35 p.m.
Friday,
May 19, 2000

COMMITTEE MEMBERS PRESENT:

DR. FLORITA BELL GRIFFIN, Chairman
JAMES DAROSS
ROBERT BREWER

STAFF:

DAISY STINER, Executive Director

ON THE RECORD REPORTING
(512) 450-0342
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DR. GRIFFIN: I'd like to call the meeting to order in just a couple of minutes if everybody could get settled. The Programs Committee members are hungry. And if we could go through this agenda right quick, that would mean we could get lunch before the 1:30 board meeting.

Do -- let me -- all right. The Programs Committee meeting for the Texas Department of Housing and Community Affairs, May 19, 2000. It's approximately 12:33. Call to order. Call to order. Role call. Let's certify the quorum.

Florita Bell Griffin is here. Mr. James Daross?

MR. DAROSS: Here.

DR. GRIFFIN: Mr. Robert Brewer.

MR. BREWER: Here.

DR. GRIFFIN: All members of the committee being present, quorum has been certified. The first item on our -- well, before I go there, do I have any witness affirmation forms?

Are there any citizens or anybody in the audience that would like to speak? If you would, if you'd fill out a witness affirmation form, we'd be glad to hear from you at this time.

(Pause.)
DR. GRIFFIN: You can see we're not as popular
as tax credits. If you state your name, you could just go
on and just fill it out and give it to us.

MR. TRAYLOR: Would that be all right?

DR. GRIFFIN: That would be just fine, sir.

MR. TRAYLOR: Thank you so much. I sure
appreciate that. I've got -- pardon me. Let me start by
saying, Dr. Griffin and members of the Programs Committee,
thank you for letting me speak to you this morning.

My name is Gary Traylor. I'm a consultant that
works with a member of communities in Texas in the Texas
Community Development Program and the State of Texas HOME
Program.

I'm here today -- and, by the way, we had a
Power Point presentation prepared for you all, but I know
in the interest of time you don't want to allow for the
set up of that, and I fully understand that.

DR. GRIFFIN: Well don't rush then. We
appreciate you not doing the Power Point, but you can take
your time and make your presentation. I don't want to
rush you if you went to that much trouble for us. At
least present what you, you know, have.

MR. TRAYLOR: Thank you very much. Appreciate
it. I'm here today representing several communities that
are operating owner occupied housing rehabilitation
programs with funds provided under the State of Texas HOME Program.

The purpose of my presentation to you is to discuss a problem these communities have encountered in implementing their local programs and to request your consideration of possible appropriate relief from the problem that we have found.

The communities that I'm here representing today are the cities of Sundown, Rusk, White Oak, Stanford, Gladewater, Lufkin, and Lindale. And you might note that these communities are widely dispersed in a number of different areas of Texas and also represent a broad range of populations as well.

We are not accompanied this morning by any representatives -- any local elected officials from those communities, because we are not an agenda item with you. This is primarily an information presentation and a request for possible future action. But we certainly would be glad to bring representatives if that is appropriate at some point.

DR. GRIFFIN: Your attendance is good enough.

MR. TRAYLOR: Thank you very much, Dr. Griffin.

The HOME program funds allocated to these communities were awarded to each of them based on a competitive selection process -- an annual competitive cycle.
Statutorily, the HOME program requires means testing, as do most of the programs administered by this agency, and the federal law restricts assisting people under the HOME program with incomes above 80 percent of median income. So you have to have an income of at or below 80 percent of median income.

Now, that may be very usable for some of the participating or entitlement jurisdictions in the HOME program, but for non-entitlement jurisdictions in Texas HOME grants, of course, are allocated following an annual cycle of competitive applications.

The Department receives many more applications than it has money to fund, as you know, and the applications are reviewed and scored by the Department staff. In fact, they are currently scoring applications from a recent round of applications.

Prior to receive applications, TDHCA has very generously made information available to prospective applicants, including an explanation of the scoring system that will be used to write the applications.

Due to high demand for these funds, the margin that separates an unsuccessful applicant from a successful applicant is very, very small. There's -- the winners and losers in that application process are separated by a very small number of points. The process is highly
competitive.

In this kind of an atmosphere, applicants and their advisors -- and I count myself among them -- know that if an application is to be in real contention for these funds, it must be designed to address the Department's scoring criteria.

Likewise, a presumption exists that the scoring criteria that had been established by the Department are intended to promote projects that reflect the public policy of this state regarding housing needs.

