TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PROGRAMS COMMITTEE MEETING

8:13 a.m.
Wednesday,
February 11, 2004

The Westin Galleria
Consular/Congressional Room
13340 Dallas Parkway
Dallas, Texas 75240

COMMITTEE MEMBERS:

KENT CONINE, Chairman
BETH ANDERSON
VIDAL GONZALEZ

STAFF PRESENT:

EDWINA CARRINGTON, Executive Director
SARAH ANDERSON
DELORES GRONECK

ON THE RECORD REPORTING
(512) 450-0342
AGENDA

ITEM PAGE:

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM 3

Item 1 - Presentation, Discussion and Possible Approval of Minutes of Board Meeting January 13, 2004 3

Item 2 - Presentation and Discussion on Staff Updates to Committee on Requested Items from Previous Program Committee Meeting: 4

2003 Performance Measures by Funding Source, Specific Activities and Income Categories.

2004 Projected Housing Funding by Activity

Bond and Tax Credit Funding

Item 3 - Presentation, Discussion and Possible Approval of Suggested Changes to Performance Measures. 18

ON THE RECORD REPORTING
(512) 450-0342
MR. CONINE: This is the programs committee meeting of the Texas Department of Housing and Community Affairs. On February 11, 2004, at 8:13, the meeting is called to order. We'll do roll call. Ken Conine is here. Beth Anderson?

MS. B. ANDERSON: Here.

MR. CONINE: Vidal Gonzalez?

MR. GONZALEZ: Here.

MR. CONINE: We have a full complement today; three of us here. Thank you very much.

Any public comment? There's probably a witness affirmation form somewhere.

MS. ANDERSON: Didn't have any.

MR. CONINE: No public comment. Public comment is closed. We'll go on to action items.

In your packet are the minutes of our last Programs Committee meeting of January 13, 2004. Do I here a motion?

MS. ANDERSON: I move approval.

MR. CONINE: Okay. Second?

MR. GONZALEZ: Second. But --

MR. CONINE: You weren't here. I'll second it. Any discussion? All those in favor signify by saying, Aye.

(A chorus of ayes.)

MR. CONINE: All opposed?
MR. GONZALEZ: Abstain.

MR. CONINE: So moved, with one abstention.

Number two: Presentation on staff updates to the Committee on some stuff we asked for last time. Ms. Carrington?

MS. CARRINGTON: Thank you Mr. Chairman. Your Programs Committee items are behind tab 4, or do they have it separately, Delores?

MS. GRONECK: No, they don't have it separately.

MS. CARRINGTON: Don't have it separately, so it's behind tab 4 of your Board book.

At the Programs Committee Meeting in January, we provided you some charts and graphs on utilizing our funding with TDHCA, some information that had come right out of state low-income housing plan.

You all asked for some more detail on those charts, so that you could really get an idea of what the dollars were and what our performance was and what the numbers were on the families, the individuals that were serving in those areas.

So behind tab 4, we have six charts for you that we've sliced and diced as many ways as we think you all would be interested in seeing.

We've put together the first table, which is our 2003 performance measures, broken out by funding source, specific
activities and income categories.

We have a pie chart of housing funds committed by activity, a pie chart of households served by activity.

We have our Rider 3 performance, which has had a lot of discussion over the last month or so. We had a discussion about our Rider 3 performance yesterday at our QAP working group.

Your number 5 exhibit is a table and pie chart for our projected FY housing funding by activity.

And the last one is staff's best estimate of our bond and tax credit multiplier estimates.

What you all have talked about is what really is the impact -- how many dollars are really going out into the community as a result of our 9 percent and then our 4 percent in tax credit bond developments.

So that's an overview of what we have. And I would like Sarah to come up and briefly hit each chart or graph and then let you all ask questions. If you have anything you want that we haven't given you, let us know.

MS. S. ANDERSON: Well, I hadn't really counted on going into too much detail. I was hoping it was sort of self-explanatory. You might have questions.

