

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING
2007 STATE OF TEXAS

Thursday, June 28, 2007
Capitol Extension Auditorium
State Capitol
1500 N. Congress Avenue
Austin, Texas

BOARD MEMBERS:

ELIZABETH ANDERSON, Chair
C. KENT CONINE, Vice Chair
SHADRICK BOGANY
NORBERTO SALINAS (not present)
SONNY FLORES
GLORIA RAY

MICHAEL GERBER, Executive Director

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P R O C E E D I N G S

MS. ANDERSON: Obviously by the crowd of smiling faces here, it must be tax credit season. I want to welcome you all to the June 28, 2007, Board meeting of the Texas Department of Housing and Community Affairs Board. I will call the meeting to order and call the roll. Vice-Chairman Conine?

MR. CONINE: Here.

MS. ANDERSON: Ms. Ray?

MS. RAY: Here.

MS. ANDERSON: Mr. Bogany?

MR. BOGANY: Here.

MS. ANDERSON: Mr. Flores?

MR. FLORES: Here.

MS. ANDERSON: Mayor Salinas?

(No response.)

MS. ANDERSON: Mayor Salinas is not here yet.

We do have a quorum.

MR. CONINE: The mayor is swimming in.

MS. ANDERSON: As is our custom, the Board welcomes public comment. And we take public comment, both at the beginning of the meeting, or if the witness prefers, you may make public comment at the time of the agenda item.

At last count, before I just got these last pages, we had 42 people that would like to make public comment. And so I am going to impose a three-minute time limit on public comment. And ask that you be mindful of that. And there is a buzzer that will help you know when your time is up.

So I welcome everyone this morning, and we will get started. The first witness is State Representative Jose Menendez, and then State Representative Richard Raymond. And I want to thank Representative Menendez for sponsoring our use of the Capitol Auditorium this morning and for being a very good friend of affordable housing.

MR. MENENDEZ: Thank you very much, Madam Chairman. Members, for the record, my name is Jose Menendez, and I am the State Representative for District 124 in Bexar County, western side of San Antonio.

And I first of all, let me thank the Board and the staff for their hard work during this last session. Madam Chair, you were instrumental in your work in going to see some of the members and helping them educate. I think also, Director Gerber, your comments on how unfortunately what we do fund in Texas only serves 1 percent of the total need. And so after having met briefly with the speaker and Chairman of Appropriations,

Chisum, he and I talked about trying to do a comprehensive approach to housing in the State of Texas, and seeing what we could do.

Because obviously now, even rural Texas is feeling the need for housing. And I think it was a good session for housing. I think it could always be better. And so I want to thank your work.

And I would be remiss if I didn't address your Board member, one of your newest Board members, Ms. Gloria Ray and the tremendous work that she has been doing. We couldn't be more proud to have San Antonio and our region represented. I know that you all work for every region. But Gloria has taken such a complete dive in the pool and just complete commitment to what we have.

This morning is a little different for me. And at the end of session, my wife had, we had a baby in March. And so he is three months old now. And so she is a little tired. In addition to our seven and our five-year-old, everybody had been moving up here. And then two months after the baby, she had a kidney stone operation.

So when it was time to move back home, we just drove home in one car. And so I was coming up anyway, to pick up the car at the apartment.

But then I talked to some of my constituents

and they were coming up to talk about a very important development that is happening in San Antonio, and that is the San Juan Homes. And San Juan Homes, as you all know is a San Antonio Housing Authority project that is in a public/private joint venture. And currently, the first phase is under development, under construction.

And I will tell you, as I drove up to the construction site this morning, about 6:00 this morning, I was so impressed with the new buildings going up. It looked like an oasis. An oasis in an inner city neighborhood. An oasis and a symbol of hope.

And as you drive what is sad to see is the other parts of that San Juan Homes development. It is unfortunate that we couldn't fund the whole thing at one time, because you know, the other sections are built, you know, 50's, 60's, you know, no central heat and air. Some have window units. Some don't have window units. Some work. Some don't work. You know, where the water heater is in the middle of the apartment, and the heat is so high.

And you are going to hear more poignant testimony from some of the residents. But at this time, I had volunteered to drive up some of my constituents this morning. And I want to ask the folks from San Juan Homes

who are in the red t-shirts, please stand up so that you can be recognized this morning. And let me point out --

(Applause.)

MR. MENENDEZ: Let me point out the fact that we met at 6:30 in the morning. And fortunately there was some breakfast tacos and orange juice and some stuff there. And fortunately, we also made a stop at Starbucks on the way up. And the guy at the window said, you want seven hot cocoas? I said, yes. I want seven hot cocoas.

But I just -- I know that everybody is going to ask you for hopefully your consideration on some forward commitments. I just want you to consider the tremendous need.

The fact is that as a state, and as a city, we have already made a commitment to this project, in funding the first half of these. And it would be terrible if we didn't fulfill the rest of the commitment. It would almost -- it would be a waste of our state's resources if we didn't continue with the development of these homes.

And so hopefully, as you review your requests, and the needs that you have, and the tax credits that are available, hopefully, there will be room for a forward commitment there for these folks. And that is all the testimony I have at this time. And I don't know if there

may be any questions from you.

Other than that, I remain committed to working with you, in the interim. I look forward to working on a comprehensive housing approach, a master approach to the state with each and every one of you, in making that part of an interim study. And so I appreciate, and I thank each and every one of you for your commitment to the State of Texas, and the time that you give, your personal time.

Your family time, and your business time that you give up to help serve the citizens of Texas. Thank you.

MS. ANDERSON: Thank you, sir. Thank you very much.

Representative Raymond?

MR. RAYMOND: Good morning, Madam Chair, members. Also for the record, Richard Raymond, State Representative, District 42 in Laredo. It is good to see you again. I had a chance to see you all briefly during the session. Toward the end of the session, and I appreciate the opportunity to come back before you one more time.

This time, with a contingent from Laredo. We are here, Madam Chair and members as you know, looking at your agenda, to request a forward tax allocation for \$1.2 million that the Laredo Housing Authority has applied for,

for the Costa Madera project in West Laredo.

I know what I have experienced, as the legislator representing Laredo is that for so many people, when we talk about Laredo, really when we talk about South of San Antonio, it is viewed as the Valley. They say, well, you represent the Valley. You are from the Valley. Well, historically, I think that is what is happening.

When you all as a Board, as a Commission look at an area of the State for consideration in terms of projects, you look at, certainly, Laredo, and South of Laredo as of order. But part of what I think we have seen that has happened is that we sort of get caught up in being part of the Valley, but we are 150 miles from a lot of what is the Valley.

And so when you -- when projects are funded in the Valley, that is, in Hidalgo County, even Starr County, for that matter, but Hidalgo County primarily, or Cameron County, that is in many ways a separate part of the state from where we are at. Laredo continues to be the fastest growing city in the State of Texas, and yet 40 percent of the housing in Laredo is substandard.

Now the area of Laredo that we are looking at with this project, as I have mentioned before when I came before you back in May, is an area that the city, the

school districts, the county has shown a real commitment to developing and trying to improve, whether it is building new schools, improving existing schools, whether it is the city investing in overpasses over the rail that runs through there so that people could get to and fro, back and forth into that area. Whether it is the county, the city and the private sector, developing a rail district so that eventually we can move the rail out of there, move it north of Laredo, and open up that area for even more developments of this kind.

There is this strong commitment from the local community. And you will see that today, represented not only by the head of our Housing Authority, but I believe it is our Mayor Pro Tem who is here, and representatives from the county as well. Also I want to mention Larry Devalina who served as the City Manager for many years, in Laredo, and can tell you in great detail the commitment that the local community has made, and the local governing entities.

But we need your help. And I would love to be able to come up here. I am very happy to see my friend, Jose Menendez, who Jose and I talked every day during the session, because he sits right behind me on the floor of the House. We work on a lot of things together. He is a

great friend.

And I am very happy to see some of the folks here that are wearing the red t-shirts. And I would love for us to come back here in a couple of years with folks who live in this project, that you helped us develop in Laredo. And they may be wearing green t-shirts from Martin High School. They might be wearing red for -- I don't know if it is red for Martin High School or green for Nixon.

But I would love for us to come back here and thank you for looking at Laredo, the fastest growing city, with some of the greatest need, but also to please consider as you look at this, that although we are in the eyes of many Texans who don't live in South Texas, part of the Valley, we have gotten caught up being part of the Valley but we have not gotten caught up in benefitting from that.

Laredo hasn't gotten any type of award since 2002. So with that, I hope I am within my three minutes.

I am glad to try to answer any questions. But we have got some other folks who are going to testify.

And I appreciate very much your attention, your hard work, your commitment to the entire State of Texas. But I hope that you will be able to look favorably upon

the application by the Laredo Housing Authority.

MS. ANDERSON: Thank you, sir.

MR. RAYMOND: Thank you.

MS. ANDERSON: The next witness is David Foote, and then David Ahlem.

MR. FOOTE: Madam Chair, Board, thank you for the opportunity to address you today. We are very excited about the things that are going on in Dalhart, the growth that we are experiencing or are going to experience. Along with this comes with some challenges for housing, affordable housing.

With the dairy industry that is moving to Dalhart, and the cheese-processing plant that is under construction -- the first phase is to be completed, I think, in September. We do have a lot of needs for housing. The estimation is that our little town of about 7,000 people could grow by as much as 2,500 people. Prior to the cheese factory locating in Dalhart, we were already experiencing difficulty with affordable housing.

And as I am superintendent of schools in Dalhart, and we have a lot of our employees, that we call support staff, they are considered low to moderate income.

About 268 employees, 114 of these fall into the category of support staff, and they are paid a salary that is lower

than that of the professionals. Of these 114, about 33 or 28, or 29 percent have no insurance coverage, and 38 that have insurance coverage cannot afford to cover their family.

And that is even with the school paying part of their insurance premium. In order to afford adequate housing they often have to make choices that affect their family. And so they choose to not have adequate insurance coverage.

And I know there are some other reasons that might go into that, but insurance is one thing that they think is less important than other things. So we would like to help them so that they might be able to afford to have both good housing and insurance.

The State of Texas, City of Dalhart, the Dalhart Independent School District and the Amarillo Economic Development Corporation has invested a considerable amount of money either through direct funds or through tax credits. We are currently building a new high school, and adding onto our winter school drive to take care of the families that are moving, so that we can provide an adequate education for these people as they come in.

The StoneLeaf at Dalhart, numbers 07-131

housing project would greatly benefit our community by providing affordable housing to current and future citizens. And I consider -- I ask that you consider this at the present time, and then I look forward to a commitment funding for 2008, if you can. And also while I am here, I would like to -- you also have a copy of some figures from the Texas Department of Criminal Justice.

And Warden Wheeler [phonetic] couldn't be here, so I would like to present this to you, also. Out of 267 employees, 184 of those at the prison are prison guards. We are currently about 37 percent short of adequate guards to fully -- to have a full prison. And also, you have a copy of this. But out of the 184 security positions, our total employees, excuse me. 151 of those employees live in Dalhart.

And we have people driving from Amarillo, which is 70 miles. We have 15 employees driving from Dumas which is 45 miles. A little community of Sun Ray, 38 miles. There is nine people driving in Boyce City, Oklahoma, who say it is a long ways from here. It is not that far from Dallas, just 50 miles. But we have 16 people and then three drive from Clayton, New Mexico.

And this is main -- some of it is by choice, but most of it is because there is not adequate housing.

Thank you for your time and thank you for your consideration.

MS. ANDERSON: Thank you, sir. David Ahlem. And then the next witness is Jerry Killingsworth.

MR. AHLEM: Thank you for the opportunity to be here this morning as well. I am coming before your committee today to ask for consideration. David Ahlem, Hilmar Cheese, and representative of the community of Dalhart.

I am coming before you today to ask for forward consideration, consideration for forward commitment for the application of StoneLeaf at Dalhart, 07-131. You have heard a little bit already. The City of Dalhart is experiencing tremendous economic growth. This positive growth, however, has significantly increased the need for housing, especially affordable housing.

Hilmar Cheese Company's new facility is one such example of this positive economic growth. Hilmar is currently constructing a state-of-the-art cheese production facility in Dalhart, and plans to invest more than \$190 million over the next ten years. When Hilmar Cheese commences operation in October, we will employ 120 individuals and expect to grow this total to 350 over the next decade.

In addition, according to the impact analysis that was developed by the Perryman Group at the request of the Governor's Economic Development Office, the impact of the operations of the cheese plant and associated dairy operations will bring an estimated 1,100 jobs initially, and at maturity, 4,300 new jobs to the area. As Hilmar Cheese Company considers future expansion and investment in the community, we see the availability of housing as a critical issue.

Affordable housing is needed to attract and retain employees to the area. The lack of available housing has the ability to limit or delay our plans for investment and expansion in the future.

Currently, private enterprise cannot make such a project work without the support of tax credits. On behalf of the community of Dalhart and Hilmar Cheese, I respectively ask the Committee to consider granting the award of forward commitment funding. Thank you.

MS. ANDERSON: Thank you. Welcome to Texas.

MR. AHLEM: Thank you.

MS. ANDERSON: We are glad you are here.

Mr. Killingsworth, and then the next witness is Jay Low.

MR. KILLINGSWORTH: My name is Jerry

Killingsworth, 4552 Banyan Lane, Dallas, Texas. I am Director of Housing for the City of Dallas, and I am here speaking on behalf of two project in Dallas. The Sphinx at Fiji Seniors, and Carpenter's Point. Madam Chairman, I was told that since I am speaking on two projects that I might have six minutes, but I am going to try to hold this down.