Each of the communities that I am representing here today have adopted local program guidelines that further the commitments contained in their applications to restrict eligibility in the handling of their local programs only to the very low income; that is, those with incomes at or below 30 percent of median income. So each community has committed that 100 percent of those funds will go to that group.

Now, the adoption of those guidelines was necessary, because there is a restriction in the grant contracts of each of these communities carried forward from the original grant application that provides from income targeting. So income targeting is a provision of the grant contract that the communities had with TDHCA.

This particular provision is one from which no
deviation is allowed without going through a process to formally amend the grant contract.

In addition, communities are currently operating these programs under a policy that the agency has here that they must expend their HOME program funds within 14 months of the commencement date of the grant contract or face the obligation of the funds that have not been expended by that time.

And, of course, that's consistent with an overall agency goal which you have established to increase the amount of funds that are expended at a given time. I know that many of the programs have come under fire, not only maybe from you, but also from some of those in Congress that are displeased with the rates of expenditure somehow. So we know that this is necessary, and we're all working very hard to increase those expenditure rates.

Now, the communities I'm representing today also have made extensive efforts to publicize and market their local HOME programs. The folks have done a very good job.

In addition to newspaper advertisements, there have been public service announcements made on local radio stations and, in some instances, cable access channels. We've had good contact with the community services network in these communities.
We've worked with local churches. We've passed out flyers in the neighborhoods. We've just done all manner of things, including, I will admit in some cases, even personal solicitation, you know, to -- by contacting people saying, you know, we know that you may have had some needs to improve your home, and are you sure that you're not aware of this, and would you like to apply.

Now, the problem that we're having here is that, as a result of these marketing efforts, there has been extensive interest in the HOME program. But we have been unable to identify a sufficient number of people in these communities who meet the eligibility requirements of the program and are of very low income.

Consequently, although we can stand here and tell you that we have served every very low income person who has responded to the marketing, who has submitted an application, who has received technical assistance, had the application completed. And, in fact, over half of the funds in these communities on an average has been expended. But we do have unexpended funds. Likewise --

I'm sorry.

DR. GRIFFIN: Can I stop you?

MR. TRAYLOR: Please.

DR. GRIFFIN: I think we get the --

MR. TRAYLOR: Gravity --
DR. GRIFFIN: -- point where you're going. Do you have another major point to make?

MR. TRAYLOR: Yes.

DR. GRIFFIN: Okay. If you'll make that, then I have some questions to ask you --

MR. TRAYLOR: Yes, ma'am.

DR. GRIFFIN: -- if we can --

MR. TRAYLOR: Yes, ma'am.

DR. GRIFFIN: Okay.

MR. TRAYLOR: Would you hand -- out the -- to the committee real quick. What I wanted to show you -- and I think you can see from the slides that we have here -- is that we believe that the primary culprit for this problem is the application of the zero to 30 percent income bracket as the definition for very low income people and the fact that those incomes exceed the public assistance levels in some of these areas. And we just -- we're having a problem.

And I -- Dr. Griffin, you probably, by virtue of -- I know the very patient participation you all have had this week in the hearings -- probably have heard some other comments expressed like this.

DR. GRIFFIN: That's why I need you to put yours in --

MR. TRAYLOR: Very good.
DR. GRIFFIN: I need you to put yours in writing.

MR. TRAYLOR: I'll be happy to --

DR. GRIFFIN: That you have --

MR. TRAYLOR: -- very happy to.

DR. GRIFFIN: You're working with these communities.

MR. TRAYLOR: Very happy to.

DR. GRIFFIN: Do you have any more communities that you're working with that you -- what you're saying is you can't find the people at or below 30 percent? Am I hearing you right?

MR. TRAYLOR: That's exactly correct.

DR. GRIFFIN: To take funds.

MR. TRAYLOR: That's exactly --

DR. GRIFFIN: And we're getting beat up because we don't provide -- they're saying we're not sensitive to the very low. But there are funds out there that cannot be spent and --

MR. TRAYLOR: What we need so badly for you all to do is to allow these -- these communities don't want to lose these funds. We now have a long list of people who are low income that have been waiting for this fund. We don't want to lose them.

The thing we would like to get the authority to
do is to get some appropriate contractual relief from the
Department beginning to work -- beginning at the lowest
incomes, going up the list, to spend the remaining dollars
that exist in these communities.