The only thing I could probably point out would be the Rider 3 information. There has been a lot of discussion about Rider 3 and the goal of reaching $30 million at zero to 30 percent.
I would point out that this is only for the housing activities. This was passed in the 1997 session. We frankly didn't meet this goal until 2001.

MS. CARRINGTON: And Rider 3 is the fifth page in -- the pie chart.

MS. S. ANDERSON: This will give you an idea of the programs that are eligible, and our progress as we go through the first year.

Obviously, after the Rider was passed, we were only at $15 million. We've made significant progress as we've gone along.

I know that the $61 million raises eyebrows and questions. I'd like to remind you that most of that came from HOME, because they're was a double funding cycle that year.

So we had two years of HOME funds coming out which explains the huge number.

MR. CONINE: Back up one more time. Rider 3 says we need to do $30 million annually in zero to 30 percent in 1997.

MS. B. ANDERSON: In Housing programs, not Community Affairs.

MS. CARRINGTON: Correct. Since we moved Section 8 to Community Affairs, it still does count for purposes of this rider.

MS. B. ANDERSON: The one thing on this that surprises me is that in the Office of Colonia Initiatives, that none of that ends up being evaluated as surveying zero to 30 percent.
MS. S. ANDERSON: Well, actually it does, because the measures go back to the funding source, and since OCI doesn't allow technical assistance money to count towards housing production, more or less.

So OCI gets all their money from HOME, trust fund and bonds. So it's all reflective within the funding source that it came from.

MS. B. ANDERSON: What's the $6.6 million for OCI -- It's the first page after the letterhead.

MR. CONINE: You broke it out on this chart, but you didn't break it out on the one you just handed out.

MS. B. ANDERSON: I understand what you're saying about his OCI stuff in these buckets for HOME. But what's this $6 million?

MS. S. ANDERSON: That would be technical assistance --

MR. CONINE: See, it's not broken out here, but it is broken out here.

MS. S. ANDERSON: Also, that's only for very low, not extremely low.

MS. B. ANDERSON: Do spend $6 million in OCI on technical assistance visits?

MS. S. ANDERSON: You have some for technical assistance, and some that are not serving extremely low, so it's not going to be reflective in Rider 3, because they're only serving very low, and that would be for other activities that they've done.
MR. CONINE: Contractor D conversion?

MS. S. ANDERSON: That would be under HOME?

MS. CARRINGTON: Would the CDBG funds -- would the amount that we get from -- which is it 2-1/2 percent CDBG that goes to fund our self-help centers, I would think that that would show up on the chart that is the $6.65 million.

MS. S. ANDERSON: Right. But the breakdowns that I gave you for Rider 3 are only going to show zero to 30 percent. What you're seeing here -- that you're looking at the OCI funding is 60 and below.

MS. B. ANDERSON: I guess I'm just surprised that in those parts of the state that were not -- is it that we're not serving extremely low, or we can't validate it to count it as extremely low?

MS. S. ANDERSON: It's being represented under a different line item. It's represented under the funding source. I'll have to go back and itemize where the $6 million came exactly. But most of that is technical assistance and is not counted.

MS. B. ANDERSON: At the risk of asking for more data. I am curious about this $6.6 million, because that ought to buy an awful lot of technical assistance visits. I think there are three self-help centers that maybe have one staff person in them. So I'm just not understanding what
all that money is being spent on.

MS. CARRINGTON: Actually we have five or six self-help centers.

MS. S. ANDERSON: I mean we're kind of comparing apples and oranges, because the funding that's represented here won't be reflected in Rider 3 because it's not serving zero to 30 percent.

MS. B. ANDERSON: There are two issues here. Number one is one why was it not extremely low, and you've satisfied that one. But now you've got me curious about what we're spending $6.7 million on.

MS. S. ANDERSON: And for that I'll be here next month. Not a problem.