And the reason for this, there is a common theme along both of these projects. And that is, members of this Board knows that Dallas has taken a very focused approach to the development of tax credit projects over the last two years, based upon a tremendous amount of product coming on the market in Dallas. And both of these projects fit what we are trying to do.

Let me talk first about the Sphinx at Fiji. And also, the timing for my being here is very good in that the new mayor and counsel had their first meeting yesterday. And both of these projects were approved for funding, final funding, \$1.2 million for Sphinx at Fiji and \$750,000 for Carpenter's Point.

Let me speak to Sphinx at Fiji and talk about how this project really fits in to what we are doing as far as focused development within the community. This is not what I call as a developer, a one off project. In

other words, it is not just an apartment project in an area of the city that needs apartments. This is part of a larger development.

And in fact, this is part of a four-phase development. This being the first phase of a mixed use transit-oriented development that runs along the southern sector of Dallas, along an existing DART rail line. It is about a half a mile east of the Dallas Zoo, but is contiguous to a DART station. And so this is part of the redevelopment. And for senior citizens, having a DART rail line close to where they live is a tremendous advantage.

To date, besides the \$1.2 million on this project that we are putting into, for the acquisition and demolition of an existing warehouse for this 130-unit project, in addition to that, the City of Dallas, and the North Texas Council of Governments is putting in \$3.5 million in the other three phases for infrastructure associated with the development of these other three phases. So this is not a pie in the sky, you know, I think we are going to do this at some point in time project. This is a project that is going to happen.

And we are asking for consideration. Dallas is making the commitment, and for this transit-oriented

development of which this project would be a part of.

By the same token, the other project, Carpenter's Point is part of the greater Frazier development. Many of you know that about three or four years ago, HUD through a HOPE VI grant provided over \$20 million to the Dallas Housing Authority to tear down over 500 units in the Frazier Court area and redevelop that, with roughly 350 units of which most of those are up now.

You have already granted tax credits for part of those for townhouses. And associated with that, the Dallas Housing Authority has transferred land to us, to build 51 single-family houses. But in addition to this master-planned project, which covers about 50 square blocks, is another transit-oriented development that is a half a mile south of this project and at Hatcher and Scyene, that will have a DART station.

Across the street from you, for those of you who read the Dallas Morning News, would have seen that about a month ago, that Baylor Hospital announced that they were going to put up a 20,000-square-foot center for diabetes across the street from this transit oriented -- from the DART station, that is part of a mixed use, transit-oriented development. That is a half a mile south of us.

All in all, I just set back, and I just counted up that besides this 750,000, we have invested in this, have committed in this 50-block area, \$3.65 million for infrastructure that single family housing development that I talked about for streetscaping, and for the acquisition of a mixed use development along Spring Street, which is next to this.

Now the great thing about this DART development, I mean, the DART's line that is going now in that will be open in 2008, that is a half a mile from here, is that DART is going to furnish transportation. They will be riding the neighborhood and picking up riders to bring to this rail station so that this particular project would have buses traveling to it, to pick up the seniors and bring it there.

The key thing here is that this is part of a master plan. There is no other senior housing like this. Certainly not senior housing of this degree in this area. And we would appreciate your consideration on this project, and the project that is part of our other master plan over by the Dallas Zoo. Thank you.

MS. ANDERSON: Thank you, sir.

Mr. Jay Low, and then Mr. Dennis Wells.

MR. LOW: Before I begin, I have a binder that

I would like to submit to the Committee, that has information regarding some bullet points that we are going to be addressing. First of all, I would like to thank you for your time. My name is Jay Low; that is my real name.

And I do reside in Purser Estates in Liberty Hill.

Purser Estates is a neighborhood of middle income and single family homes.

And I am here to voice concerns in opposition of San Gabriel Crossing, application number 07-220. Our concerns that we are going to discuss, myself and some other members of the Liberty Hill community are not in regards to an issue of low income and affordable housing.

We have several volunteer efforts within our community, within our neighborhood, in which we are contributing to the Liberty Hill food bank, Texas Baptist Children's Home in Round Rock, and discounted food programs, in addition to other programs to help within our community.

What we are going to try and address is the issue of the Liberty Hill infrastructure, and the timing of this development in the growth and the future of Liberty Hill. Also preserving the historical plan of the Liberty Hill vision, and the lack of need within the community of Liberty Hill for this project. Also, we want to address inaccuracies within the market analysis. We

also would like to -- a lot of this is coming up because of the frustrations that we have had in trying to obtain information and cooperation from our local government as well as the Texas Housing Foundation, which is developing this project.

The market analysis, I would like to just address some of the points. Within that binder, it is a rather large binder, but the analysis that this needs basis has been presented does not take into account that there is any transportation for the residents of this proposed complex.

Liberty Hill currently has no busing. We are ten miles away from the Leander area. A lot of the market analysis was in regards to Liberty Hill, Leander, and Cedar Park. And yes, there definitely is a need within the Leander and Cedar Park area, but Liberty Hill has 1,400 residents right now.

And the market analysis is not accurate for our area. There also has been no traffic study on this proposed development site. There are some references that are also in the binder, but I want to point out with some pictures here.

We have no general practitioner or medical doctors in Liberty Hill. These two pictures are pictures

of a dentist's office and a chiropractor, and those are the ones that are pointed out in the application. We have no medical complexes in Liberty Hill.

Additionally, we have no full service grocery store, which is listed in the application. Picture three down here on this side is a Shell gas station. It is a convenience store.

And over here is Allman's convenience store, which is just that, a convenience store. It is not a full service grocery store, and would not be able to support someone living off with a subsidized income.

The restaurant that is listed on the original application is a takeout pizza place with no seating. Pictures of this are on picture number five, and that is also in the binder.

We have also -- the issue of public notice of hearings, we have not been informed adequately of the public notices. The only public notice that we have is in this Picture number seven. It is posting for April 2, 2007.

And there have since been four subsequent meetings regarding that within our local community. We have found out about them through our investigative research. Is that my time? Thank you very much for your

time.

MS. ANDERSON: Thank you, sir.

Mr. Wells, and then Laura Waller.

MR. WELLS: Good morning. I first would like to say that I appreciate the opportunity --

MS. ANDERSON: Would you identify yourself for the record.

MR. WELLS: Oh, I am sorry. My name is Dennis Wells, resident of Liberty Hill, Texas, where the proposed Gabriel's Crossing housing developing project is supposed to take place. Application number 07-220. Again, I would like to thank you all for the time for me to come up and speak about this proposed project in our neighborhood.

Let me start off by saying this project was originally put forth as a senior community center for some of the older folks in Liberty Hill and the surrounding areas to find affordable housing. The zoning of the area was initially put out to be SF-2. To support this load-in [phonetic], see the low to medium density senior complex.

It has since then blossomed into a very large six to eight-unit per structure project for low income and medium income occupants.

My major points of contention are with this project, number one, where it is sited right now, is in

the same spot where it was originally going to be a senior center for much lower density. Therefore, it is very incompatible with the historic character of the downtown core area of Liberty Hill, which is completely surrounded by SF-1 or single family zoning.

I personally live in one of the Victorian houses that is about 20 feet from this development, one of several which you have pictures of. Everyone should have gotten a packet up there. Many of the residences within a quarter mile of this proposed site is completely out of character with these residences as you can see from the pictures.

We are not against this type of development coming into our area. We are not just convinced that it is sited quite properly for our little town. It would be much better if it was sited closer to where we have more mass transit capabilities. Word is now that the people there would be basically marooned.

Way out in the sticks, way far away from any way to get to meaningful employment and again, it would not fit very well with the existing character of the downtown area. Let's see. Also being out there in the SF-1 area, there is no sewer run out to that area yet, and it is still going to be at least a year out before we do

get sewer.

When the sewer does come through, we have been notified that it is going to create a large tax burden for all of us that live in the single family area, surrounding or adjacent to the proposed development. In conclusion, I would just like to encourage you guys to disapprove this development at this point, as it is currently sited.

Thank you very much for your time.

MS. ANDERSON: Thank you, sir.

Laura Waller, and then Carl Cook.

MS. WALLER: Hi. I am Laura Waller. I am here to speak about the Liberty Hill San Gabriel Crossing, number 07-220. I saw you guys on June 14. I handed you out some petitions that was over 600 signatures of people in Liberty Hill who did not want this particular multifamily housing project.

Since then, I have done an infinite number of hours reviewing the application that was provided by this applicant. And I have had a decade of work with the governmental defense company. I have worked for the State Bar of Texas and the State Comptrollers Office, and I was involved as the budget officer at the origination of the State Lottery. And in all those years, I have never seen such a flagrant abuse of the governmental regulatory

system as well as total disregard for accuracy or honesty in the submission of governmental regulated documents.

It is my understanding that intentional falsification of these documents can be considered in some cases a felony. I have documented nine pages of problems.

Falsifications, omissions, misleading and inconsistent information. And I will be providing you with a brief overview of this analysis today. And if you would like the entire nine-page document, I can provide that as well.

But today right now, I really want to talk about my understanding of the purpose of TDHCA and the potential impact on the people in the state. As I mentioned in the June 14 meeting, Liberty Hill does not have a need for a multifamily housing project at this time in our growth, or in this location. The center of the town is made up of owners of modest homes who have chosen Liberty Hill for its rural, small town residential neighborhoods.

There are also elderly and low income residents who have waited years to see the appreciation of the value of their property, and renovation of the older historic homes, by others who share the same desire to preserve our rural heritage. Liberty Hill could use funding from the TDHCA. We could use single family programs, such as First

Time Homebuyer, Homebuyer Assistance, Habitat Houses, and Owner Occupied programs. And these programs would actually benefit the low income residents in our community.

The problems seems to be that these single family programs would not be profitable for the developers, the Texas Housing and DMA Development, and the potential partner, the real estate investment firm of Boston Capital. The others who would be disserved by this building of this multifamily development, would be the people who are brought in, the disadvantaged people who are brought into Liberty Hill with the false lure of a promising environment of opportunity for employment, access to transportation, medical facilities, grocery stores and restaurants.

Our town would be ill-equipped to serve the needs of this population. Both the town and the disadvantaged tenants would suffer; the very people that the TDHCA was intended to help. It is my understanding that the TDHCA and the HUD programs were intended to help low income and disadvantaged people rather than enrich the developers. And big business, real estate corporations. Please put the money where it is needed. Please give it to the needy, not the greedy.

Oh, and one more thing I found out, I thought was interesting. I have the census tract of the HUD research but that tract is not qualified, because it is not eligible. It does not meet the statutory eligibility criteria by HUD's standards. And I am sure the developer knows that, and that is why he used a market analysis for Cedar Park. Thank you. And here is a copy.

(Simultaneous discussion.)

MR. GERBER: Madam Chair, I just wanted to interject Ms. Waller, I just wanted to interject that the Department has a formal challenge process that is posted on its website, and I hope you will provide information using that process, so that the Department can look into specific issues that you and other residents of Liberty Hill would like us to look into.

MS. WALLER: I will. And the last time I looked for the document, the market analysis that you told me was also on the website, it was not there. But it was later provided to me by Robbye Meyers. But you were not correct. It was not on the website.

So I have tried, and I have looked all over your website. I have spent six weeks trying to find the proper channels to review this because I am concerned about the way this process has been undertaken.

MR. GERBER: I am sorry.

MS. ANDERSON: If I can ask someone on staff to make sure that Ms. Waller knows how to get to the link to the challenge process, so that she can bring these challenges that have been made in public comment today to staff for appropriate follow-up and investigation. Thank you.

Mr. Carl Cook. And then Mr. Monty Price.

MR. COOK: My name is Carl Cook. I am here to speak on San Gabriel Crossing, 07-220. And Ms. Waller got the market analysis for us. And I have gone through that. We could not spend the six or \$7,000 it would take to get a professional to look at it, so we looked at it ourselves. And what we saw in there was the analysis actually encompasses a geographical area, including Leander, and other outlying areas, not Liberty Hill.

The population of City of Liberty Hill is 1,409. The market analysis is for a population of 13,364 households. And if you say, two per household, that is going to be 26,000 people. So that definitely is not Liberty Hill.

Page 11 of the analysis states only moderate penetration is needed to be feasible in the Greater Austin area. Liberty Hill isn't in the Greater Austin area. It

is in rural Williamson County. Page 18 of the analysis states that the Cedar Park/Leander submarket which, there again, is not Liberty Hill. That is Leander/Cedar Park.

The consulting firm of O'Connor and Associates did a visual survey to determine whether if the site was out of the flood plain, but did not guarantee that it would be. Page 23 of the market analysis states that water and sewer are available from the City of Liberty Hill. And then it states that they had assumed this because they did not check. They were wrong in not checking, because there is no sewer currently, in the City of Liberty Hill. It is going to take at least a year, maybe more to get the sewer there.

Page 26 states that numerous single tenant and small neighborhood retail centers are scattered throughout the neighborhood. This is blatantly incorrect. There are few scattered retail centers around town, but none in the adjacent neighborhood, and none within walking distance of this proposed location. Page 26 also states that there are parks within or near the neighborhood, including the San Gabriel River. Access to the San Gabriel River is ten miles away by major highway, and the closest park is five miles away.

Page 27, public water and sewer systems are

provided by numerous MUDs and other various municipalities. We have no MUDs out there. All the apartments used in this project's analysis are located in the Leander/Cedar Park area. This is not comparable. This is a major metropolitan area they compared it to. We are not. We are rural.