And we have -- we would certainly even be happy
to accept a requirement that said -- that would say that
under no circumstances would a recipient be assisted whose
income exceeded the very low income limits for, say, one
of the metropolitan areas like Dallas, Fort Worth, or
Houston.

That would still give us enough leeway to make
enough folks locally eligible that we could expend the
remaining dollars. And most of the people that we're
talking about denying assistance to have incomes of less
than $12,000 a year.

DR. GRIFFIN: Mr. Traylor, I'm going to -- I'll
make my comment -- what my thoughts are and then I'll open
it up to the committee. And then I'm sure no decisions
can be made today. It will be up to staff to see what we
can do.

But my comment on this is that whereas you --
I'm a businesswoman so -- you know, in business you've
got -- you give a little and you get a little. Right?

MR. TRAYLOR: Yes.

DR. GRIFFIN: And what I -- and you need us to
make the decision that will help you expend these funds so these communities will not lose it.

MR. TRAYLOR: Yes, ma'am.

DR. GRIFFIN: We need the community support as we get beat up here going through this process -- and we're going to be going through it for a while until, you know, the session gets back in.

We need support of communities like this. We need it in writing. We need people that are prepared to come, that remember whatever it is that we're able to do, and speak up and not sit back -- I'm just --

MR. TRAYLOR: We're very happy to.

DR. GRIFFIN: -- pleased -- I'm -- you know, I get emotional --

MR. TRAYLOR: I know you're very --

DR. GRIFFIN: I'm not meaning any harm with my voice raising.

MR. TRAYLOR: I appreciate the fact you do.

DR. GRIFFIN: I'm just putting my -- I'm just telling you how I feel. We need people to sit up -- speak up of what we're doing and what we're trying to do, because we're getting massacred behind lies.

You know, you would think from hearing about us that we're not concerned at all about these people -- these folks in this income bracket. And I'm sure that
these cities that you named here, you know, don't even represent all of the cities out there who have money at the lowest -- who aren't able to make it do with the -- you know, the powers that be will want to make it sound like, you know, we're just not doing what we're supposed to do.

MR. TRAYLOR: Well, the communities and the local community service organizations are very frustrated by this, because they see such great need that they're unable to address and --

DR. GRIFFIN: I -- what I need is for you to address -- you can address it to me or you can address it to the chairman of the board -- I just definitely need a copy of it. I need a letter that talks to me about this presentation --

MR. TRAYLOR: I've got it.

DR. GRIFFIN: -- succinctly. And tell me that, you know, they've the 30 percent money and you can't spend it --

MR. TRAYLOR: Exactly.

DR. GRIFFIN: -- you know. And so you need guidelines changed so that you can serve folks that are -- you know what I mean?

MR. TRAYLOR: Yes, ma'am.

DR. GRIFFIN: And then I'll open it up for
other committee members' comments. And then ultimately, I guess, Ms. Stiner, it would be up to staff to tell us if anything can't -- if anything can be done and how in the future we can offer to the lowest of the low and still cover ourselves so that the communities don't lose the money if they do the very best they can to spend it.

So, fellow committee members, your comments are welcome. And then we'll hear --

MR. DAROSS: I think what you're saying is exactly right. There's a basic lack of understanding at the legislative level on what the problems are faced that you're talking about here.

MR. TRAYLOR: I think you're right. And, you know, the goals of Rider 3, for example, are very laudable goals. And they're goals that most of the communities generally agree with. It's just that the particular numbers that are being used are creating a ceiling that's working against the very thing they're trying to accomplish. And --

DR. GRIFFIN: Well, you're the professional in that area? I need you to tell me that in writing.

MR. TRAYLOR: I'll be glad to. Thank you very much for the opportunity.

DR. GRIFFIN: Please attach your vita with that.
MR. TRAYLOR: Okay. Sure will.

MR. BREWER: Well, I just have a question for Pam Morris. Pam, you have looked at this presentation yourself, have you?

MR. TRAYLOR: I think she's generally aware of its content --

MR. BREWER: Yes.

MR. TRAYLOR: -- but she hasn't seen that material.

MR. BREWER: But do you have anything other than what he's saying that this is the problem? Because one thing I will mention, sitting through this Sunset review, a gentleman -- and I wish I could remember his name, but I don't -- from a rural area made a presentation. And he made these points also that this 30 percent -- that it's just not happening in the rural areas for reasons that you have shared also.

MR. DAROSS: But it's across the board too. I mean you heard Demetrio Jimenez up there saying he had 1,000 applicants and only 74 of them qualified.