MS. B. ANDERSON: Or we can wait. I think we're going to look at that program area, whenever the Chairman puts that on the agenda. So I don't have to know just this minute, or even next month.

MR. CONINE: Yes, we are.

MS. S. ANDERSON: One other thing I did want to talk about Rider 3 would just be the activities that primarily seem to be working for Rider 3.

And most of that was rental assistance, obviously with Section 8. And out of the HOME program, quite a bit of rental assistance.

But also for the HOME is the owner-occupied rehab. It's
doing the single-family rehabs in the rural areas, primarily serving elderly. Those are the activities that we've been very successful at reaching 0-30%.

For the tax credits and single-family money and trust fund, which is mostly leverage of tax credits, what you're seeing is that's really serving zero to 30 percent in more of the metro areas.

MS. CARRINGTON: It's also about the time that we combined some trust fund money or some HOME money and allowed them to deep income targeting.

MR. CONINE: The numbers you have in '02 and '03 for housing tax credits. Is that the 10-year multiple number or that year?

MS. S. ANDERSON: It's the credit allocation.

MR. CONINE: For 30 percent or below?

MS. S. ANDERSON: Yes.

MR. CONINE: So it's really ten times that amount, if I'm a real counter.

MS. CARRINGTON: That's another way to look at it. Yes, sir.

MS. S. ANDERSON: The problem is that we have historical precedents in the way that it has to be reported, has to be consistent over the course of many, many years.

MR. CONINE: Well, let me ask this question. Did the $1,751,000 go to $3,800,000, because you counted the next year
$1,751,000 again?

MS. S. ANDERSON: No.

MR. CONINE: It should have.

MS. B. ANDERSON: No. You do it once, and that's when you get to count it. That's like when we allocate our tax credits, we do it once against the state ceiling, and you don't get to count it again.

MR. CONINE: So it just tells a 10 percent story, instead of 100 percent. We need to somehow figure out a way to tell the story a little better.

MS. CARRINGTON: Well, we've done that, we think on the last page of your information in this section, where we talk about the multiplier estimates.

But from a reporting standpoint on everything that we do, it is done on that year's allocation, that year's amount.

We certainly can do something separate and different and apart for you all.

MS. B. ANDERSON: Well, I think it's important for the Legislature to know that, not only do we knock the lights out with 61 -- I want a discount -- we know it was a double hit -- how you report it in something that we have to report is one thing, but the story we tell ought to be the same story.

MR. CONINE: Let me see if I can stack on top of that comment, when we put the little books together for the legislators,
the multiplier effect should be in there, because they don't know the
difference, and that they understand the value of a 100-unit complex
in their district.

    MS. B. ANDERSON: And I would stack on top of that,
knowing -- that you've got this lege/con next month and based on some
conversation I've had with several members of Congress -- that
talking about the multiplier effect -- when you're talking about
trying to go in and ask for their support to repeal the ten-year
rule -- that if you talk about the housing in terms of the multiplier
effect, with some congressmen that are careful about the revenue
impact of the ten-year rule and have some concerns from that level,
if you show them the multiplier effect, you may be able to make the
argument that the multiplier effect make the revenue loss to repeal
the ten-year rule.

    MS. CARRINGTON: I think the other importance piece of
the credits and the credits and bonds is the equity that's brought in
because of it. I think that's another piece.

    MR. CONINE: Are you finished, or can I ask another
question? I want you to finish your presentation before I ask
another question.

    MS. S. ANDERSON: I guess I'm ready for questions.

    Tom, be ready.

    MR. CONINE: On the 2004 Projected Housing Funding by
Activity, how much of that would qualify for Rider 3?
MS. S. ANDERSON: Well, probably hit between $30 or $40 million. I mean, it obviously all comes by application. People have to apply to us.

We haven't changed the HOME percentages in the activities that we're going with. So I would probably look to the year before this last one and consider that probably consistent.