And then on page 46, it states in there, there is potentially a sufficient demand for the subject property. And according to Dictionary.com, potentially is possibly, but not yet actually. And also American Heritage Dictionary states potential is capable of being, but not yet in existence. So according to this analysis, this apartment complex is not needed for Liberty Hill. Thank you.

MS. ANDERSON: Thank you, sir.

Mr. Price, and then we have a letter on this transaction to be read.

MR. PRICE: Madam Chair, members of the Board, my name is Monty Price. I have lived in the affected neighborhood for eight years. I had hoped to make it my retirement home.

I am a high school government teacher. And I hope to use this as an example of an affected citizen speaking before a governmental agency.

It is a year before the proposed project is to be built, but it will take more than a year for the need to be there. Page 60 of that needs study, which is in your binder states that the proposed site has good curb appeal. Wrong. The site is at the back of the property.

It is behind eight acres of trees. There is not frontage on any road at all.

Page 72 of that same study says that Liberty Hill has an extremely low capture rate for Section 8 vouchers. If we have an extremely low rate capture rate for Section 8 vouchers, where is the need? The analysis had to include Leander to even get a high enough capture rate to make this even potentially feasible. Liberty Hill does not need this, and cannot qualify for it by the market analysis provided to TDHCA by Martin Mayfield and the Texas Housing Foundation. Leander may need it, but Liberty Hill does not.

Both appraisers for the analysis are not certified for commercial appraising. You can see their certifications, and their qualifications at the rear of the analysis.

There are no large employers in Liberty Hill. There is no jobs for individuals that would live in the proposed project. The vast majority of us that live out

there work in other cities and have to travel to get there. The employers noted in the original funding application are Dell, Samsung and other large employers in Austin.

There is no transportation in Liberty Hill at all, as Jay Low mentioned to you. Overwhelming opposition by the community in general, as evidenced by written and email petitions, as well as letters from the majority of the individual property owners within 200 feet of the proposed site. Liberty Hill planning and zoning committee itself voted and denied recommendation for the initial project initially.

I would like to remind the Board that the Executive Director of the TDHCA Mike Gerber assured all members of this Board at the 6/14 meeting that he would look into the public outcry at this proposed project. Not done. Finally, Carl Cook requested that Mike Gerber provide him with the names and the contact information of each of the members of TDHCA Board by June 18. As of this date, none of this has been provided either.

I just wanted to say, I am really concerned of the area that I chose, and many of my neighbors chose for retirement area is potentially going to be lost to be us.

Thank you for your time.

MS. ANDERSON: Thank you, sir.

Mr. Lyttle? Mr. Lyttle is going to read a letter from State Representative Dan Gattis.

MR. LYTTLE: The letter is regarding application for Housing Tax Credit of San Gabriel Crossing, Project number 07-220, Liberty Hill. "Dear Mr. Gerber. I have the privilege of representing the citizens of Liberty Hill and the Texas House of Representatives, as part of House District 20.

"Recently, several of my constituents have expressed a number of concerns directly to you with respect to the above-referenced application submitted by San Gabriel Crossing, including allegations that the application is incomplete and inaccurate. I strongly believe that all the concerns raised merit a thorough evaluation by your agency.

"Therefore, I respectfully request that the Board of the TDHCA postpone approval of this application at its upcoming June meeting until your agency has had the opportunity to fully reexamine the application in light of the recent allegations. I also request that the Board further postpone any pending approval until the findings of your reexamination are timely communicated to both my constituents and my office.

"I thank you in advance for providing a copy of this letter to each member of the Board prior to any action being taken on San Gabriel's application. If you have any questions or concerns regarding my request, please do not hesitate to contact me. You can reach my office at 463-0309. Sincerely, Dan Gattis, State Representative."

MS. ANDERSON: Thank you, Mr. Lyttle.

Okay. The next witness is Larry Melton. And then Michael Sanchez.

MR. MELTON: Madam Chair and members of the Board, for the record, I am Larry Melton, representing the City of Odessa. First let me say that I have been a resident of Odessa for the last 60 years, having moved there when I was six years old. I grew up in west Odessa, and my wife grew up in south Odessa. Areas which today are predominantly population by those with either limited or fixed incomes.

I have had the great privilege and honor of serving as Mayor of the City of Odessa for the last six years. When I became an Odessan, we were a population of 22,000. Today, we are right at 100,000. And as such, I am responsible for the well being of all of our citizens. Part of our very pressing needs.

No, let me back up. One of our very critical needs is that of housing for the low and fixed income people of our community. And it is not to say that we do not have housing being built, because we have several subdivisions being built as we speak. But the profit margin is such on the larger houses that we have tended to ignore the needs of our low and fixed income people.

We need facilities for the 55-and-older group. We need facilities for those with limited or fixed incomes in short. We need Key West Senior Village Phase II. We need your allocation of approximately \$238,000 in tax credits to meet a critical need in Odessa, Texas. Thank you for your time.

MS. ANDERSON: Thank you, Mr. Mayor.

Mr. Sanchez, and then the next witness will be Judy Hayes.

MR. SANCHEZ: I am Michael Sanchez, City Councilman for Odessa, Texas, and I also would like to speak on behalf of the Key West Senior Village Phase II number 07-151. This has been built specifically in my district, and I am very proud of the construction that has gone on, on Phase I. It has been a welcome addition to the neighborhood.

It has been incredibly -- the nicest thing I

hear is that it was built in the wrong part of town, and that makes me feel good, because it stands out. And I would just like to see that it gets completed with Phase II, the same type of construction, just to fill in the additional area with the 36 units that are very critical, as Mayor Melton said, to our population.

I also would like to say that the City of Odessa has committed some TBRA funds to make sure that this facility stays or gets -- it has committed the TBRA funds to the residents to make sure that it gets filled. But there is already a waiting list, so I don't really see that that is going to be a necessity. And thank you very much for this time.

MS. ANDERSON: Thank you, sir.

Ms. Hayes, and then the next witness is Armando Rodriguez.

MS. HAYES: Yes. Thank you, Madam Chairman and the rest of the Board for the opportunity to address the Board. My name is Judy Hayes. I represent District 1 of the Ector County Hospital District. I have been on the Board for 15 years. And I speak in support of the Key West Village Phase II, number 07-151.

We have a lot of things in the area to offer to the residents. But one of the biggest things that we have

to offer is the medical clinic that is supported by Medical Center Hospital of which I am on the Board. The clinic is within a fourth of a mile of the facility, and the hospital is approximately one mile from the facility, and it is supported.

The clinic goes to the facility as on an as-need, or once a month to do various preventative and well checks for the residents there. And therefore, I speak in support of it and hope that you will give us consideration for the project. Thank you.

MS. ANDERSON: Thank you ma'am.

Mr. Rodriguez. The next witness is Reverend Hanson.

MR. RODRIGUEZ: Chairperson and the Board, my name is Armando Rodriguez. I am the County Commissioner for Precinct 4 which is in my district for the Key West, which is 07-151. I am very supportive of that.

It is like Mr. City Councilman and Mr. Sanchez said, they said it was the wrong location but it is not. It looks very good in the community. And it is picking up, very good for the community. That is the Pioneers of Odessa that raised up Odessa completely.

Being a native from Odessa, it really gives them a good opportunity to look at what they have done for

Odessa, that they have a better facilities, for the hospital, the clinic, the parks, the elementaries. It is about a quarter mile from there. High school is there. Which they can go later on closer, talk to the youth about their generations, what they did in the past and everything else. And they make them feel comfortable there.

Making that second phase there, it will make the community much better, much environment. And the thing is, in Odessa, people do respect the elders a lot. And this is for them to have a good complement to there. So I really would appreciate it that you would award us a second phase for this, because it would really pick up the morale in the community. Thank you.

MS. ANDERSON: Thank you, sir.

Reverend Hanson, and then Ms. Spears.

MR. HANSON: Madam Chair, my name is Reverend J. W. Hanson, Odessa, Texas. And I came with this group to represent the Key West Senior Village Phase II. I live in the community, and it has beautified it tremendously and a lot of the elders in the area have been helped tremendously by this project. We are praying and hoping that the Committee will continue to fund Phase II of this project. Thank you.

MS. ANDERSON: Thank you, sir.

Ms. Spears, I believe that you have outdone yourself today, with this delegation that you bring to us from Ector County.

MS. SPEARS: Madam Chair, to the Board members and Mr. Gerber. I brought my posse along with me. I saw that at the last meetings everybody had -- oh, Bernandine Spears, 124 East Second, Odessa, Texas.

I saw that everybody had -- was bringing in others, so I thought I had better bring my posse, because I need a little bit of help. So that is why they are here today. I am here on behalf of Key West Senior Village Phase II.

This is my third time around. Either you enjoy seeing me, and eventually you are going to get tired of looking at me. But until that time comes, I will come before you, and I will continue to ask for the support of Key West Senior Village.

Our seniors have already paid their dues. And we want them to have a nice place to live until God takes them home. So as a result, we are asking you to consider us again this year for Key West Senior Village. And I will see you on July 12. Are there any questions?

MS. ANDERSON: Mr. Conine.

MR. CONINE: Do you have a third phase coming?

MS. SPEARS: No, sir. We are running out of land. Give me Phase II and I will just come by and say hi though, once a year.

MR. CONINE: Okay. Had to ask. All right.

MS. ANDERSON: Thank you, Ms. Spears.

MR. CONINE: I'll miss you.

MS. ANDERSON: The next witness is -- whoops, I have got people yielding time. Gloria Rivera, and then Darlene de la Rosa. What order would you all like to go in.

MS. DE LA ROSA: Good morning. My name is Darlene de la Rosa. I am here to represent San Juan Homes. I am also in the resident council. I am the treasurer. This is my second time around here. So we would just like to ask that you consider us. We have Phase I already up. And the community is looking much better. And we just need to finish what we started in Phase II.

And as Ms. Gloria Ray has seen the condition of the living on the property of Phase I and II. We would like for the community to be more -- a better place for people to be proud of where they live. And we would just like for you to rebuild and consider us this time around.

And we thank you for your time and all your hard work.
Thank you.

MS. ANDERSON: Thank you very much.

Ms. Rivera or Ms. Sandra Perez.

MS. PEREZ: I am the secretary of the resident council. And I also live in the San Juan Homes. This is my second here, but this is their third time here. Well, I hope this time, we will get it right, and you can help us rebuild the San Juan Phase II.

Like Darlene said, we are working on Phase I and it is looking very nice. You know, when I am around there, I feel like I am in heaven on one side, and then I go around the other side, and it feels like I am in hell.

I wish we could all be in heaven, you know, and if you could please help us.

I have four small children, and they are doing good in school, so I wouldn't never want to leave our neighborhood. I would want to stay there. But if they would live in a better place, they would feel better about themselves, maybe sleep better, and go to school and perform well. In the future, for college. I didn't get to go to college, but you know, I want better for my children and our children.

If you could please help us. It is not going

to be the last time we are going to be around here, because we are after Phase II, we are going to work on Phase III. So then I will be back next year for Phase III if you can please help us. Then I will be back.

MS. ANDERSON: Thank you very much.

Ms. Rivera, Gloria Rivera.

MS. RIVERA: Yes. My name is Gloria Rivera, and I used to live there when I was a little girl. After a while, I got married. Now I am separated. I am going to be having grandkids. And I wanted to you all to help us to fix it. That is my old memory. And my little boy, he is four, he cannot go to the school that way. And I want you to help us, to give money to help the place.

That is the last living there, and I don't want to move out of there. And they still have to fix the project. And I would live in a house, but not to think to live in a house. One thing, I have gotten used to it. It is my home. The project.

And my kids like it. My son, Richard Rivera, and my boy little one, Armando Avila, everybody doesn't get to play house. And my boy told me, no, mom, don't ever move from here. I like it. The house we are leaving, they are not the same. The neighbors are nice and everything, so wanted to help us. I think that is it.

MS. ANDERSON: Thank you very much.

Mr. Ricardo Rangel?

MR. RANGEL: Good morning. I would like to thank you all for welcoming us here. My name is Ricardo Rangel, and I am also living in the community of San Juan Homes. I am a single parent who came to live there and said, I am in the third generation of living there.

I didn't think I would ever be there. But Pop worked since I was 12 years old. I encountered an accident at work, working for the Postal Service, left me paralyzed from the waist down and no use of my hands. I lost three homes, three vehicles, and basically, everything we owned except for the clothes on our back. We ended up homeless. And it was open to us.

I do live in the second part of the projects. It was given to you as hell. You know, they are pretty old and dilapidated.

Speaking to my mother this morning, she was telling me that there was a Catholic priest that started the first funding to Eleanor Roosevelt. He lobbied for the first funds, back in the '30s, the late '30s; '38, '39. My great grandmother came to live there. I wasn't even born. And after World War II, my father and the family came to live there as well. And that section was

torn down and remodeled.

Basically, I have seen the new part going up, Phase I. It is looking good. And the part that I am living in right now, it is outdated. I have worked in building in the residential, commercial and industrial levels, and I am just going to tell you that you know, it is pretty outdated. There is no central air, no heating. There is no closet space.

Exposed water heater in the kitchen, which is real dangerous for my daughter, but she is pretty smart and stays out of trouble, you know. And basically, because it is exposed like that, the living conditions, just going to bed at night -- I don't have any AC.

We live in an area that is not really crime-ridden, but it is not the safest place in the world to live in. And hopefully, with the new phase that has come in, they are going to work toward that. We were speaking to the developer this morning. And he was ensuring that they would put on site security.

But what I was getting at is that you close your doors at night, and the unit that I am in, it is 80 to 90 degrees. I hang my laundry that I do on the gas pipes that run exposed on the ceiling. By morning, my laundry is dry. That is how hot it is. First thing that

I do is to open up both my doors and put on a fan downstairs, because it is just that hot.