MR. BREWER: Right.

DR. GRIFFIN: But then I also heard in the -- you know, in the meeting that information gets switched to make it look like we weren't even trying to work in the rural areas. And I'm not getting ready to get beat up any
more.

    So I want to help do what you want to do, but I'm surely going to use the information you give me to smear it in the faces of the folk who --

    MR. TRAYLOR: Dr. Griffin, we'll be more than happy to provide that to you.

    DR. GRIFFIN: Thank you.

    MS. MORRIS: I have to agree with Mr. Traylor. We've obviously -- just since I've been involved with the HOME program, have heard a number of comments with regard to expenditure rate on the 30 or below, and I do understand the situation.

    I think where we can improve the communication with the Legislature is show them every market -- every area of the state and what we're dealing with. I don't know if we can ever get to where we can actually define the population of the 30 and below, and I think that's where we need to show them what the need is there and that -- like we've always said, when we take away from one we -- when we give to one we take away from someone else.

    And we have a lot of families that are in that 50 to 40 percent range that could qualify that don't get the funds.

    I may get -- what has happened is because of that goal, it's been automatic that, well, everybody's
just got to set aside for it, you know, period, whether
you -- and that works for your area or not because of what
we feel the pressure is under.

But I think we need to be a bit proactive in
showing them an analysis of what our subrecipients are
dealing with and get feedback from them on each contract
that has that set aside.

DR. GRIFFIN: I assure you we will be proactive
from now on.

MS. MORRIS: Right. So I think that will
really help us. And have the ability to amend a contract
or a set aside should we see frustration or see that there
is just not an ability to penetrate that particular
market -- to have a backup plan to go back to the board
and say it didn't work; we need to set aside a different
target area or whatever and defend that without just
thinking, you know, you've got to do it at all cost or you
have your funds deobligated.

DR. GRIFFIN: Well, do you have any ideas on
what we can do here, or would you like to just come back
and tell us after you --

MS. MORRIS: I think we could come back. I
think going through this --

DR. GRIFFIN: Okay.

MS. MORRIS: Obviously Jeannie and I, the new
HOME manager, have an enormous list of items on our agenda to get looked at and get reviewed so we can better run the program. But we can get some analysis started.

DR. GRIFFIN: What kind of time are we looking at for your clients though? How close are you to your 14 months?

MR. TRAYLOR: Well, time is running out for a couple of them more so than some more. And, in addition, some of these communities also have applications pending with the Department and a long waiting list of low income people. And, certainly, they will continue to market the program to the very low. But it's just real -- we just hate to run up against the time frame and lose the money.

MR. BREWER: Yes, well, let me ask you this then because this here is going to be pretty involved. Do we in the agency at this time -- do we have the ability to grant extensions until we can resolve this problem or not?

MR. MORRIS: Yes, sir. Ms. Stiner can make that decision on extensions, as long as only staff has analyzed and made a recommendation that this is the activity.

MR. BREWER: Yes. And I have one other questions for Daisy. Daisy, I think that, you know, as this thing unravels and we can put something together, would it be appropriate for the agency to go with a letter
to LLB if this is an unrealistic thing or something that -- I mean, I'm taking that this is a commitment we have from the Legislature that we have to do this.

So the -- I would imagine the only opportunity we have to point the position to would be a letter through LLB or not?

MS. STINER: To -- there are opportunity to report the difficulties in various -- in a department faced with meeting any of the mandates if -- during the legislative process, not only to the LLB, in addition to the GBO, the Government Budget Officer, but also to the Legislature itself.

I think if we can share that kind of information with them and point out the barriers and how we may overcome that, if we find that that's the conclusion, we may be able to go back to them.

But I think the problem that we're describing here in this one program would be, you know, a problem that may not be unique to this program. But it would have to be looked at within the parameters of all of our programs because it's -- this is a Department wide initiative for this zero to 30.

But then it may be very good information to have that contributes to that particular discussion.

MR. TRAYLOR: One other thing I want you all to
really know is that none of these communities are requesting general relief to go all the way up to 80 percent of median income.

They really -- in fact, we would even encourage the Department, maybe in future competitions, to remove this particular design criteria from their scoring system because of the problems it's causing, and, instead, possibly have a requirement for communities to provide all of this assistance to the very low income.

If they exist, if they are found, if they apply, they should be -- they should receive priority.

DR. GRIFFIN: Thank you. I need letters.