We'll probably be right around $35 million, I guess.

MR. CONINE: Do we internally have a system set up internally for keeping track of it as the year goes along, so we can panic at the end of the year, if we're not getting there?

MS. S. ANDERSON: Yes, we do. We do performance measures quarterly, and that's part of how we track it.

But to be honest, we fund everything in the fourth quarter, so we're always technically behind. Everything comes out July and August, so we're always a little bit behind.

But at the beginning of the year, when we do the plan and we make sure that the activities are the ones that promote the funding -- in the applications we try to give preference to that, and we say where our priorities are.

I'm comfortable that we're at the point where we're going to meet it every year, as long as we don't do anything radical.

One thing I guess I would go back to: the question of showing the multiplier effects on everything else. Another thing that you might want to keep in mind.
Even as you look through our budget, almost none of our funding is really reflected in the appropriations, about $130 million total is shown tax credits only -- I don't even think tax credits are necessarily reflected.

But I mean really it's HOME program and trust fund and those things. I lot of times what will make sense to you, if we tell them that we're putting out a billion dollars, they're going to be confused, when they're only appropriated, they think, $100 million.

MR. CONINE: That's understandable.

MS. B. ANDERSON: I have a question about the junior lien proceeds that were put in preservation and the various purposes we use that money for.

Is all of that money now -- you know, we would commit preservation, and then we'd put another $2 million in preservation, and I think we'd put another $2 million -- is all that money applied for, awarded, committed, out the door, on the way our the door?

MS. CARRINGTON: We do that through an open cycle, and we have about 200- to $300,000 left in that.

We have an item on the agenda today, where we're transferring some money from the BMIR program that would give us a little bit over a million dollars in that preservation activity.

I think Sherwood, that's on the agenda, is like 850- to $900,000. So you have an item that would move additional money over there, because we're out of money.
And then we have an item would actually allocate almost a million dollars.

MS. B. ANDERSON: And the other programs under junior lien -- I don't remember what they all were -- bootstrap money in junior lien. Is all of that committed, spent, out the door --

Or is it anything that we should expect to see reprogramming. The reason I ask the question is that if we expect any reprogramming, I'd rather get ahead of that and make conscious policy decisions about that rather than be in a reactive mode.

MS. CARRINGTON: Yes. I understand your question. Have we used up what we put in there? And the answer is, Yes.

MR. CONINE: Any other questions from any of the Committee?

Just off the top of your head, why are we having a major shift from '03 to '04, more single family and less multifamily? It looks -- from a percentage --

MS. S. ANDERSON: In projected -- when you look at the '03, that's what we were actually able to -- what was drawn down, I guess you'd say. We had people come and actually get loans for the projected.

It's the amount that's available. We won't use all that, but it is what's available.

MR. CONINE: We won't use all of what?

MS. S. ANDERSON: What do we have, $173 million in '04,
and ultimately we won't do that much in loans, but that's what we
will have available in product.

MR. CONINE: Okay. And you can't count the spillover
you get after August 15 in multifamily, as we heard from yesterday,
which causes the chart to probably get skewed at the end of the year.

MS. CARRINGTON: Quite a bump up, if that's skewing --

MS. B. ANDERSON: Skew up.

MR. CONINE: Basically double. Okay?

Ms. Carrington, anything else on that issue?

MS. CARRINGTON: Unless you have any more questions for

Ms. Anderson.

MS. CARRINGTON: We came close, right, getting what you

wanted.

MR. CONINE: Yes. Absolutely. Well, $1.3 billion of

activity is a sizeable number on just the multifamily deals.

And when you get criticism from those who like to
criticize sometimes on like the number of people we have working to
take care of a certain dollar volume, that's where these kind of
numbers come into play, because you're not administrating $100
million, it's $1.3 billion.

So we just need to figure out how best to communicate
that effectively to those who are interested or want to criticize.

Okay. What's next on the agenda?