And on one side -- I am on the end of one of the buildings. And it is just a 40-foot wall of brick and cinder block. So all day long, while the sun is hitting it, it just soaks up all the heat. And by midnight, it is still 80 degrees. You know, the bricks are just retaining all the heat.

So you are trying to sleep in that kind of you know, condition. It is just not good. Just trying to go to take a drink from the piping, it is so old, I mean, the section I am in, I am sure it is older than the '50s. And you know, you get all kinds of iron deposits and everything. Which isn't really say, healthy for the kids.

So I really would like to see the project, you know, completed, at least Phase I and II. I don't know about Phase III. I don't know anything about development or plans, you know, in the making. But I wouldn't see why you all would fund it halfway through, you know.

And basically, it is becoming where, you know, the settling on the foundation and everything, it is already so outdated, there are separation cracks at the wall. And the maintenance is done, but you can't do maintenance on something like that.

You know, it is just not going to -- the upkeep is not going to help it. It needs to be really torn down and redone the right way. Proper insulation, you know. Air conditioning and heating. I have got it -- that unit is like 80 to 90 degrees all year.

I don't even use the space heaters they issued us. Never plugged it in, not even once. All I have got to do is to close my doors. Perfect climate control for the winter, you know.

But in summer -- I don't have to worry about gaining weight either. You are just sleeping in a pool of sweat all night long. It is pretty unbearable. And the thing is, as an adult, you can adapt to just about whatever you need to. And I would just like to say that putting a child through that, they don't understand all that.

You know, and the things we have had to come through, the roads have been long and hard. I was very grateful to have a roof over our head, at the time we did get it. And it served its purpose at that time. But it definitely needs to be brought up to modernization. You know, I mean, it is pretty old and outdated. And, you know, the kids are the ones that suffer.

But I would also like to see, you know, further

development, as far as the school in the area is good. There are some good resources in that area. I would like to see some that would come in and further educational skills and, you know, just helping people to redevelop their skills and the job status, you know, to get people out there, get them motivated. And something that is on campus, so maybe even a library in that area, to develop that.

Because it is an inner city project. I hate to see it go by the wayside. I spoke to one of the neighbors last night. And she had her kids with my daughter in school; two of the small ones. And then she has teenagers. And they were going to UT during the summer.

You know, they have a summer program. And they are like, 14 or 15. And I would like to see programs like that interjected with the new building and the new funds that I hope you all are going to provide for us. That is where I am at. Thank you for your time.

MS. ANDERSON: Thank you, sir.

The next witness is Juan Ramirez and then Abraham Rodriguez.

MR. RAMIREZ: Good morning, Madam Chairman, members of the Board. My name is Juan Ramirez. I am a councilman, district 8 of Laredo, Texas. And I am here to

ask that you consider our request for funding for Costa Madera housing project over 140 units that will be on the west side of Laredo, Texas.

As, you know, Laredo is right on the main gateway to Mexico, and we are the main focus on the Border. We do have a large concern, of trying to secure affordable housing. And that was our concern here. That is why we are here, honorable Board. And I hope that you consider us.

We are trying to have this project done on the west side of Laredo. We are trying to bring up the standards in our neighborhood. This project will also consist of a room that will have computers to teach our children, and allow them to be leaders in our community.

And I am sure that all of you with your concerns will help us and consider our request for this project. I thank you for hearing me, and god bless you all. Thank you, ma'am.

MS. ANDERSON: Thank you, sir.

Mr. Rodriguez, and then Larry Dovalina.

MR. RODRIGUEZ: Good morning, Madam Chair, Board members. I am Abraham Rodriguez, the Director of the Housing Authority for the City of Laredo. I am -- the housing authority for the City of Laredo is a partner in

trying to develop Costa Madera, a housing development that is going to be a catalyst for the western section of our community, past the railroad tracks, a section of our community that has been neglected for many years.

I congratulate Councilman Ramirez. He has been very aggressive about trying to bring affordable housing to the area. I have been in the business for over 20 years, and I have seen housing has become less of a priority in terms of the federal government. The State has done a tremendous job amount of work over the years. Laredo has been placed in a situation, as our State rep has just mentioned where we are considered part of the Valley.

In reality, we are not part of the Valley. We are not part of the Winter Garden area. We are not part of the Bexar Metro area. We are our own area. We have been neglected in this sense. The qualified census tracts for the City of Laredo have been moved to an unfortunately one restricted area of the city. Fortunately, there was some land there, and we are trying to be very aggressive about bringing to the State and the federal government the need for housing in that particular area. Qualified census tracts are limited in Laredo, restricted to that area.

We have visited the HUD offices in Washington. We have brought this concern up there. We mentioned it to you so that you can look at the qualified census tracts across that southern part, and know that the applications come from the Valley, the Brownsvilles and McAllens. I know that there is five developments that are being -- probably six or seven maybe, being proposed for that area.

Because of our restrictive qualified census tracts, we can only go into that one particular area. This Board needs to take into consideration those factors.

We are in an area that is rapidly growing. We are in one of the fastest growing communities in the United States, with a myriad of problems. One of them, the biggest one being housing. We have been neglected at the -- and I am sad to say, at the federal level in terms of commitment to housing. There are no monies for new construction. There have not been any monies for new construction for housing authorities for years now.

Housing authorities now need to be thinking out of the envelope, going to private public sector partnerships. This is a classic example. We have done two other tax credit deals, and we are looking forward to realizing this one.

We ask you to think favorably. If it can be

done this time, that you look to us for forward consideration. We ask -- I hope and I pray for favorable consideration from this Board. Thank you very much.

MS. ANDERSON: Thank you, sir.

MR. RODRIGUEZ: I want to congratulate my fellow colleague in housing, Spears. We are persistent.

MS. ANDERSON: And after Mr. Dovalina, then Mr. Creery.

MR. DOVALINA: Good morning, Madam Chair. Thank you for allowing me the time to speak before you. I am the former City Manager of the City of Laredo. And long before I became a public -- my name is Larry Dovalina.

Long before I became a public servant and I served the City of Laredo for 29 years, I was a housing advocate. I was born and raised in a housing project. I currently come before you as a President of LULAC Haven, Incorporated. It is a Section 202 housing project that has been in existence for 22 years.

In those 22 years, we have enjoyed 100 percent occupancy. I am familiar with some of the projects that you have given the City of Laredo, and Mr. Rodriguez and some of his colleagues. Gallagher Apartments, Clark's Crossing come to mind. Projects that have been

constructed in the last three or four years, and to my knowledge, those projects are at 100 percent capacity as well.

The housing stock in the City of Laredo as my good friend Representative Richard Raymond stated, about 40 percent of the entire housing stock in the city is substandard. In my humble opinion, if you were to give favorable consideration to Costa Madera being build in Laredo, and if you were to build one every year for the next five years, you wouldn't meet the needs of the city, because currently under their census, the entire population of the city, which is estimated to be 250,000, 50 percent of that population is under 18 years of age. I thank you for your time.

MS. ANDERSON: Thank you, sir.

Mr. Creery, and then Ms. Ybarra.

MR. CREERY: Good morning, Madam Chair and distinguished Board members. My name is Roger Creery. I am the Executive Director of the Laredo Development Foundation, and also first Vice-Chair of the South Texas Workforce Development Board.

You know, Laredo has been blessed with strong economic growth since the introduction of NAFTA in the early '90s. We have doubled in population, and we have

driven our unemployment rates from 16 percent at that time, down to four, 4-1/2 percent currently. And in that good news story, though, there are some numbers that I would like to share with you today that help represent the size of the need that we have.

The growth that we have experienced has been predominantly in the service industry. So the living wage, as demonstrated by some census information by the United States government, Laredo and Webb County, when you look at all the mid-size and large counties in the United States, Laredo and Webb County falls to the bottom seven in all of the counties in the U.S.

When you look at the average wage earned in that community, add to that, the fact that the most recent sets of census information shows that the median wage rate in Laredo right now is \$9.93 an hour. That means that 50 percent of the 90,000 employees, 45,000 employees in Laredo make less than what is traditionally looked at as a living wage of about \$10.50 an hour.

If you hold that thought for a moment, and then look at the fact that with all this tremendous growth and economic development that has happened in Laredo, one of the things, one of the challenges that is provided is the costs of property and the costs of building construction

has gone up tremendously, because of the competition for those resources. If you look at the average cost per square foot of what one would consider an entry level home in Laredo right now, it is roughly between \$85 and \$92 per square foot just to get into entry level.

So if half of your population isn't making living wage, that puts the American dream of home ownership way out in the future for some of those folks, and brings to the forefront the importance of a project like this. I think as a Board, you also look at investing the State's money wisely. If we were blessed to be awarded this tax credit, it would be added to the million dollars that the City Council and our city leadership has already committed in the form of HOME funds to come to the project.

But what you don't see in the application is the infrastructure improvement that has already been committed to that area. The streets that have been improved, the curbing, the lighting, and other infrastructure to prepare the footprint for this particular part of our community for the introduction of this new development. That includes, by the way, building a brand new elementary school in that area to support the education of our children. Laredo, I believe, has always

demonstrated that it is a good steward of the city and the State's money.

And I will leave you with this one last note of information. Within the last couple of months, we have been blessed to be involved in the All American Cities competition that is put on by the National Civic League. And I am proud to tell you that Laredo not only the only border community in the United States, but the only city in Texas was awarded All American Finalist recognition just recently in Anaheim, California.

So we are Laredo proud. We are proud to be part of the State of Texas, and God bless you and thank you for your consideration.

MS. ANDERSON: Thank you, sir.

Ms. Ybarra and then Hector Patino.

MS. YBARRA: Good morning, Madam Chair and members. My name is Margie Ramirez Ybarra. I am the Webb County clerk in Webb County. As a lifetime member or resident of the City of Laredo in Webb County, and as an elected official, I am here before you, letting you know that I have firsthand knowledge of all the needs that we have on housing in our community.

I am here before you, supporting and asking your support, so that we can bring forward -- so you can

consider our application so we can bring forward to our community 140 new units, where we can go ahead and have 140 families and children have better affordable homes, a better standard of living, and improvement for our community. This will help our city and our county and as the population grows, our housing needs grows. So I am here before you, asking for your support and your consideration in this project. Thank you very much.

MS. ANDERSON: Thank you, ma'am.

Mr. Patino, and then Mr. Gamboa.

MR. PATINO: Good morning, Madam Chair and Commissioners. My name is Hector Lee Patino. And I am an associate pastor at Centro Familia Christiano, and I have members from my church and also citizens supporting our leaders, city and government leaders. I ask them to stand up with me.

And this is a unified effort from the city, from the county officials. And from our citizens. As a leader in our community, Centro Familia Christiano our church, we live -- the church is about five blocks from this project, Costa Madera. And we currently receive between one to two families weekly asking for housing.

We currently right now have two families housing in our church because they don't have a home. A

single mom with two children. And it is very difficult at times to explain to them why you said that they cannot have the affordable housing that they need.

I come here before you today, before your committee, to ask you to look favorable to this project. This project, it has been forth, presented to you will bring a lot of benefits to our community. We are seeing it every day. On Tuesdays and Thursdays, our church has a food delivery, where people come in on Tuesday mornings and Thursdays and we give them food. And it is about 100 to 150 people that come weekly.

And it is specifically this neighborhood, and this west side of Laredo who is needing this project. I believe that this project is going to not only change psychologically the mentality in their lives, but it is also going to encourage the people there to say that, yes, they can live in affordable housing and have the opportunity to better lives, the welfare of their own lives. And so I believe that this project really will encourage the community in this section to change their lives. As a leader in our community in that section, we are seeing tremendous growth, and a tremendous -- low income families really struggling.

And we ask you today to please look forward for

this project as favorable and fund this Costa Madera. And I hope that God blesses you and guides you through this process. I know it is difficult as it is. We thank you today for having the time that you have taken to come here and serve our State of Texas. Thank you so much, ma'am.

MS. ANDERSON: Thank you.

Mr. Gamboa, and then Celia Fuentes.

MR. GAMBOA: Buenos dias, Senora. Senorale Chairman, and all the Board members. Mi juage essay en Espanole. In this country, speak English, and this, speak Spanish. I am sorry. My name is Juan Jose Gamboa.

[TRANSLATION] I have the opportunity on this occasion of having more than 10 years representing the CAA, Community Action in the City of Laredo and of having constant communication with all of the families with the greatest need and, principally, in the area of homes, in the area of housing. I have had the opportunity for 14 years of also being a board member for the PTAs of the elementary schools, the median school, and of Martin High School. In which I have always had communications with not only the parents, with their kids, the little ones, and with all the community in different areas.

I've had opportunities in 3 areas, the area of the Aztec, the area of brick making, and another area in

which I express the mortification we have, which is what we bring before you because we know you have your heart placed in your hands. To try to supplement all the necessities you avoid in hundreds of families that are in Laredo that don't have a home, that don't have a place where their children can be safe, where their roof does not get them wet, where the wind does not disturb them. I believe with all my heart that they are not in that position because of you but because God had permitted it to happen.

I infinitely appreciate your attention and that the Lord continue guiding you. And to continue with this project which we support, Costa Madera, so that there can be that opportunity so that these people, these families, can realize what a home is and that those children grow up knowing the generosity of the State of Texas. God bless you.

MS. ANDERSON: Thank you, sir.