MR. TRAYLOR: I'll get you one.

DR. GRIFFIN: Thank you.

MR. TRAYLOR: Thank you again.

DR. GRIFFIN: Thank you much.

MR. TRAYLOR: Appreciate it.

DR. GRIFFIN: Thank you. Thank you for the time it took to prepare this also. Do I have any other witness affirmation form? Anyone else wish to speak to this committee? (Pause.) All right.

The first item on our agenda is the presentation, discussion, and possible approval of minutes for the Programs Committee meeting of April 14, 2000.

What is your pleasure?
MR. BREWER: I move that we approve the minutes as written.

MR. DAROSS: Second.

DR. GRIFFIN: It has been moved and properly seconded that the minutes for the Programs Committee meeting for April 14, 2000, be approved as written. All in favor let it be known with the sign aye.

(A chorus of ayes.)

DR. GRIFFIN: Opposed, nay.

(No response.)

DR. GRIFFIN: The motion carries. Item number 2, presentation, discussion, and possible approval to transfer and amend HOME contract number 535023 from the Corporation for Affordable Housing to the Housing Authority of Travis County and providing additional funds in the amount of $75,000 to finalize the project. Ms. Stiner?

MS. STINER: Thank you, Madame Chair. David Long, who's standing before you, will make the presentation on what categorized as a restructuring of a prior financial commitment -- well, beyond a commitment -- a financial loan to one of our HOME developments. Mr. Long, will you make the presentation on behalf of staff?

MR. LONG: Yes. Thank you, Ms. Stiner. Madame Chair, members of the committee. What you have before you
is -- well, it's a presentation to transfer an existing HOME award, along with the other items that are listed there, including some additional funds to finish the project.

Also attached in the board book were letters from both entities that we're dealing with, the original awardee, Corporation for Affordable Housing and the Housing Authority of Travis County have agreed to transfer fund and accept the award.

What we're looking to do here is move this project off of ground zero. What it is it's been sitting in an incompleted -- uncompleted condition for a considerable amount of time. I've made three site inspections to the project.

The five units that were of new construction, along with a rehab unit, are in various phases of construction and all need additional funds.

In addition to this transfer taking effect and just changing the name, we're also going to be amending the award -- the HOME award itself to allow that the new replaced awardee would be -- Housing Authority of Travis County would have access to the bonds of the original HOME award of $34,000 and would also grant them an additional $75,000 of non-HOME funds coming from unrestricted housing finance monies in order to complete the houses.
Under the HOME award guidelines, they cannot use monies for a same activity. And the conditions of these houses we had actually had money spent to put in air conditioning units and some other activities. Those contractors were not paid and those air conditioning units have been repossessed by the original contractors, leaving slabs with wiring and whatnot available.

We could not use the balance of funds to go back and put those new units back in, because that's been an activity -- it's already been paid for with HOME funds. So our additional monies, outside of HOME award, will allow them to use these funds to put in and replace the activities that had already paid for with HOME funds. In other words, they can't use HOME funds for the same award activity twice.

The $75,000 is being requested to not only replace -- to finish the activities that they had already started, but also to complete these units. Again, they're in various phases of construction completion and aren't going anywhere at this point in time. Corporation for Affordable Housing has told us they are not going to finish these units.

MR. DAROSS: Are they still in existence?

MR. LONG: Yes, they are.

DR. GRIFFIN: And they have -- they got the
money from us to have -- they had the money to pay and they didn't pay. Is that what you're saying? They had the money, for instance, for the air conditioners?

MR. LONG: An example to that would be -- to answer your question the answer would be yes. I'm not -- I have not had an audit done of their books, and I don't know that we're looking to do that at this time.

But I can tell you is there was a lien filed by the general contractor -- M and M lien filed by the general contractor. And we made them go out and clear that lien so that we could move forward with this proposed transfer. We did get confirmation that that judgment had been lifted and that that lien had been cleared.

MR. DAROSS: Well, I like what's going on here -- that we can transfer this to somebody else and get it done. I want to go after this original --

DR. GRIFFIN: I do too.

MR. LONG: And that -- again, we can take that as a second activity under this same thing. That's not a problem. I was just trying to move this project forward to get it completed and get low income individuals into these houses.

MR. DAROSS: Good. If we've got an awardee out there that's taking our money and is not spending it for what it's supposed to be taken for, then, number one, you
go after them financially, number two, maybe criminally.

    DR. GRIFFIN: Let's go.