MS. CARRINGTON: Performance measures.
MR. CONINE: Performance measures. Go right ahead, Ms. Carrington.

MS. CARRINGTON: Thank you, Mr. Chair.

As was reported to you all last month, we are taking a look at our performance measures for the next biennium.

And on a five-year basis, the department is responsible for doing a strategic plan.

We have provided you a couple of pages of information that come straight out of information from the Legislative Budget Board, that tells every state agency how you go about preparing performance measures, and what there's supposed to reflect.

These performance measures are reported to the Legislative Budget Board. They're also reported to the Governor's Office of Budget and Planning.

And as Sarah as already said, we do our performance measures on a quarterly basis. So we kind of hold our breath for three quarters, because we know we're not doing a whole lot in the way of meeting those numbers, but recognize when our funding does basically hit in our housing finance area.

At the bottom of the page on your summary, I think it's important to know what our performance measures are. And they're part of the strategic plan.

They're used by decisionmakers in allocating our resources. They're intended to help focus our agency on achieving
our goals and objectives.

And also it's a monitoring tool, not only for us but for LBB, for the Governor's office, for the Legislature.

And the middle of the next page, we are undertaking these changes in our performance measures for four reasons.

We want to reflect both the legislative and organizational changes within the Department and ensure that these changes are institutionalized.

We want to make our performance measures more meaningful for our long-term planning. We want to deliver more accurate information regarding our agency performance.

And we want to give a better picture to the Legislature, as we continually try to do of what TDHCA does. And we have provided an overview of our suggested changes.

Mainly what we've done is change the way we have structured and organized these performance measures, rather from a funding source, to focusing on the activity; i.e., the multifamily activities, the single family activities.

And then underneath those main headings, the particular program or the particular funding source that helps us meet those performance measures.

Sarah and another member of her staff did meet with our budget analyst at the Legislative Budget Board, probably a few weeks ago. I think that has happened since our Board meeting, hasn't it?
MS. S. ANDERSON: Yes. About two, three weeks ago.

MS. CARRINGTON: I think they would say that they had a good discussion with LBB.

LBB gets comfortable with something, and then are perhaps resistant to very much change, but I think both Ms. Anderson and Ms. Hull made what, I believe, was a compelling case at LBB. And I believe we're getting a sympathetic ear to make some changes.

So with that Sarah has provided you -- the left-hand column shows what are current performance measures are. So these are the ones that we will live with during the remainder of this state fiscal year.

And then to the right-hand side, is what we are proposing our performance measures to be for '06, '07.

And really with the Legislature we kind of live and die by these. They really take a hard look at them: who are we serving; what are the dollars; what are the incomes of those that we are serving?

And they are an extremely important measure for the Department.

MS. S. ANDERSON: I guess the only thing I would add would be that as we go through appropriations, the key measures are what we're graded on.

It's also for a lot of legislators about the only time they're going to hear about the agency and get an idea of what we do.
In my experience, what's happened is the Legislature's gotten caught up on the names of the programs and what we do. They rarely seem to get past—every we have new people -- So what does the HOME program do? What is this trust fund? And the discussion never really gets beyond that.

What we're hoping is with the performance measures, anybody can look through our bill pattern, look at appropriations and will understand what the agency does.

That's one of the reasons we've gone from program funding sources to activities.

MS. CARRINGTON: We finance; we assist; we advance multifamily housing. We finance single family housing. We provide services for very low income through our Community Affairs programs, and we believe that this give more of the big picture.

They start with the big picture, what is it that we do, and what are the funding sources that we utilize to do what it is that we do.

Sarah, you might report a little bit more about your meeting with LBB. How you're feeling about it.

MS. S. ANDERSON: In general -- consistency. I guess the first thing before we even opened our mouths was we were told that the Legislature likes consistency, which didn't necessarily bode well for discussion, since it was about changing our measures entirely.
By the time we were done, we had been able to show them there have been some problems with the measures as they exist: double counting generally happens as we go through; we're not necessarily giving an accurate assessment of our production.