MS. FUENTES: [TRANSLATION] Good morning to everyone and to all of you, as well, good morning. My name is Celia Fuentes and I come representing the families of Laredo, TX so that Costa Madera project can be approved now that we are lacking homes where families can grow in a healthy and safe environment. This great country gives us

milk and honey. Extend this beautiful concept to Laredo, TX. And that the Costa Madera Project be a dream and a reality. Thank you very much. Thank you.

MS. ANDERSON: Thank you, Senora. Ms. Delgado, then Enriqueta Cruz.

MS. DELGADO: Good morning, Ms. Chairman and Board members. They told me that I could speak Spanish, but I see things are all mixed up, and the main idea is to get to the point why we are here. Excuse me, I am so excited. I am Eva Delgado. I am from Laredo. And I have been here before, because I have always been a leader in my community. A volunteer. I never got paid for my services at any level, city, state, federal. No. My heart is with the people who need the help.

And this project is a good project. I have lived in that neighborhood for 35 years. I have seen growing, remodeling the schools. We have five schools, and a college. There is a lot of schools around this area that is going to be build this project. So I feel proud.

You have got the one mind to consider, because Laredo has been growing more fast that we thought. It is amazing. We are on the Border, yes. There are so many other problems. But this is one of the greatest problems.

Housing.

And if you have got the opportunity to start it all the facts and things brought to you. It will be a great idea come to reality, because you are going to help a lot of people. Maybe they don't know what is the state capitol. They don't know what is the law on this and that. But people who are involved in the community, and like I mentioned before, we do it for good heart. And I trust your mind is clear, and you can decide the right thing for Laredo.

I am proud that you represent the whole State of Texas. There is many people, like I say. Maybe some don't understand the ways of the government, how you do. You have to educate people. Because sometimes they ask silly questions. Why do we pay taxes when it is our money? Why they don't do this and that.

But like I say, it is hard to make people understand how that system works. But like I said, thank God you are representing us. And something very good and positive comes out of the project. Thank you. Good day.

MS. ANDERSON: Thank you. Ms. Cruz.

MS. CRUZ: Good morning, Madam Chair and members of the Board. My name is Enriqueta Cruz. And I am representative of Basca Beau Roach [phonetic], the

community, volunteer. And as a hotel manager, I see and I am here in front of you to support the Costa Madera project.

And I see that over here, right in front of you, for the reason of them being having volunteered, the -- to be proud of the way they live. The teenagers or the pre-teenagers. They live in an atmosphere that they are proud, and they feel good. They are not ashamed of where they live. They can be more development. They can be so self-esteem, their self-esteem is going. It can be up.

And I see some of the teenagers run away from home. Or leave home, as a coach, a basketball coach, they have been approaching to me and say no, ma'am. We want to run away. We want to group playing because we don't have enough things at home. We are not proper. We leave.

So I think those projects will be giving a lot of pride of the teenagers and the area that they are, that they need more support on houses. And it is for the grownups, I think it is a good project.

For the teenagers, for the self support. And for the be proud of living in the area, they can be proud to live in, and not ashamed of it. And not quit or not run away from home because they are ashamed of where they

live. So I think this project is very good for the teenagers and for the children of the area. Thank you very much.

MS. ANDERSON: Thank you very much.

The next witness is C.J. Brown. And then Adrian Brown.

MR. BROWN: Good morning.

MS. ANDERSON: Good morning.

MR. BROWN: Madam Chair and the rest of the Board. My name is C. J. Brown. I am from Dallas, Texas.

I am the Vice-President of the Dolphin Heights neighborhood association. And I am here for the 07-101.

And this is a 150-unit senior citizen complex.

And this is after 45 years of living in that neighborhood, this neighborhood, East Dallas. This is the most beautiful project that has taken place since I have been there. And it is for the senior citizen like myself, that is coming on, that I might have to live there.

It is a job opportunity for the citizen, and the people that is in the neighborhood. That is the job coming up for us. And also, there is not in every -- it is not, in that close, there is no seniors complex. And for a senior citizen 150-unit coming to that section, it would be one of the greatest things that happened in East

Dallas since I have been staying there.

And I know that it would help a lot of people, that are coming up. And a lot of our older citizens that have moved. They can come back to the neighborhood where they grew up from. Not only from our neighborhood, but the rest of the City of Dallas.

And I am here for the tax credits that I hope that we can get. It would be one of the greatest things for our senior citizens, that we are moving up. I have already moved, but I still have a way to go. But I may have to live in that project myself. And thank you very much.

MS. ANDERSON: Thank you, sir.

Mr. Adrian Brown and then Ms. Anna Hill.

MS. BROWN: Madam Chairman and Board, I am Adrian Brown. I am also in support of the senior citizen facility, 07-101. I am the spouse of C.J. Brown. And I have not lived in that neighborhood for that many years.

But coming to that neighborhood, and working with the Dolphin Height association, I have found that there are so many seniors there that are in need. And I have no idea if eventually I will live there. But if I do, I would like to be a part of seeing that particular area grow.

I have only been over with them eleven years. And I have seen a lot of people who are in need. So we support the building of this complex, and we ask for your consideration, because there are no facilities around there, and I have actually basically researched it. There are no facilities around there for the seniors to actually have a home.

So we are asking and pleading that you will consider a tax break for this particular complex and hopefully you will think about it seriously; that we really are serious about getting our seniors a place to live, and to be proud of the area in which they live in. Thank you.

MS. ANDERSON: Thank you, ma'am.

After Ms. Hill will be Ms. Washington.

MS. HILL: Good morning, Madam Chair and members of the Board. My name is Anna Hill. I live at 4819 Silver Avenue, Dallas, Texas. And I am the President of Dolphin Heights neighborhood association, which we actually formed in this particular community. The person speaking, Mr. Brown, is my deputy Vice-President. I thought I would keep that correct.

MS. ANDERSON: I bet you have a hard time keeping him reined in.

MS. HILL: Yes, ma'am. I do. But I have lived in this area for 30 years. And when I moved there 30 years ago, it was a thriving neighborhood of single family housing, just your ordinary family with children growing up. Since then it has turned into a lot of vacant lots because of neglect by the heirs. And we have a lot of senior citizens. We are a diverse neighborhood community. And so we have a mixture of income.

So since I became president, I am working my fingers to the bone to get people to come back in and build single family homes. Pastor King approached me about the senior citizen project. I am very happy about that. I am in support of it. And the neighborhood association also is in support of it. A lot of the members are old, and they wouldn't come. But I have the consent to speak in support of that.

And this project first, it will provide permanent places for our senior residents. Due to gentrification, many of our senior residents are finding it difficult to locate affordable housing.

Second, it would give them a place that they will have full control of, and not feel as for instance, like my mother lives with me. She is 87. If I asked her a question, I don't have any rights. I live with you. So

my explanation for that is, if we have this project built, then it is more or less their home, and they have control of what is going on where they live.

Third, it will provide them a place that is safe. Many of the senior residents living in the area right now, they have become crime victims, due to living in unsafe places with their surroundings.

And Carpenter's Point development will be located on Dolphin and Mingo Streets, and it will meet the needs of the senior residents along with the rest of us. So it will bring jobs and employment into this area. And I strongly support the project, and I ask for you all to support it also. Thank you.

MS. ANDERSON: Thank you, ma'am. Perfect time, too.

Ms. Washington, and then Mr. King.

MS. WASHINGTON: Good morning, Madam Chairman and the Board. My name is Jacqueline Washington. I am here speaking on behalf of the senior home, Carpenter's Point, 07-170.

I am just going to get to the point. I have been living in that area for a long time. And my mom is 91 years old. She is able to take care of herself. She is by herself. When I go by to make sure, baths,

medicines taken, because sometimes she forgets to do that.

And believe me, don't get me wrong. She is the one that takes care of herself, okay.

But this senior citizen home would be beautiful for her. Although she stays by herself, but there would be someone there. A nurse, someone else there to make sure that she is well taken care of. Although she is, because the family makes sure that we go by there every day to do that.

But this would be a home, another home for her.

Because she has been in the neighborhood for over 65 years. She raised her family there. But this would be another point that would be really nice for her.

Something that she can kind of look back, because she always says, oh, I wish I had something new. This would be beautiful for her. My mom is a strong woman, and this senior citizen home would be beautiful for her right now.

And also, it would help the community. Because the community has began to go down. But now, it is beginning to grow. And the senior home would be another addition to the neighborhood. And I thank you very much.

MS. ANDERSON: Thank you. Mr. King.

MR. KING: Madam Chair and Board members, I thank you again for another opportunity to come before

you. Today, I would just like to share a little -- my name is George King. I am the President and CEO of Frazier-Berean Group, and the pastor of the Frazier-Berean Church. I wanted to share today a little bit about how I came to South Dallas.

I grew up in small town north of Richmond, Virginia, a farm community, raised by my grandparents. And I went off to school, and progressed in life, and so forth. And wound up being in a church in the Southeast Dallas community. Not what I wanted to do, but what I was led to do.

All of my adult life, I have always wanted to try to be a blessing to my grandparents. I never had an opportunity. They passed away a few years ago. And they had wonderful caretakers that took care of them.

My burden then transferred to the community where I serve, because I see so many seniors who don't have family, who don't have decent homes. Their health care is eroding.

And as a result of the part of the reason why we were able to purchase the property on which we want to put the senior facility, it became a burden to do something for the seniors. We could have used it to build another church building, or build some other kind of

facility.

But my burden was, what is the best use for it.

It was not a church. It was something that could help seniors. And I pray that you would consider our opportunity to make this part of Dallas a difference.

Thank you.

MS. ANDERSON: Thank you, sir.

Mr. Parker.

MR. PARKER: Madam Chairman, members of the Board. I humbly thank you for allowing me this time to speak. My name is Ralph Parker of Dallas, Texas. I am speaking on behalf of Carpenter's Point. Obviously, I am no senior. But I can speak on behalf of one senior that couldn't be here, which was my grandmother, Odell Powell, who recently passed two months ago.

The biggest point of this project would be to give not only a breath of fresh air to an area that has been neglected by people my age and a little bit older than me, but also to give a center point of wisdom for a lot of people who have come before me. You have heard from four people today who have a lot of knowledge that a lot of people pass over, because they don't have a place to really center that.

Carpenter's Point, and I am not being a catch

phrase here, but Carpenter's Point would be also a beacon of light to the City of Dallas, and to the South Dallas area, particularly, especially with the whole Frazier Court revitalization project that is going on as well. There are a lot of people behind the project. A lot of people who feel passionate about the project who couldn't make it here today. And there is a lot of wisdom that is there. And people my age need to come and see that wisdom.

And if you have a new building where all of it is there, people will drive by. Dolphin is a very busy road. It is just going to get busier, especially with Frazier Courts being redone. They are going to see this project, and they are going to say there is some place that I can probably learn something from somebody. There is someone working out in their garden. Like, what can they teach me.

And I just thank you for your time. And once again, think of it also as well as a place of knowledge that people can pass on wisdom to as my grandmother did to me. Thank you very much.

MS. ANDERSON: Thank you, sir.

Also with regard to Carpenter's Point, I have two written witness affirmation statements in support of

the program.

One is from a professor at UT Southwestern Medical School, that discusses the fact that he is on the board at the Frazier-Berean Group, which is the developer.

And he is a medical school professor, who has worked with Reverend King on a health promotion to bring the health promotion program that he founded with some support from the Center for Disease Control to bring that to Carpenter's Point to the new development.

There is also a witness affirmation form from Gary Caldwell, who is a construction manager in Dallas. And speaks to the design of the facility and the design's impact on revitalizing that neighborhood.

We have just --if everybody will bear -- I think what we are going to do is if everybody will bear with us, we have witnesses that are yet to be teed up. Thank you for your patience. Four, five, six, we have got seven witness affirmation forms.

So we are going to go ahead and go through these, and then we are going to take a lunch break. We will see for how long when we see how long this takes. But this should not take longer than 21 minutes. The first witness is Fred Diaz, then Jesse Williams, and then Herman Sanders.

MR. DIAZ: Thank you, Madam Chairman and Board.

My name is Fred Diaz. I am a former national LULAC Man of the Year and a lifetime board member of Kingsville LULAC Manor. Having come from the pockets of poverty myself, I understand when people say, or taunt young people that their homes do not look like theirs, or that you were on the free lunch program. And so I understand what it is to live in housing that is affordable.

Kingsville LULAC Manor is seeking funding from the TDHCA tax credit program, state set-aside allocations for at-risk projects. The property is 35 years old. 88 units of low income, multifamily complex. We are asking the Board to consider authorizing a forward commitment in the funding of this project for three major reasons.

One, the Kingsville LULAC Manor application for tax credits received an excellent score of 192, and is among the highest ranked at-risk applications in TDHCA Region 10. Funding of this project would preserve the HUD Section 8 housing assistance for this low income family complex, and help meet the TDHCA goal of targeting assistance to at-risk projects. The Kingsville LULAC Manor trust is a non-profit owner, and CHDO applicant, which would encounter a hardship having to reapply for tax credit funding in subsequent years, and possibly lose the

opportunity to modernize this property.

Kingsville LULAC Manor enjoys an excellent reputation in the Kingsville community for providing safe and decent affordable housing for area families. We have partnered with the university to bring students in to tutor the kids. We have partnered with civic organizations to provide for the kiddos.

But you can't partner with everyone to try to prevent students taunting children for where they live. So we need to really sit and upgrade that facility. As an older property, it is now time to address some overall physical needs and to modernize the property to ensure its long term future.

This unique proposal features two experienced non-profit organizations teaming up as owner developer to accomplish the rehabilitation of this multifamily property. Our application enjoys strong support from local elected officials and from our residents. Was that the bell?