    MR. DAROSS: I mean, that's fraud.

    MR. LONG: That would be our legal department
    we can work with --

    DR. GRIFFIN: Please work diligently.

    MR. LONG: -- him closely on that. What I
    would like to point out is this activity -- or this
    transfer has been discussed not only with internal staff
    but with both awardees.

    In addition, we've had some communications with
    HOME -- HUD staff in the HOME program. And, while we
    don't have it in writing, they've concurred with all that
    we've proposed to them.

    I do believe that as we move forward we can
    keep them fully informed as to what's going on to make
    sure that we're looking at doing this.

    I think what we'd like to also make note of is
    the fact that this was originally a rental unit project,
    and we're proposing that it be owner occupied. We will
    still stay within the income limits that HOME requires and
    move this forward.

    The other activity that's being proposed is
    right now the rental unit -- excuse me -- the rehab unit
    that's out there has a -- has, in my mind in looking at
it -- and if you ever want to drive by Manor and look at this thing -- it's probably -- it's been in existence for a considerable period of time.

And I think any additional monies put into this unit are a waste of funds. Currently there's $3,240 that have been put into the unit to start the rehab on it. No additional monies have gone into that.

And the proposed awardee that we're looking at, Housing Authority of Travis County, is asking for permission to either continue the rehab on it, but probably remove it and put in similar construction to tie into the other five new units that were there.

And I personally think that would look best for the city. It would complete the unit in a more uniform construction look also.

DR. GRIFFIN: Okay. Would you get us -- make sure that it -- the three of us get information on the Corporation for Affordable Housing, along with a list of its board members that --

MR. LONG: Sure.

DR. GRIFFIN: -- the people that were on the board. I guess we gave money in '97?

MR. LONG: It was on a draw process. They've drawn it out since the original award.

DR. GRIFFIN: Which started in '97?
MR. LONG: In '97. That's correct.

DR. GRIFFIN: I want a list of every board member who served on that board since the time we awarded that money to that non-profit please.

MR. LONG: Yes, ma'am.

DR. GRIFFIN: Thank you.

MR. LONG: Okay.

MR. DAROSS: I move that we recommend approval to the board of transferring and amending HOME contract number 535023 from Corporation for Affordable Housing to Housing Authority of Travis County and providing the additional funds of $75,000.

MR. BREWER: I second.

DR. GRIFFIN: Item 2 has been -- it has been moved and properly seconded that item 2 -- and I won't read the whole thing -- Judge, you did it so eloquently -- be approved as per staff presentation. All in favor, let it be known by the sign aye.

(A chorus of ayes.)

DR. GRIFFIN: Opposed, nay.

(No response.)

DR. GRIFFIN: The motion carries. Item 3, presentation, discussion, and possible approval of the Strategic Plan. Ms. Stiner, you can speak. However, we've had time -- we've had the plan, we've had time to
look at it. Does the committee have any questions? Do we need a presentation?

MR. DAROSS: I have a couple of comments.

DR. GRIFFIN: Okay. Go ahead.

MR. DAROSS: And it's really just a matter of presentation. It looked like it was thrown together in a real hurry. You need to work on the presentation of it -- the fonts, the way it's laid out. And I'm pretty sure the word workforce doesn't have an S in it.

DR. GRIFFIN: Ms. Stiner, I probably should have let you speak first. You want to go on?

MR. DAROSS: You need -- we need to use a spell checker on it.

MS. STINER: Thank you, Madame Chair. We have a draft plan that we have sent to you, and we'll certainly reformat and clean it up from that perspective. But we'll ask John Garvin to come forward, who -- director of Strategic Planning, to make the presentation. And there are a couple of comments that we need to do in terms of amendments.

DR. GRIFFIN: We don't have to have -- unless you have questions on items in it.

MR. DAROSS: No.

MR. BREWER: Yes, I do.

MR. DAROSS: Starting with the cover.
DR. GRIFFIN: Oh, you do?

MR. BREWER: I do.

MR. DAROSS: Misspelled year. 2001 to 2005 --

I think that's years.

MR. GARVIN: Yes. We've got all the edits

fixed up. This is kind --

MR. BREWER: Mr. Garvin, I did read it. It was
good reading, and I slept very good last night too.

And -- but one thing in it that I didn't see that I just
had the question -- do we need to address asbestos in
that, because we talk a lot about lead-based paint and
things like that. But asbestos is awfully expensive when
we do rehabs and things like that. But I didn't see that
in there, and I don't know if it's really mandatory that
you do that.