Also it's just been confusing to the Legislature what we do. They don't necessarily the changes in the agency.

And we have an entire division in compliance that does twice as much as they did before; none of which is shown. And that has always been a problem.

Also in that the Legislature, the general feeling seems to be that they know we give money out. They have no idea about the long-term commitment and the compliances.

And we really wanted to spend some time bolstering those measures, so that we give a full picture that not only that we fund, we don't walk away, we keep an eye on our funding for X number of years. And this is how we do it.

That was the story. We talked about trying to change the story, and we think that this is an integral part of doing that with the Legislature.

MS. CARRINGTON: And so our main categories are basically Affordable Housing, Technical Assistance, Poor and Homeless, Ensure Compliance and Manufactured Housing.

So those are our big headings and then underneath each of those we describe how we fund those activities and what we do.
MR. CONINE: The blue and the red?

MS. S. ANDERSON: I don't have color-coded on mine. But the key measures -- blue are the key measures. That's what we report quarterly. That's what they grade us on.

Red are the non-key, which are measures that only are reported every couple of years. They're not really used, but the intention that they'd be useful to us in planning.

That's been one of the issues with the performance measures is that they haven't -- we do them; it's an exercise we do. We try to meet them, but they haven't necessarily helped us in long-term planning.

As you look at the red and the non-key, what we're hoping is that will help us internally much more.

MS. B. ANDERSON: For example on outcome 5, is this part of regular reporting that the developments do to you, as just a routine matter.

Or do you go out and survey them; do they have as part of their compliance package, they have to report to you quarterly. How does it work, mechanically?

MS. S. ANDERSON: Well, basically internally there are all things that we already gather. Some things will have to be bolstered, but this is all internal reporting, internal measures, things as we go along.

And I'm not exactly sure which one you're referring to.
MS. B. ANDERSON: Well, Outcome 5 is percent of multifamily rental units benefitting very low, low and moderate income households.

So I'm wondering does the developer or the property manager push that data to you on a periodic basis. Are you making some assumptions to get to the outcome?

MS. S. ANDERSON: They're definitely assumptions. All of these are -- and this isn't one of the problems with performance measures.

They are estimates because they are based on award. They're not based on actual except for single family, which can do actual, because they know who they've done loads to.

Multifamily doesn't follow all the way through. It's a guess, based on awards.

MS. B. ANDERSON: But don't the multifamily developments -- isn't that what -- aren't they reporting some stuff electronically now?

MS. CARRINGTON: Yes, they do. They're LURA. I mean all of the multifamily are going to serve 60 percent and below, if it counts as low income at all.

We know that at application time. That's in the LURA. So even though they are projections, it is a very safe assumption. And of course, when our Compliance Division goes out to monitor, then they are looking for compliance with those requirements in the LURA.
So even though they are projections, it's not just somebody's kind of -- they have coveted -- you all see from time to time some requests to shift some of those requirements for serving 30, 40 and 50 percent.

And generally we have said, No, unless there's a really good reason.

MS. B. ANDERSON: Well, what's on my mind is -- you and I and Bert talked about this on Friday, which was the comment that had been made to me that the tax credit program is today, serving zero to 30 percent aside from the points, and what's in the LURA, because there's some percentage of voucher holders, housing towards voucher holders, that are residents.

And the comment was made to me, We're serving that population, but the agency's not collecting that data, so we don't get, We don't know --

They're alleging it's significant; we don't know if it's significant, because we've never collected the data.

So that's why I was asking how you get this data.

MS. S. ANDERSON: Well, actually we do have that data. We do a yearly survey to find out -- we ask all the properties: at one point in time, who's living there, what the income categories are.

MS. B. ANDERSON: So a snapshot at that point in time.