MS. ANDERSON: Yes, sir.

MR. DIAZ: Simultaneous with the tax credit application, Kingsville LULAC Manor is the sole applicant for the HOME funds, CHDO set-aside in TDHCA Region 10. In closing, thank you for your commitment to preserving

affordable housing in our state. TDHCA's goal of 15 percent allocation statewide from the tax credit program for at-risk projects is commendable. With your support of a forward funding commitment, Kingsville LULAC Manor apartments will be part of the goal to target preservation of these low income residential communities.

Thank you for your consideration, and I ask that you keep us in mind. I have the visions of the people, my constituents that I represent on that Board, saying, who will represent us. And that is why I came forward. Thank you all very much.

MS. ANDERSON: Thank you, sir.

Mr. Jesse Williams, and then Herman Sanders. And then -- yes.

MR. WILLIAMS: Madam Chair, my name is Jesse Williams. I would like to yield my press time to Mr. Herman Sanders.

MS. ANDERSON: Muy bien, Senor.

Mr. Sanders. You have six minutes.

MR. WILLIAMS: Good morning. Let me put my glasses on to where I can see. Chairperson and to the Board, I am Herman L. Sanders, Junior. I am President of the Booker T. Washington Ex-students and Community Resources Corporation of Wichita Falls, Texas.

And I, along with the other members of our delegation have come here today to speak our consensual position regarding the old Booker T. Washington High School cafeteria building and the elementary school building located at 600 Flood Street in Wichita Falls. That is item numbered 07-114, titled the Washington Village Apartments.

The RealTex Development Corporation of Austin, Texas, has purchased the 6.2 acres of land on which the old cafeteria and elementary school buildings both stand.

Their intention is to destroy the buildings and replace them with an apartment complex. We were told in the beginning by Mr. John Boyd of Austin, the Vice-President of RealTex Corporation, and Mr. Andy Lee of Wichita Falls -- who we recognize as an intermediate agent or middleman in this affair -- that if the local community did not wish the presence of the apartment complex, they RealTex would not force themselves into an unreceptive community of people.

We have a petition with over 300 names of people, mostly residents of the community at issue who don't want something that they consider meaningful taken from them. As well as many ex-students from across the country who are vastly opposed to losing the last standing

monument to their proud heritage and history as former students of Booker T. Washington High School of Wichita Falls.

For some 20 to 25 years, we, the ex-students and the immediate community have first hand access to the property of which I speak. And since they won, we have labored under the evidently false impression that the alumni association acting as the representation for each and every Booker T. Washington Leopard in this country was under a 99-year lease with the school board since sometime in the early to mid-'80s, which meant that the property would rest with us for a long time to come.

This is why we were far less than watchful for any newspaper article which would state that the property had been declared surplus property and put up for sale as far back as 1999. I personally heard all of this for the first time in January of 2005, while attending the school board meeting as a representative for another community group. This was six years after the property went up for sale.

On that night, the Board voted six to one to sell the property to RealTex. I voiced a heartfelt frustrated objection to the whole thing right then and there. But needless to say that my voice in opposition

had come a little late.

In keeping with all that I have spoken and the sentiments shared by most of the ex-students and the overwhelming majority of the people from the community who concern themselves with this matter, we are here to ask the Board to please deny any grant or funding to the RealTex Development Corporation which they could use to strike a death blow to the very soul of a community of people who, for whatever reason did not have a say in this matter until it was too late.

We do not place the responsibility for our negligence at the feet of the development corporation. We are simply saying that had we known that the property was for sale, the chance is excellent that we would have made every effort in a successful drive to purchase it for ourselves, rather than let it go forever.

We are hereby asking the State of Texas to please don't do anything that helps to make it possible for someone from 300 miles away, good though their intentions may be, to come into our community and suggest to us what it should take to satisfy us. We prefer not to lose our heritage and historical markers to an impermanent apartment complex. We the ex-students and the community have spoken. Thank you.

MS. ANDERSON: Thank you, sir.

Ms. Jarrett, and then, Ms. Harris.

MS. JARRETT: Good morning. My name is Brenda Jarrett. I am here to kind of piggyback on what my classmate has just said.

We have our letters of support from our State Representative David Farabee. We have a letter of support from ex-director of Texas -- Executive Director for Texas Historical Commission, Larry Oaks. I am not sure if he is still presiding. Okay. We have support from the Wichita County Historical Commission President, Robert Palmer. These people are in favor of historically preserving Booker T. Washington School. We have verbal support from many folks.

I just want you to know that the first black female licensed to practice law in the State of Texas, Charlie Farris, graduated from Booker T. Washington High School. I also want you to know that Emmanuel Cleaver who was the first black mayor of Kansas City, Missouri, now Congressman, is a graduate of Booker T. Washington High School.

Grady Bonner is the first black Master Gardener of the State of Texas. He is a graduate of Booker T. Washington High School. Also, my baby brother, Larry

Jarrett ran for the office of District Attorney for Dallas County. He attended Booker T. Washington. Trust me, there is many more.

And I know I just have three minutes, so I am going to go on. We don't want to lose Booker T. We are not anti-demolition. We are pro-historical preservation. Please save Booker T.

MS. ANDERSON: Thank you.

Ms. Harris.

MS. HARRIS: I yielded my time to Ms. Jarrett.

MS. ANDERSON: Okay. Thank you. Two more.

Mr. Chan Pak. And then, Mr. Harrison.

MR. PAK: Thank you, Madam and Board members. My name is Chan Pak. I'm a resident of Carrollton, Texas, of 25 years. I'm publisher of the Daily Dallas about ten years. And I can say this, [inaudible] normal time, and we know that Carrollton needs a kind of senior HOME project.

That is why I -- this is the very first time. I am sorry. This is project zero. I am excited. The project number 07-303. Name is Villas on Raiford. The senior housing project.

And if this project, we were supporting the United States Congresswoman Eddie Bernice Johnson, or the

State Senator Shapiro, and State Representative Jim Jackson. And the mayor of the City of Carrollton, Becky Miller, all supporting that program. And I need this as a very first in the senior housing look forward in Carrollton city. That is why I want you to very good consideration and approve the tax credit program. Thank you.

MS. ANDERSON: Thank you, sir.

Mr. Harrison.

MR. HARRISON: It is still good morning. Good morning to the Board and those here today. I am here to support --

MS. ANDERSON: Please identify yourself.

MR. HARRISON: My name is Huelon Harrison of Dallas, Texas. I am part of the development team of Villas at Raiford, which is 07-303. I just want to give you a brief two-minute history. Mr. Pak and I met by way of introduction by Congresswoman Eloise Johnson about three years ago.

And she knew of my interest in doing affordable housing and he had a passion for a housing development in the Carrollton, Richardson, Plano area. And had been unsuccessful in trying to put together a good development team up until that point. So we met those few years ago,

and went site after site, looking for an opportunity to find some land in Carrollton, first of all, which is hard, because the price is escalating and the demand for land is high. And also Mr. Pak recommended, which I agree, do to our homework first, versus trying to do an application without being ready.

So we went to the churches, the community groups, the business owners, and fortunately with the media, he would have the newspaper, he feels and hears things all the time about what is needed, what is missing, likes and dislikes. And we found that many families in the Carrollton-Richardson area have older generation living with them, the mother or father, either babysitting, being there and supporting the family, but he wanted to have an opportunity to live on their own, without going to the classic old folks homes or nursing home, as the demand for affordable housing and seniors housing.

So we worked on a plan to put a 180-plus-unit development in the Carrollton area which will serve not only Carrollton, but will serve Carrollton, Richardson and the surrounding area with the affordable housing needs. As he mentioned, we have support from critical leaders; Congresswoman Johnson, Senator Shapiro, and also from the

City of Carrollton with the Mayor Becky Miller. I have talked to city councilpersons. I have gone door to door with Mr. Pak just to kind of feel myself, so I could talk genuinely about the desire.

We have had no door closed to us. It was always asking, why hasn't someone done this before. What is the problem. And we saw a problem. It is like, there is a great demand for market rate products. But the affordable product has been provided because it is not as desirous a development in that area. So we are really walking down on a limb, taking a chance and an opportunity to provide this.

And we want to provide more than just a place, an apartment complex. We want to provide a home away from home mind-set with facilities, a kiosk for onsite appointments, activity room, meeting room, walking trail.

And so the persons could have access to shopping centers, access to resources, hospitals, clinics, other services, and more importantly, resources of their friends and their family, without them being too far away or being disconnected.

So I plead your support for this development. We would prove out by working to it. He is committed. I am committed. And we think there is a good feel in the

community with this very -- I haven't seen any resistance yet. We have put in the papers to get a feel. Somebody has a concern, bring it to us. Let us discuss it. And also to make sure that people know exactly what is coming to the area and take their buy-in -- get their feedback as part of our design plan. Thank you.

MS. ANDERSON: Thank you, sir. That concludes the public comment until we begin the actual agenda. I want to recognize, and I have probably waited too long here. But Amanda Arriaga from the Governor's Office was in attendance at the meeting this morning, and also Craig Watson who is the Chief Clerk of the House Urban Affairs Committee. And we appreciate their presence here today.

At this point, we are going to take a recess until 1:00, and then we will reconvene. Thank you.

(Whereupon, a short recess was taken.)

MR. GERBER: Board members, just as a point of personal privilege, let me take a moment to recognize and say goodbye to one of our most dedicated and experienced staffers. Sue Cavasos who works in the Texas Homeownership Division. Sue has been with the Department for 15 years.

And prior to joining TDHCA, she worked in financial institutions around the state for about ten

years. She has had extensive experience working with the Texas First Time Homebuyer program and the Department's mortgage loan portfolio, including HOME, the Housing Trust Fund and the Office of Co-initiatives, Bootstrap and Contract for deed loan programs.

Although Sue is leaving to spend more time with her children, she will be tremendously missed. She is a favorite of so many folks around the Department and we will miss her smiling face and good demeanor and good cheer.

She has been a huge asset for us, and literally has helped hundreds if not thousands of Texans around the states to achieve the dream of homeownership. And so, Sue, if you would like to say a word or two, I would like you to just join me in thanking her for her years of service.

(Applause.)

MS. CAVASOS: I wondered why Eric wanted me here so early, when my thing was at the end. But thank you. I am very lucky. I had, I thought, the best job that anyone could have. I have a wonderful staff that I work for. I love talking to first time homebuyers and lenders.

And it is not -- I am not leaving because I am

dissatisfied with my job. It is because my children are more important. But I have been very blessed to work at the Agency for 15 years. I have a great staff, great boss. Thank you.

MS. ANDERSON: Thank you, Mr. Gerber. We will now consider and possibly act on our agenda items. Item 1 concerns the possible issuance of determination notices for Housing Tax Credits for mortgage revenue bond transactions with local issuers. Mr. Gerber?

MR. GERBER: Madam Chair, Item 1, the first item is Mansions at Hastings Green. This item is a tax exempt bond applicant that is requesting a 4 percent housing tax credit determination for the Mansions at Hastings Green development. This priority 1-C application proposes the new construction of 230 units targeting a general population to be located in Houston.

The bonds would be issued through the Harris County Housing Finance Corporation. The Department has not received any letters of support or opposition. The applicant is requesting \$937,247 in housing tax credits and staff is recommending approval of tax credits in that amount.

MR. BOGANY: So moved.

MS. RAY: Second.

MS. ANDERSON: Discussion? Any of the Board members have questions?

I have one question for staff about the way the market area is drawn on this development.

Mr. Gouris, I guess.

MR. GOURIS: Yes, ma'am.

MS. ANDERSON: Report addressing the primary market area and so forth, points to, and the map pretty vividly shows a pretty I would just have to say tortured drawing of a PMA. Could you weigh in for me. Is it accurate to say this is not usually the way we see market areas drawn?

MR. GOURIS: Tom Gouris, Director of Real Estate Analysis. This is very unusual primary market area, and caused us a great deal of concern. And we shared that concern with the market analysts and looked at some of the other things that were going on in this market to see if that -- what kind of impact that would have. I think if we were the issuer, or if this was a 9 percent transaction, we might have said even more about it. But because it is a local issuer --

MS. ANDERSON: It is a local issuer, and they are the ones on the hook.

MR. GOURIS: Yes, ma'am.

MS. ANDERSON: Okay. Thank you very much. Any other questions?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries.

MR. GERBER: Madam Chair and Board members, the second item is Region 1. This is the second development again, in this agenda item. It is a tax exempt bond applicant that is requesting a 4 percent housing tax credit determination for this development.

This priority three application proposes the new construction of 160 units targeting a general population to be located in Beaumont. The bonds will be issued through the BHC Redevelopment Corporation. It should be noted that this development has an expensed income ratio that exceeds 65 percent, a topic that was discussed by the Board at its last meeting. However, unlike the application discussed at that meeting, in this case, the ratio is mitigated by the ongoing operating

subsidy from the 70 public housing units.

The Department has not received any letters of support or opposition. The applicant is requesting \$810,175 in tax credits and staff is recommending approval in that amount.

MR. BOGANY: So moved.

MS. RAY: Second.

MS. ANDERSON: Discussion? I have one question for Mr. Gouris about this also, please. Because I think -- I don't believe I have ever seen this before where we know at the time that the local bonds are being issued that their intent is to them immediately refund the bonds and use HOPE 6 money to build this development. Could you help me make sure I am understanding that right?

MR. GOURIS: Again, Tom Gouris, Director of Real Estate Analysis. Yes, in fact, that is what they are doing here. And it is not an uncommon process in order to gain access to the tax credits, basically.