MR. GARVIN: Oh, no, it's not. Most of what's
in there isn't mandatory. We do have a lot of lead-based
paint because HUD has been changing the regulation --

MR. BREWER: Right.

MR. GARVIN: -- on lead-based paint. We can

add something to asbestos.

MR. BREWER: Well, doing -- rehab is -- it's so

prevalent in the older --

DR. GRIFFIN: Oh, I agree.

MR. BREWER: -- in almost all your rehabs.
DR. GRIFFIN: I agree.

MR. BREWER: And there's a lot of money involved.

DR. GRIFFIN: Yes, I agree.

MR. GARVIN: Uh-huh. Okay. We can add something to the final. If I could comment on the formatting, we have been having some terrible virus problems here, and -- in time to get it to you all to read. But the virus -- there are 18 different formats, and spellcheck's been done.

Do you want me to talk about what we talked about this afternoon?

MS. STINER: Yes, sir.

MR. GARVIN: Okay. Do you want me to go over the process how the plan was made or just get to the -- cut to the chase.

MS. STINER: Well, I think the committee --

MR. DAROSS: The committee's hungry.

MS. STINER: Yes.

DR. GRIFFIN: The committee's very hungry.

MS. STINER: The committee is hungry, but there are a couple of --

DR. GRIFFIN: Hit the highlights.

MR. GARVIN: Right. Let me just tell you what's going on in light of the Sunset recommendations
that have been discussed with us for a couple of days.

We don't want this to be representative of what
we think our plan needs to be. This is not a regional
plan; it doesn't take -- it addresses the transition from
statewide need basis funding process to a regional need
funding process with a simple 1112 [phonetic] and all
that.

So it's a transitional plan, and it's only -- I
actually wanted to get an extension so we could
incorporate -- Ms. Stiner wants the recommendations -- a
lot of the recommendations implemented and started soon so
we can get up to the two-year time period.

So this plan is not that plan. And I want to
make it very clear that this is due June 1, so we have to
do it according to the legislation.

But, in order to have the plan that the
Sunset's talking about as the Strategic Plan, legislation
has to be changed from the Low-Income Housing Plan
legislation to put that into the Strategic Plan.

DR. GRIFFIN: And I suggest that we go with the
plan we were going to do -- do it the way that we were
going to originally do it. If you have some things you
want to add, do it.

My recommendation is don't push yourself
because of Sunset. You go on and do it the way it ought
to be done, which is the way we're doing it. Make whatever corrections -- whatever you want to add to it, and you don't have to explain it. Just leave it like that.

MS. STINER: Well, that --
MR. GARVIN: We have written an introduction that we plan on updating it.
MR. DAROSS: Yes, I'd --
MS. STINER: I was going to say --
MR. DAROSS: -- rather do that.
MS. STINER: -- the plan itself lends itself to amendments down the road.
DR. GRIFFIN: Yes.
MR. DAROSS: Yes.
MS. STINER: So if, in fact, we can move forward we were trying to decide on how -- along that continuum, when do you start at least preparing for the amendments. But it's -- what you've just described is as practical as what we were anticipating.
DR. GRIFFIN: Oh, absolutely. Because that's where you get caught up. You've got your game plan of how it's supposed to move. You know what you're supposed to do. You do it that way. You don't let any outside forces change that. And then you let us fight it out.
MR. GARVIN: Okay.
MR. DAROSS: I agree.

MR. GARVIN: There are a couple of things --

MS. STINER: There were a couple of comments --

MR. GARVIN: -- that were added --

MS. STINER: -- you had additional to that, and

you will make them quick --

MR. GARVIN: Right. I'm good at making

comments quick.

MS. STINER: -- so that the committee can have

a lunch and get back for the board meeting.

MR. GARVIN: Yes, my stomach's grumbling too.

There's several new things based on the instruction which

is we're to include a compact with Texans, we are to do

customer satisfaction assessment related to Senate Bill

1563. And there's a new form out for definitions and

measures.

DR. GRIFFIN: Whoa, whoa. What?

VOICE: Well, you said quick.

DR. GRIFFIN: I'm sorry. I meant --

MR. GARVIN: Quick to a Yankee is different.

DR. GRIFFIN: Yes. And I appreciate it, but we

don't know what -- and I don't.

MR. DAROSS: You don't say quick to a guy

from --

DR. GRIFFIN: Okay. Okay.
MR. BREWER: John, start over.