MS. S. ANDERSON: Right. And we are, over for the last
six, seven year -- we have consistently been at about 20 percent in our tax credits, serving zero to 30 percent.

When all of the Rider 3 and everything came up, the Legislature will tell you that that doesn't mean the units are reserved for zero to 30 percent.

And we're not allowed to take credit necessarily, because we did try that. And we did tell them that, We know it's been historically 20 percent. We can say this much of our money --

And they really didn't buy that.

MS. B. ANDERSON: I can understand that. That's sort of not too different to me, in my view, than Kent's argument that, Yes. Our budget may be one thing. But what we're doing is $1.2 billion. And it's how you tell the story.

And so we might report whatever we're required to report for performance measures, and it doesn't mean that that snapshot can't be part of the story, because that's a significant amount of the units -- 20 percent of the units being dedicated to Very Low -- zero to 30 percent -- is a significant commitment.

I'm talking about housing toward voucher holders in tax credit housing: 20 percent. She's saying that for the last couple of years, it's been about 20 percent. That's a significant number of units where we're serving voucher holders that's not in that number.

MR. CONINE: So we're in this number

MS. CARRINGTON: No, it's not, because they would be
vouchers from the local housing authority. And we historically have not been counting that.

MR. CONINE: We've got to figure out what accounting, and take all the credit for it.

So the idea here is for us to look at your proposed '06-'07 items. We don't have to take action on this today, I presume?

MS. CARRINGTON: I think we're really just interested in your acknowledgement of the direction that we're going and are you comfortable with it?

MR. CONINE: I think from the Chair's perspective, what we'd like to do is put this on the agenda maybe a couple of months from now to revisit and recommend to the full Board that we either make changes or we take it -- or whatever we do with it at that time, so you can then put it into the plan that's submitted.

That gives each of us a chance to -- it'll also be in the Board members' packet today, too, so in my report to the Board, I can say they need to take a look at it, comment back to staff, and a couple months from now, we'll bring it back up.

MS. CARRINGTON: Sarah, what is our timing with the Legislative Budget Board?

MS. S. ANDERSON: The actual strategic plan is due mid-June.

They haven't given us a deadline yet. Generally, the
way it works is in March we're supposed to send -- start the negotiations on changing our definitions and our measures, and based on those negotiations, you sort of move forward with your strategic plan.

So, coming back maybe next month --


MS. CARRINGTON: That would be good.

MS. S. ANDERSON: -- might be better. Also, right now these are only the definition changes. Frankly the hard part exactly comes with the numbers, which we have to -- what we've been working on is --

MR. CONINE: You mean that just doesn't fall out as a result of this?

MS. S. ANDERSON: You know, you would think. And that's why the rest of the staff hates us, is because they know how to do the performance measures as they've always done them, and this is going to be a little bit of a change for them.

We are doing -- as the LBB said, they like consistency, which means they've asked us actually to go back and look historically and to move the money around according to the new measures, and show how we would have fallen out with old money with new measures.

And so we have been working with some of that historical information for them. And, as I said, then the hard part comes when
we start working with the programs and setting new targets, new 
numbers.

But that'll be for the next month or two.

MS. B. ANDERSON: I confess. I didn't even start to 
look at this until last night. So I haven't done it justice.

So having it an extra month, Mr. Chairman, would help 
me.

MR. CONINE: Sure.

MS. CARRINGTON: Would you like to have it as a Programs 
Committee's item next month.

MR. CONINE: Yes, I would.

MS. B. ANDERSON: I do have a question on the page where 
all the Affordable Housing strategies are listed in detail; I guest 
it's page two.

Under Strategy for Single Family Assistance, help me 
understand why tenant-based rental assistance is under the Single 
Family category?

MS. S. ANDERSON: Well, that's one that's been actually 
on both sides. We've been giving some thought to maybe even having 
it be its own measure, because we don't. It's serving an 
individual -- it's a single voucher that moves around; it's not a 
block.

