TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
PROGRAMS COMMITTEE MEETING

8:30 a.m.
Tuesday,
August 21, 2001
Room E1.012
Capitol Extension
1400 Congress Avenue
Austin, Texas

COMMITTEE MEMBERS:

ROBERT BREWER, Chair
JAMES DAROSS, Vice Chairman
SHADRICK BOGANY

STAFF PRESENT:

DAISY STINER, Executive Director
DELORES GRONECK
CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

Item 1  Presentation, Discussion and Possible Approval of Minutes of Programs Committee Meetings of May 19, 2000 and May 30, 2001

Item 2  Presentation, Discussion and Possible Approval of Fiscal Year 2001 Housing Trust Fund Predevelopment Program Award for Ark-Tex Council of Governments, Texarkana, Texas

Item 3  Presentation, Discussion and Possible Approval of Funding in the Amount of $10,200 for Habitat for Humanity of El Paso, Inc. to Resolve an Incorrect Amount Award approved for the 2001 Housing Trust Fund Capacity Building Program

Item 4  Presentation, Discussion and Possible Approval of the Letter of Endorsement for the Housing Bond and Credit Modernization and Fairness Act (S.677)

Item 5  Presentation, Discussion and Possible Approval of Home Program Award in the Amount of $500,000 to United Cerebral Palsy for Homebuyer Assistance and Rehabilitation

Item 6  Presentation and Discussion of Appeals Policy

REPORTS

ADJOURN
MR. BREWER: The Texas Department of Housing and Community Affairs Programs Committee meeting is called to order at 8:32 on August 21, 2001. I'm going to do the roll call.

Robert Brewer, Chair, present.

James Daross?

MR. DAROSS: Here.

MR. BREWER: And Shadrick Bogany?

MR. BOGANY: Here.

MR. BREWER: Okay. Let's -- we have three. We do have a quorum.

Okay. Our first order of business -- do we have any witness affirmation forms?

MS. GRONECK: No, sir. The lady from the Ark-Tex Council of Governments, one of the agenda items, is here. She has a witness affirmation form if you ask her questions.

MR. BREWER: Oh, okay.

MS. GRONECK: Otherwise, she won't.

MR. BREWER: Other than that, we have no witness affirmation forms?

MS. GRONECK: No.

MR. BREWER: Okay.

The first order of business is the
presentation, discussion and possible approval of minutes
of Programs Committee meeting of May 19, 2000. Do we have
a motion for approval?

MR. DAROSS: I move they be approved.

MR. BOGANY: Second.

MR. BREWER: All in favor? Aye.

(A chorus of ayes.)

MR. BREWER: The motion passes.

The second one is the presentation, discussion
and possible approval of minutes of May 30, 2001.

MR. DAROSS: I move they be approved.

MR. BOGANY: Second.

MR. BREWER: All in favor?

(A chorus of ayes.)

MR. BREWER: Passes.

Item 2: The presentation, discussion and
possible approval of Fiscal Year 2001 Housing Trust Fund
Predevelopment Program Award for Ark-Tex Council of
Governments, Texarkana, Texas. Stacy Higgins is going to
brief that.

Good morning, Stacy.

MS. HIGGINS: Good morning.

MS. STINER: Good morning.

MS. HIGGINS: I'm Stacy Higgins. I'm the
Senior Planner for the Housing Trust Fund.
On June 1, the Department put out a request for proposals, looking for up to two administrators for our predevelopment loan program. A little background on the program: The funds are available to nonprofits and units of local government for all predevelopment-type activities. The goal is to help them get prepared to eventually apply for ours, as well as others' development-type funds.

On July 3, we received seven proposals in response. Out of the seven, Ark-Tex Council of Governments was the only to score a perfect 100. We are recommending the full amount to go to Ark-Tex; that would be $840,000 for the actual loans, plus $100,000 for an administrative fee. All proceeds from the loans, including interest, will be transferred back to the trust fund for future programs.

Let's see. Ark-Tex -- their proposal -- they had by far the most expansive marketing program of all the proposals received. They identified five different areas, including mail-outs and telephone campaigns, working with Housing and Urban Development and working with local lenders, as well as providing workshops across the state, to solicit applicants.

That, along with the fact that they're in an area that we have not served primarily and that we are...
trying to help more, along with the statewide allocation of these funds, is the main reasons we are recommending Ark-Tex. So unless you have any questions --

MR. DAROSS: How many times have we ever got an application that scored 100?

MS. HIGGINS: For predevelopment? I don't think we have.

MR. DAROSS: That's pretty remarkable. Congratulations.

MR. BREWER: Any questions?

(Pause.)

MR. DAROSS: I move that we recommend approval to the Board of the Housing Trust Fund Predevelopment program for Ark-Tex Council of Governments.

MR. BOGANY: Second.

MR. BREWER: All in favor? Aye.

(A chorus of ayes.)

MR. BREWER: Item 3: Presentation, discussion and possible approval of funding in the amount of $10,200 for Habitat for Humanity of El Paso, Inc., to resolve an incorrect amount award approved for the 2001 Housing Trust Fund Capacity Building Program.

Stacy, are you going to do that one, too?

MS. HIGGINS: Right.
MR. BREWER: All right.

MS. HIGGINS: This is a situation where, of the 64 proposals -- we had about ten different pieces of data that staff was inputting -- one of the numbers was put in incorrectly. And so that basically sums up what happened. We're doing this to correct that and get them the correct amount.