Because in this particular region, this cycle, we don't have any available funds, because we forward committed them to this region last year. And so there aren't any funds available, and this was an avenue for them to access the tax credits through the tax exempt bond program.

MS. ANDERSON: But they chew up bond cap.

MR. GOURIS: Yes, ma'am.

MS. ANDERSON: Which is a limited resource.

MR. GOURIS: Yes, ma'am. This kind of transaction has occurred previously in Dallas and in Houston. And in fact, there is legislation passed a couple of sessions ago to attempt to limit the ability for this to happen except in the case where there is deep rent targeting being done by the applicant, which is what is going on in this case, because of the --

MS. ANDERSON: Because of the public housing authority transaction.

MR. GOURIS: Yes. Correct.

MS. ANDERSON: Okay, thank you. Any other discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries. Item 2 is Real Estate Analysis items.

MR. GERBER: And Madam Chair, this item has actually been dropped because there are no underwriting appeals that have been submitted at this meeting.

MS. ANDERSON: So far, so good, Mr. Gouris. It is a far way to three days from now. Okay. Item 3. Tax credit items, Mr. Gerber.

MR. GERBER: Madam Chair Item 3A, the first appeal, this is the Elder Street Lofts. And this item has been removed from the agenda, because I, as Executive Director, first hear the appeals. This was one that I was able to grant within my discretion.

With respect to the second item, Casa Alton, I am going to ask for Audrey Martin our tax credit administrator to come forward and present that item.

MS. MARTIN: Madam Chair and Board members, I am Audrey Martin, competitive housing tax credit program administrator. Item 3A is an appeal of a scoring determination for application 07-302, Casa Alton, which is proposed to be located in the City of Alton. The applicant is appealing the point award under Section 49.9 I-11, of the 2007 QAP, which is housing needs characteristics.

Under this section of the QAP, an application is awarded points based on objective measures of housing

need in the area where the development is located. Each area in the state is given a housing need score by the Department, using a methodology approved by the Board during the November 2006 Board meeting. The Department then takes that housing needs score and awards points to an application based on the area in which the development is currently located.

The issue central to this appeal is what location should be used to award points under housing needs score. As I mentioned, the Department uses the currently development location. This methodology has been consistently applied, consistent with the QAP to every competitive housing tax credit application.

In this appeal however, the applicant asserts that because data from the year 2000 census is used to establish housing need, and because references to this year 2000 data are made throughout the QAP, then the development location as of the year 2000 should be used to award points for housing needs score. This development was located in Alton North in the year 2000, but is now located within the city limits of the City of Alton.

The housing needs score for Alton North is two points higher at six points than the housing needs score for Alton, which is four points. Therefore, it is

advantageous for this applicant to be awarded points based on the development location as of the year 2000, which was in Alton North.

I would like to point out here that the date the Department uses to establish housing needs score is updated to account for boundary changes such as the one that has happened within Alton within the past seven years. So finally, I would just like to reemphasize that the Department has consistently evaluated all competitive housing tax credit applications using the current development location, not its location seven years ago when awarding housing needs score.

In addition, there is one other proposed development in Alton this year, and that application received a housing needs score of four, which is the housing needs score for Alton. So deviating from the methodology the Department has used to evaluate all other applications would allow an unfair scoring advantage to this application. Staff recommends that the Board deny this appeal.

MS. ANDERSON: Yes, Ms. Ray?

MS. RAY: Madam Chair, I would like to ask the staff one question. I read through all the supporting documentation. I could not understand exactly when this

area was annexed by the City of Alton.

MS. MARTIN: Sure. This area was annexed via City Ordinance in December of 2000, but wasn't recorded until October of 2002. So it has still been a considerable amount of time.

MS. RAY: That is the only thing I would like clarified. Thank you very much.

MS. ANDERSON: I do have public comment on this item. Monica Poss and then Jean Coburn.

MS. POSS: Good afternoon. I am Monica Poss with the National Farmworker Service Center, appealing staff decisions to move the area in question in the housing needs characteristics score from Alton North to Alton. These are two completely separate geographical areas, contiguous but with their own separate boundaries and different populations, with different characteristics within each of those boundaries.

We are appealing this based on two factors. One, the rules of the QAP, which we followed. And two, the characteristics of the population in the boundaries within which our site lies. Section 49.9 I-11, selection criterial for housing needs score in the QAP states that an applicant choose, request the housing need in the Area with a capital A in which the development is located.

Section 49.3 of the QAP which is the definition section, defines Area as the geographic area contained within the boundaries of, one, an incorporated place, or two, a census designated place, CDP, as established by the U.S. Census Bureau for the most recent decennial census. And in this case, it is the 2000 census.

I want to make it clear, we weren't trying to pull a fast one on anyone, and gain an extra two points. When developers go looking for land, they frequently pull the maps from the 2000 census data, which is the data the TDHCA actually refers us to in looking at census tract numbers, where there are no developments, in helping identify sites within those areas. According to the boundary maps, we are within Alton North in that area.

Our challenger has stated we are within the boundaries of Alton as shown on 2005 census. Nowhere in the QAP is 2005 census maps recognized as a legitimate source of information. Throughout the QAP, the TDHCA refers applicants to the 2000 census as the legitimate source of data.

The TDHCA even uses the 2000 census maps to determine boundaries themselves for areas in their site demographics characteristics report. That is the report that states the housing needs characteristics score in

question here. According to this data and these maps, our development clearly falls within the Alton North area.

The other area in question, Alton, is contiguous to our site, our area. But we are not located within its boundaries. Though the development site has been annexed by the city since the last census, the housing needs characteristics score for Alton is based upon the needs of the population within the boundary of the area Alton, not the full city limits. We do not fall within those boundaries. The Alton and Alton North areas are two separate geographical areas and we are within Alton North.

MS. ANDERSON: Thank you.

Ms. Jean Coburn. And then Ms. Cynthia Bast.

MS. COBURN: I'll yield my time.

MS. POSS: I just wanted to summarize by saying that in deciding -- I am Monica Poss, again and always. So summarize in determining our area as Alton North and not Alton, we relied on the sources of data supported by the TDHCA, the only source of data recognized by the QAP. The rules of the QAP, which tell us where to choose our site and incorporated place or the CDP, with no precedents placed on either one. And the area which most describes the unique population characteristics of the boundaries

that surround our site. Thank you.

MS. ANDERSON: Thank you. Ms. Bast.

MS. POSS: She is here to clean up after me in case I make a mess.

MS. BAST: I will defer.

MS. ANDERSON: Okay.

MS. POSS: Any questions?

(No response.)

MS. ANDERSON: Okay. Thank you, Ms. Poss.
Audrey.

MR. BOGANY: Audrey, you just heard her explanation. What are your thoughts?

MS. MARTIN: Well, my main thought is that in the section of the QAP that talks about housing needs characteristic, we actually refer the applicants to our reference manual, which is posted and put out by the Department each year. That reference manual uses the affordable housing needs score methodology, again, that the Board approved in November of 2006.

In that methodology, we use updated population numbers from the Texas State Data Center, which do take into account boundary changes that occur. So I think that our methodology does cover this boundary change.

MR. BOGANY: Okay, thank you.

MR. CONINE: Move staff recommendation to deny.

MS. RAY: Second.

MS. ANDERSON: Discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries. Where are we. Oh, 3B.

MR. GERBER: Madam Chair, item 3B is the 2007 competitive tax credit cycle. As, you know, it is nearing an end with only 32 days left until the final awards are made. And as, you know, each June, we are required by statute to provide a list of approved applications, which counsel has opined is comprised of all currently eligible applications. The list is not to note which applications are being recommended for an actual award of credits. That will occur at the July 30 meeting.

In January, the Department received 212 pre-applications, requesting \$156 million in housing tax credits. And in March, the Department received 111 full

applications requesting over \$86.5 million in tax credits.

The list presented to you today includes 104 active approved applications that are eligible for consideration at the July 30 Board meeting. The list also includes applications for which the Board granted a 2007 forward commitment in 2006, and additional credits awarded to 2004 applicants for construction cost increases due to natural disasters in recent years.

These two types of applications which reflect awards again already made from the 2007 ceiling, they are identified by the letter A in the third column from the left on the tables that you have received in your Board book, and the applications submitted in 2007 that are subject to award determination on July 30 are identified by the letter P in that same column.

We certainly would be happy to respond to any questions you might have, but by statute, counsel is the motion that could you give some guidance on what action the Board needs to take, so that the motion is properly framed?

MS. ANDERSON: And I do have one commenter on this item.

MR. HAMBY: Excuse me. Kevin Hamby, General Counsel. This particular part of the statute is to

provide notice to the public and to applicants whether or not their information will be considered for an award. And so the motion would be to approve the list of the applications that have been received and are considered to be ongoing through the award process.

MS. ANDERSON: Thank you.

Mr. Jay Stewart.

MR. STEWART: Madam Chair and members. My name is Jay Stewart. I am an attorney here in Austin, with the law firm of Hance, Scarborough. I am here today to briefly discuss, and I don't know if I should have done this in public comment, but now -- I usually sign up for the agenda items.

Buena Vida Senior Village, 07-318. It is a project in Corpus Christi. Randy Stevenson is the developer. It is an elderly project, and it is a new construction. We appreciate being on the list on this agenda.

We hope that the project is approved. I come today to briefly discuss an issue that my client has raised with me in concerns that I also share. We are in a quandary. This area in Region 10 has a limited allocation and a lot of what we have seen is that these allocations are eaten up by rehabs or reconstruction projects with

those types of set-asides. We believe that we may run into that situation this time. We may not, hopefully.

And we believe that going forward, we may have the continuous stream of rehabs in this region, effectively preventing the construction of new construction projects and especially elderlies that we would promote. We believe that both, there should be provisions for both. I certainly understand the Department's policy towards rehabs and reconstructions, and there is policy concerns, legal concerns. But I do think there should be provisions for both. Sometimes new is not always bad. Fresh areas for a project.

This is in the West Oso ISD area of Corpus Christi, on the west side. It has never had an elderly project. Actually, Corpus hasn't had an elderly new construction project in a decade. We think this area is ripe. They really want the project. I would encourage, as I put on my affirmation form, a future commitment.

I understand that there was a project in Victoria, that this type of consideration was given. It was a new construction project. But I think this area is in need of new construction, like I said. I think new and fresh sometimes is very attractive, and it would do wonderful things for this community.

So I am here to urge the Department to consider that while the policy on rehab should and validly so be promoted, that there should be considerations for new construction. The jobs that that brings, and the freshness that that brings to an area; revitalization issues. And we would encourage that the project be considered favorably in this round, or for a forward commitment for next year. Thank you very much.

MS. ANDERSON: Thank you. That concludes the public comment on this item.

MR. CONINE: Could I ask Mr. Gouris a question?

MS. ANDERSON: You bet. I don't know why he is sitting back there so far away.

MR. CONINE: Especially when I want to ask him a question. Would you just kind of give the Board, Mr. Gouris, a general feeling for the status of underwriting on this year's round. Just kind of tell us where you are.

MR. GOURIS: Sure. Tom Gouris, Director of Real Estate Analysis. We have 30 posted, 30 underwriting reports posted. We expect to finish or we need to finish 65 to 70, depending on how many forward spots there are from you all. We will --

MR. CONINE: Is it being forward-thinking or not being forward-thinking.

MR. GOURIS: Always forward thinking. Always forward thinking, sir. Staff has done preliminary work on all of the remaining transactions that we are in the process of finishing, so there are, I think there are six the underwriting staff haven't delivered for review, to enter into the review process.

So there are two listed in reviews. I am expecting and am hopeful that we can get most of the ones that we think with the possibility of appeal done by the sixth of June, so that they can present those -- I am sorry, of July. Yes, I missed the June date. So they can make those appeals as they need to at the next Board meeting. But should we not, should we miss that, we are very confident that all the appeals will be able to be heard before we take the issue up in the July, the late July meeting.

MR. CONINE: Okay. That is fine. Thank you.

MS. ANDERSON: Thank you. Mr. Hamby, while we are on the topic, may I ask you a question about at-risk?

If I understand what the Legislature just did and the Governor just signed, does the way we are going to handle at-risk, isn't that going to change next year?

MR. HAMBY: Yes, Madam Chair. Kevin Hamby, General Counsel. SB-1908 changed the at-risk to where it

will be a statewide at-risk pool. It won't be broken up by region anymore. So some of the at-risk, if you want to call them challenges, of having at-risk funded and taking up most of the allotment for the region will now be put into a statewide pool, so the competitive nature will be more clear in each region, then we will have that at-risk set-aside that takes up the first grouping of funds. So that will be the 2008 though, not the 2007. This one is continuing forward as is.

MS. ANDERSON: Yes. Thank you.

MR. CONINE: Madam Chairman, I move approval of Item 3B --

MR. BOGANY: Second.

MS. ANDERSON: Discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries. Item 4 is a multifamily item, a waiver request of the 2007 QAP. Mr. Gerber?

MR. GERBER: Madam Chair and Board members, this item is a request to waive a threshold requirement in Section 49.9 of the 2007 QAP. Pursuant to this section, the applicant must submit as part of their tax credit application, a signed certification that the development will include specific threshold amenities. Dishwashers are one of these amenities.

This transactions consists of 13 properties that are all pooled together into one bond and housing tax credit transaction. All the properties in acquisition rehabilitation, and will contain a total of 1,020 units targeting the general population, with all units being income restricted. The applicant is requesting a waiver of the threshold requirement to provide dishwashers for 361 of these units across several of the properties.