MR. GARVIN: Okay. I'll go in between. The instructions this year call for a very different plan --
very different kind of Strategic Plan.

They wanted a better look at regional need, and which we incorporated what we had in the low-income housing plan on the census data what kind of housing need per region -- uniform state service region.

DR. GRIFFIN: What instructions are you referring to?

MR. GARVIN: The LBB and GOBP send over instructions every two years --

DR. GRIFFIN: Okay. Very good.

MR. GARVIN: -- which were distributed to all the directors to apportion. It includes a very new thing called a compact with Texans, which says if you have a complaint or an information request, just who is the contact -- where you go. And that's been the Housing Resource Center. And it describes a process for responding to information requests and such.

Senate Bill 1563 requires agencies to include in their Strategic Plan a report on customer satisfaction. And we use other public hearings. We do as our assessed -- customer satisfaction assessment tool.

So we laid out what our hearings include, how
its information on our program, how they're held statewide, how they're held every year, how there's a lot of them, and what the summary of public comment included in the low-income housing plan is what we use as a tool to look at how they're being assessed.

There's a new format that you all will find -- I think you'll find very useful, although the format is prescribed -- and I don't like that format either, but some of the formats are prescribed.

It's a definition of performance measures, which include the purpose and importance, which is a real useful tool, method of calculation, data limitations -- like that -- serving different income categories, how the funds -- and if the funds are designed to serve those income categories. So it's got good stuff there.

And that's pretty much the -- oh, I -- and you got today information services Strategic Plan --

DR. GRIFFIN: Just --

MR. GARVIN: -- at Appendix G.

DR. GRIFFIN: -- keep it -- you know, just stay calm and just do what you know you're supposed to do.

MR. GARVIN: Okay.

DR. GRIFFIN: Don't be rushed because that's when product comes out substandard. So just do it the way you know you're supposed to do it, and let's just take it
from there.

MR. GARVIN: Okay.

DR. GRIFFIN: As we've seen this week, whether you do it the way they want you to do it or do it the way you were going to do it, you still get beat up either way. So why should you get high blood pressure over it? Just do it the way you were going to do it.

MR. GARVIN: And we actually won the best practice for our state low-income housing plan last year, so I think our plan is pretty good.

MR. BREWER: Well, one thing I would like to -- because I did read the whole thing, John. And I thought there was some really good information. And having sat through the hearing the last couple of days, I think an awful lot of the questions that the Commissioners asked and things like that -- that that would be a tremendous referral document -- I really do.

Do we -- will we or is it worth the thought that when you get that thing finalized and it's published to give the committee members to --

DR. GRIFFIN: It goes to the legislature.

MR. BREWER: It does go to them.

DR. GRIFFIN: And they already have all that information.

MS. STINER: Our Strategic Plan is submitted
to --

MR. GARVIN: And so is our low-income housing plan. And between those two plans just about every question could -- is there.

MR. BREWER: Because -- it did. I tell you, after the questions were asked I got out of that booklet --

MR. GARVIN: I was flipping through it --

DR. GRIFFIN: They had the information.

MR. GARVIN: They had all that.

DR. GRIFFIN: They had the same information.

They have a big document that answered all the questions that they asked. And they didn't like the answers because they were positive. So then they tried to pretend like they weren't there. Is that not true? You were there.

MR. GARVIN: No comment.

DR. GRIFFIN: Okay.

MR. DAROSS: Do we need to recommend to the board --

MR. BREWER: Do we need to vote on this?

MR. DAROSS: -- the approval of this? Okay, I would so move.

DR. GRIFFIN: Yes. Okay.

MR. BREWER: I second.

DR. GRIFFIN: It has been moved and properly
seconded that the Strategic Plan be recommended to the board with the approval. And I will gladly summarize the comments that we had regarding it. All in favor let it be known with the sign aye.

(A chorus of ayes.)

DR. GRIFFIN: Opposed, nay.

(No response.)

DR. GRIFFIN: The motion carries. Do we have other comments? I hope you don't get indigestion. This meeting is adjourned. We need to be back in 20 minutes.

(Whereupon, at 1:15 p.m., the meeting was concluded.)
MEETING OF:  Programs Committee
LOCATION:    Austin, Texas
DATE:        May 19, 2000

I do hereby certify that the foregoing pages, numbers 1 through 40, 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.

05/30/00
(Transcriber) (Date)

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