MR. DAROSS: I move for approval.

MR. BOGAN: Second.

MR. BREWER: All in favor? Aye.

(A chorus of ayes.)

MR. BREWER: Motion carries.

MS. HIGGINS: Thank you.

MR. BREWER: Okay. Item 4: Presentation, discussion and possible approval of the letter of endorsement for the Housing Bond and Credit Modernization and Fairness Act, S. 677. Michael Lyttle?

MR. LYTTLE: Good morning, Mr. Chair and Committee members and Ms. Stiner. As you're aware, the Agency is part of the National Council of State Housing Agencies, which is a national group of essentially state housing and finance agencies across the country. They are actively involved in raising the awareness of this piece of legislation that's going on right now and being considered by Congress.
The NCSHA is actively endorsing this legislation; they have asked the State of Texas, too, to come on board in that respect. We have to be very careful, since we are technically a state agency and not a finance corporation; therefore, in an effort to raise the awareness of the -- of our Texas congressional delegation, we've proposed sending this letter out from the Board Chair that would essentially pique their interest, if you will, in the legislation.

This piece of legislation will do several things; one of them is to repeal the 10-year limit on bond yields, and that will save Texas approximately $160 million per year in bond authority from the calculations we've received. And according to our information, you know, we could be talking as many as 2,200 home loans for qualified Texans in addition to what we have now.

Therefore what we'd like to do is send this letter to the Texas congressional delegation and follow it up with some phone calls and, essentially, raise their awareness of this legislation.

MR. BREWER: Have you all talked to Mr. Jones about this previously?

MR. LYTTLE: Yes. I have talked with Mr. Jones about it and shared the letter with him.

MR. BREWER: Okay.
MR. LYTTLE: And we've also visited with Governor Perry's staff on this letter, and they have no adverse reaction to it; they simply want to yield the matter to our Board.

MR. BREWER: Okay. How about the -- our oversight committee? Is that the Urban --

MS. STINER: Urban Affairs --

MR. BREWER: -- Affairs?

MS. STINER: -- Committee.

MR. BREWER: Mr. Carter is it?

MS. GRONECK: Mr. Carter. We have not done that. We certainly can --

MR. BREWER: Okay.

MS. GRONECK: -- get the Texas delegation aware of the national effort.

MR. BREWER: Yes, because --

MR. DAROSS: I think there was something in his newsletter about that.

MR. BREWER: Were there?

MR. DAROSS: I believe so.

MR. BREWER: Okay. So it's -- all right.

Okay. Do we have a motion?

MR. BOGANY: So move.

MR. DAROSS: Second.

MR. BREWER: All in favor? Aye.
(A chorus of ayes.)

MR. BREWER: Motion passes.

Thank you, Mike.

MR. LYTTLE: Thank you.

MR. BREWER: Item 5: Presentation, discussion and possible approval of HOME Program award in the amount of -- what is that? Is it 500,000?

MR. DAROSS: Yes.

MS. STINER: Yes, 500,000.

MR. BREWER: Okay.

MS. STINER: We left the zero off.

MR. BREWER: 500,000 for the United Cerebral Palsy for homebuyer assistance and rehabilitation.

MS. MORRIS: Good morning. I'm Pam Morris, the Director of Housing Finance Programs.

MS. STINER: Good morning.

MS. MORRIS: We -- in our 2001 consolidated plan, we had added the language that we wanted to endorse and support the initiative of the Home of Your Own Coalition.

The partnership is comprised of state and local direct service providers, state government agencies, disability advocacy groups, community groups and statewide lending institutions. They use the funds for home
ownership, where a portion of the funds are for down-payment assistance for people with disabilities, and then part of the funds are for architect barrier removal in order to get it accessible for their requirements.

We're recommending a $500,000 award. It should be an 18-month contract, and it includes an administrative fee of 6 percent, which equates to 30,000. And they will be serving approximately 20 households under this contract statewide, 100 percent with persons with disabilities.

Two of those households will be restricted to 30 percent AMFI and below, and the remainder can go up to 80 percent AMFI.

MR. BOGANY: So I recommend approval.

MR. DAROSS: Second.

MR. BREWER: We have a motion to approve. All in favor? Aye.

(A chorus of ayes.)

MR. BREWER: Motion carries.

On the Item 6, Presentation and discussion of appeals policy, if the Committee is in agreement, I would rather table this and let it go straight to the Board, and we'll hear it at the Board level. It's just going to be information; it's not a decision today to be made. But it's up to you if you want to do that.

MR. DAROSS: That's fine with me.
(Pause.)

MR. BREWER: Okay. Well, then we'll table Item 6 on Presentation and discussion of appeals policy.

Daisy, do you have anything?

MS. STINER: No, sir, no reports from the staff or department.

MR. BREWER: Okay.

Then the -- then we'll adjourn the Texas Department of Housing and Community Affairs Programs Committee meeting as of -- what is it? -- 8:43.

(Whereupon, at 8:43 a.m., this meeting was concluded.)
CERTIFICATE

MEETING OF:    TDHCA Programs Committee
LOCATION:      Austin, Texas
DATE:      August 21, 2001

I do hereby certify that the foregoing pages, numbers 1 through 13, 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.

08/29/01
(Transcriber)         (Date)

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