According to the applicant, there are approximately 169 of the units that have no realistic location where a dishwasher could be installed under any circumstance. An additional 192 of the kitchens have only the exact 24-inch width of the dishwasher in available space, and there is no available space for the countertop and support or in some cases, the door would not be able to open.

The applicant proposes to provide portable

dishwasher units to all of the 361 apartment units in question. This transaction is tentatively scheduled to be brought before the Board at the July 12, 2007, Board meeting for a decision on the allocation of 4 percent housing tax credits. The bonds are being issued by TSAHC.

Staff is recommending that the Board deny the applicant's request to waive the threshold requirement to install built-in dishwashers. And instead, we are recommending that the Board accept the applicant's proposal to provide portable dishwashers for the approximately 361 units that do not have the needed space to install the built-ins.

MR. CONINE: Any verbal comment?

MS. ANDERSON: No.

MR. CONINE: I am going to move staff recommendation.

MR. BOGANY: Second.

MS. ANDERSON: With the portable dishwashers?

MR. CONINE: With the portables. Yes.

MS. ANDERSON: Okay. Discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries.

MR. GERBER: Madam Chair, Item 5A is a presentation, discussion on the CDBG disaster recovery status. Kelly Crawford, our Deputy Executive Director for Disaster Recovery is going to highlight portions of the issues in this section.

MS. CRAWFORD: Good afternoon. Kelly Crawford, Deputy Executive Director for Disaster Recovery. You all have asked for us to provide regular updates regarding disaster recovery activities. And this month, you are actually being presented with the tables that you asked for that depict the progress of the housing activities as well as the financial activities. And next month, the same type of tables will also be submitted to you for the progress relating to the infrastructure activities that ORCA is managing.

And I have some really great news to share with you all. A really large milestone has been achieved in this program, and it was achieved first by Southeast Texas Regional Planning Commission. They have got two manufactured housing units on the ground out there in

their area. People are living in them. Well, they have worked really hard, and staff has worked really hard to support them in those efforts. And two less people need help out there, right now.

And I know that is kind of small. But you are going to see a lot more. This is the opening of the floodgates that we talked about a couple of months ago. There are a lot of activities still continuing to occur out there that are going to increase these numbers over the next few months. And I wanted to go over a few of those with you.

In addition to those two manufactured housing units, the Planning Commission has bid out a rehab project and two reconstructs and two other reconstructs will be bid out next week. And there are three manufactured homes that are going to be delivered in the next two weeks. So, you know, we are going to be up to ten, and then 20 and 100. And we are just going to keep going.

The Houston-Galveston Area Council has selected contractors, and they are going to complete the master services agreement for demolition, surveying and construction contractors this week. Modular housing has already been procured through their existing contract with the cooperative purchasing department that they have. So

six applicants have signed agreements just on Tuesday to receive replacement or reconstructed housing. And four of those will be receiving modular housing during the first week of July.

Their first stick-built homes will be started in mid-July. And Deep East Texas Council of Governments Board will be reviewing their manufactured housing bids, client applications and qualifying contractors this month, actually today. While we are meeting here, they are meeting there.

And once they have those documents reviewed, they should begin to work with applicants for replacement and repair of housing with this grant. They have already provided emergency repair to over 600 homes with a separate private grant, and they are ready to go forward and assist about 140 with this CDBG funding.

Staff is continuing to provide ongoing technical assistance to support the COGs delivery of these services in the area, and we are excited about this accomplishment. Do you have any questions?

(No response.)

MS. CRAWFORD: Mr. Charlie Stone with ORCA is here to update you on the non-housing activities.

MS. ANDERSON: That is all sound and good,

Kelly. Thank you. It is moving in the right direction.

MS. CRAWFORD: Thank you.

MR. GERBER: As Charlie comes to the podium, Madam Chair and Board members. As, you know, we are required to come before the Board for any changes in contracts that exceed 5 percent, so Charlie will give a status report, and then we will go on to Item 5 B which is contract amendments.

MR. STONE: Hi. I am Charlie Stone, Executive Director with the Office of Rural Community Affairs. And like Kelly, I am also very optimistic. We are seeing some movement, though it is not as fast as we want it to be. But we do think that the floodgates will open, no pun intended. Hopefully we will see a lot more. Unfortunately, here we are. Another hurricane season.

But we have awarded a little over 4 million. \$4,174,848, which is about 13 percent of our allocation to be distributed into non-housing activities. We did give you an update on the housing mitigation grant program that has had some problems and experiencing some delays. But we think that through some contacts and some working with the communities that those will start moving forward fairly quickly also.

Some problems with meeting hydrological studies

in order to prove the feasibility of those projects. And so there is clearance now to move forward on that. So we have made site visits to every single grantee out there, and provided technical assistance to them, so we also remain very encouraged that these will continue to get rapidly increasing numbers every time we come back to report to you.

MS. ANDERSON: Okay.

MR. GERBER: Charlie, did you want to go into 5B, the amendments?

MR. STONE: Sure. I can take care of this one while we are up here. Under 5B, we have just a very simple situation here. These are requests for amendments that exceed 5 percent. We have two unique situations where we have two communities that have decided that they would like to send the money back.

And so these are all East Texas COGs and so we have found seven other communities that wish to assume that money and put it to good use in their particular area. It is Mount Enterprise and Kilgore together are giving up \$295,000 and we have seven cities; Carthage, Alton, Gallatin, Henderson, Jefferson, Longview and Rusk that have each particular amounts of money that they would like to add for different projects in their areas which

also equals 295. So those are all setting numbers.

And then the last one that we have, which is just a line item change would be in Hardin County, which is actually moving \$50,000 from flood and drainage debris, and putting that into a planning and urban environmental design which is a study concerning a bridge that they have in that particular area that Mr. Gerber and I are very familiar with. So that is basically it, and if you want me to go into the very specifics, I will.

MR. CONINE: It is not the bridge to nowhere, is it?

MR. STONE: No, sir. It is actually a bridge to quite a few homes. It certainly is.

MR. CONINE: Okay. Just teasing.

MR. STONE: Okay.

MR. CONINE: Move for approval.

MR. BOGANY: Second.

MS. ANDERSON: Discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries.

MR. GERBER: Madam Chair, Item 6A has been pulled from the agenda, so we will move to Item 6B, which is presentation, discussion and approval of the 2007 Emergency Shelter Grants program funding recommendations.

This again relates to the emergency shelter grants program application process based on the Department's ESGP review process.

Department staff is recommending that the Board approve the organizations that have been selected, and the funding recommended for federal fiscal year 2007. Staff has recommended funding for 78 applicants, including one statewide special initiative for homeless prevention, from a total of 123 applications. These funds are awarded on a regional basis.

The Department utilizes a standardized scoring instrument to evaluate and score each eligible competitive proposal. Applications are ranked by score within the region, and funds are distributed in each region, beginning with the applicants with the higher score, and by decreasing rank until all reserved funds for the region are fully distributed.

There are some wonderful programs that hit some

very special needs throughout the state with these dollars. And we would, Eddie and Mr. Gouris would be glad to answer any questions about specific awards. But we are recommending approval of these 78 applicants.

MR. BOGANY: So moved.

MR. CONINE: I'll second. But I would like to hear the discussion.

MS. ANDERSON: Okay. Yes.

MR. CONINE: Mr. Eddie.

MR. FARISS: Good afternoon, Madam Chair and Board members and Mr. Gerber. This is the 22nd round of distribution of emergency shelter grant funds in the State of Texas, the 21st year that we have done that. It is the only competitive proposal that we administer in the community affairs Division.

The funds come from the U.S. Department of Housing and Urban Development. The funds are available to units of local government and private non-profit organizations. They can be used for operation support of services, homelessness prevention and rehabilitation of shelters.

We have established a goal for ourselves of 76 projects to fund this year, and our legislative appropriation request and this recommendation gets us to

that level and slightly over. We have a deadline of obligation of these funds on July 12, 2007. As soon as we receive approval of our recommendations, we will be obligating those funds and beginning this contract September 1, 2007.

MS. ANDERSON: Questions?

(No response.)

MR. FARISS: Yes, ma'am.

MS. ANDERSON: I have a question. It says we have like 118 applicants, at least by the first round, and that we have in the -- this is new to me. But in the LAR, we have -- do we meet, is that like a performance measure?

MR. FARISS: Yes, ma'am.

MS. ANDERSON: We have a target of how many subrecipients we are going to fund?

MR. FARISS: Seventy-six.

MS. ANDERSON: Right. And so that is like a performance measure.

MR. FARISS: Yes, ma'am.

MS. ANDERSON: How do we arrive at the number. Because where I am really heading is, I mean, this is a very important program. And because we have so many applicants, and because of the 76th, we are choosing to make partial awards to a larger group of people, even

though they rank lower score wise in any given region, than making fewer awards, but closer to 100 percent awards. So can you -- I am just trying to understand those tradeoffs and the thinking behind how we got to where we are, to where we say we are going to do 76.

MR. FARISS: Okay. Well, the reason that we have established that goal is that is a goal that we have provided funding to approximately that number of applicants for at least eight years. The funds have been fairly static for the last five to eight years, about \$5 million. And it has been our intent to get as much of the emergency shelter grant money to as many applicants as possible by attempting to subject it, reducing the requests.

MS. ANDERSON: So spread it out more.

MR. FARISS: Spread it out more and try to -- yes. There is no way that we can meet everybody's needs, even if we met -- even if we provided the full funding. If we did, if we had provided the full funding, we would have funded about somewhere between 50 and 55 of these applicants.

MS. ANDERSON: And because we have done it this way for eight years, do you think the applicants ask for more than they need or they ask for more because they know

they are not going to get full funding, or --

MR. FARISS: I think that in some instances that may be the case. But we do have in our application packet and in our rule, a minimum of \$30,000 and a maximum of \$100,000 per project. Some of the ones that you see where the requests are in excess of \$100,000 come from partnerships where there is more than one partner, more than one service provider in the application. Right. City of Brownsville, places like that. The City of Amarillo. In many instances, we are able to, through those partnerships, the local service provider, let's take for instance the City of Amarillo. They will probably -- there is probably 12 partners in that group.

MS. ANDERSON: Right. Well it is just, I have never really thought this through before, and it is interesting because, you know, because of the way that we choose to do it, to fund more people and give them partial awards, we have people that rank in Region 6, you know, ranking way down low, and they are getting the number eleven ranked applicant got more money than the number two-ranked applicant.

MR. FARISS: Right. And one of the reasons, one of the ways that we address that is, each applicant is competing only against those in their region. They are

not competing statewide. So if somebody ranks lower in another region, then if somebody ranks higher in another region than somebody that is funded in another region, then we are not comparing apples to apples. Somebody might be ranked five in one region and get funded and rank nine in another region and get funded. But they are only competing against those applications in their region.

MS. ANDERSON: Right. And I understand that. And I am just -- within Region 6 --

MR. FARISS: Yes.

MS. ANDERSON: The number two-ranked application got less money than the number 13 ranked application. And so, there is more than one way -- I am not --

MR. FARISS: Absolutely.

MS. ANDERSON: I am not take issue or proposing not to approve what is in front of us today, but I think it is worth a policy discussion about the various alternatives. Are the performance measures driving the kind of performance that we want in the subrecipients, or if we gave them more full funding only to top-ranked recipients, would that cause lower-ranked recipients to ratchet up their efforts.

MR. FARISS: I am not sure. We certainly can

look at other ways to distribute the funding. It has been, I believe it has been our philosophy that some support is better than none. If you -- any applicant that has applied for these funds has about a 50-50 chance or better of receiving some funds.

MS. ANDERSON: Right.

MR. FARISS: And because they are not for a particular -- it is not a housing project. Mainly it is to support the operation of shelters. And by spreading the funds, we believe that we affect a larger number of homeless individuals across the state.

MS. ANDERSON: Okay.

MR. FARISS: In addition to that, we make clear in our application that this is not -- this money is not guaranteed to them, and that they need to be looking for other funds. Just because you meet the threshold barriers and are reviewed, you don't necessarily get the money.

MR. CONINE: Maybe the staff could point this out when it comes up for next year's review of the allocation formula, we can take a hard look at it, and if you will just remind us of the Chairman's questions, that would be great.

MR. FARISS: Glad to.

MS. ANDERSON: I think we have a motion.

MS. RAY: Second.

MS. ANDERSON: Discussion?

(No response.)

MS. ANDERSON: Hearing none, I assume we are ready to vote. All in favor of the motion, please say aye.

(A chorus of ayes.)

MS. ANDERSON: Opposed, no.

(No response.)

MS. ANDERSON: The motion carries.

MR. GERBER: Madam Chair, that is the end of the agenda. The only real items are a couple of media report items. As you all have seen in the past several Board books, we have provided a list of all tax credit challenges that have been received to date. All the challenges in this report have been investigated and action taken where appropriate. I would refer that to you under ED report item 1.

Second ED report item is general information on a first time homebuyer program that might warrant some discussion at ensuing Board meetings. I would encourage you all to look this information over, to help me prepare as we begin work in earnest on Program 70.

Our dollars for Program 69 have moved very

quickly, thanks to the hard work of Eric Pike and Sue Cavasos, our other first time homebuyer team. And so we are beginning the process of bringing a program 72. And there are just some issues there that you may wish to consider as part of that discussion. Beyond that, thank you for your attention today.

MS. ANDERSON: Seeing no other business to come before the Board, we stand adjourned until July 12 at 8:30 a.m.

(Whereupon, the meeting was adjourned.)

C E R T I F I C A T E

MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: June 28, 2007

I do hereby certify that the foregoing pages, numbers 1 through 124, 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.

(Transcriber) 7/03/2007
(Date)

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