So in our mind, it could go to multifamily housing, but 
it can also go to single family housing. And it doesn't fit neatly.
MS. B. ANDERSON: So I can take a TBRA thing out of the HOME program and use it to rent a single family house in --

MS. CARRINGTON: Many of the voucher holders in rural areas actually rent single family --

MS. B. ANDERSON: -- or manufactured home or whatever.

MS. S. ANDERSON: So that was the logic. Even internally we've had trouble figuring out where they go.

MS. B. ANDERSON: The only other thing that I'll sort of give you is tentative guidance at this time is, in the Technical Assistance, I found those outcomes weaker, particularly in comparison to the first three or four pages of this.

Just measuring the number of visits sort of leaves me a little cold, because it's not really -- it's sort of a process measure, not a results measure, so I would just encourage you to think about how creative you might be on what it is we're really trying to achieve, and maybe there's some way we can get a little more ambitious, but still obtainable.

MR. GONZALEZ: Mr. Chair, I had a question. Under the Poor and Homeless, we've got under the Objections, for instance 16 percent of the population, and then the other one under Home Energy, 6 percent, are those the figures that we've previously served, or is that a goal that we're trying to obtain?

MS. S. ANDERSON: That's a goal that was set through negotiations with the LBB. Frankly I don't know where they came up
Generally the way it works is the staff probably would have figured out how much money they had to have a baseline figure for what need is, and they figure out per person how many they can serve, and out of that universe of need, have come up with that 16 percent.

MR. GONZALEZ: In what are we currently serving? Do we have any idea as far as where we're at?

MS. S. ANDERSON: I'd have to get back with you. I don't have that.

MR. GONZALEZ: I don't want to make work or anything, but I was just curious. Someone else may question that latter on.

MS. S. ANDERSON: If you'd like, I can bring last year's roll-up, where you can see the final measures.

MR. GONZALEZ: Just some ballpark figures. And I was just trying to figure out how we came up with those specific percentages.

MS. CARRINGTON: Would it be helpful as you all look at it in March, maybe our performance measures as of August 31 of last year? So that you all have that?

MS. S. ANDERSON: Basically in the overview from the previous section, you'll have --

MS. CARRINGTON: All of the numbers and the --

MR. CONINE: Yes.
MS. B. ANDERSON: They're in the slip, right, but have them all kind of on one page.

MS. S. ANDERSON: In 2.5 evidently. Yes, maybe I'll make it larger and a little simpler.

MS. B. ANDERSON: I think it gives it context, Sarah.

MS. S. ANDERSON: So I'll have the information.

MR. CONINE: Anybody have anything else other than criticizing the Chairman for his eyesight?

We probably should -- sounds like our agenda for next month's Programs Committee Meeting is expanding a little bit.

MS. B. ANDERSON: And we added something to it yesterday. What was that?

MS. CARRINGTON: Yes, we did. The bond stuff.

MR. CONINE: The down payment system on the bonds.

MS. B. ANDERSON: Well, could we have a --

MR. CONINE: Maybe the afternoon before, and/or push the Board meeting. The Chairman and I will work on the timing of that.

MS. B. ANDERSON: Either the afternoon before, or we have the Program in the morning and the Board in the afternoon.

MS. CARRINGTON: I'd like to recommend maybe we keep in on Thursday and do Program in the morning and the Board in the afternoon.

MR. CONINE: But we need more time.

MS. B. ANDERSON: Eight to 12:00, and, and then 4:00
to --

MS. CARRINGTON: And be prepared for the whole day.

MR. CONINE: Okay. Good. Anything else to come before the Programs Committee?

We stand adjourned.

(Whereupon, at 8:55 a.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF: TDHCA Programs Committee
LOCATION: Dallas, Texas
DATE: February 11, 2004

I do hereby certify that the foregoing pages, numbers 1 through 33, 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.

02/25/2004
(Transcriber) (Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731