TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD OF DIRECTORS MEETING

John H. Reagan Building
Room JHR 140
105 West 15th Street
Austin, Texas

November 7, 2013
9:05 a.m.

MEMBERS:

J. PAUL OXER, Chair
JUAN MUÑOZ, Vice-Chair
J. MARK McWATTERS, Member
LESLIE BINGHAM ESCAREÑO, Member
ROBERT D. THOMAS, Member
TOM GANN, Member

TIMOTHY K. IRVINE, Executive Director

ON THE RECORD REPORTING
(512) 450-0342
CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

CONSENT AGENDA

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

EXECUTIVE
a) Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for July 25, 2013

COMMUNITY AFFAIRS
b) Presentation, Discussion, and Possible Action on Program Year 2014 Community Services Block Grant (CSBG) Awards
c) Presentation, Discussion, and Possible Action on Program Year 2014 Low-Income Home Energy Assistance Program (LIHEAP) Awards
d) Presentation, Discussion, and Possible Action on the 2014 Section 8 Payment Standards for Housing Choice Voucher Program
e) Presentation, Discussion, and Possible Action regarding absorbing the Navasota Housing Authority Housing Choice Voucher Program

HOUSING RESOURCE CENTER
f) Presentation, Discussion, and Possible Action on the 2014 State of Texas Consolidated Plan: One-Year Action Plan

MULTIFAMILY FINANCE
g) Presentation, Discussion, and Possible Action Regarding Inducement Resolution No. 14-007 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority for the 2013 Waiting List
h) Presentation, Discussion, and Possible Action on awards of HOME loans under the 2013-1 HOME Multifamily Development Program (MFD) Notice of Funding

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Availability (NOFA)

i) Presentation, Discussion, and Possible Action to adopt the 2014 Multifamily Programs Procedures Manual

Program Planning and Metrics

j) Presentation and Discussion on the Department Snapshot tool for the Section 8 program

Bond Finance

k) Presentation, Discussion, and Possible Action to publish a Request for Proposal (RFP) for investment banking firms interested in providing financial advisory services for single family and multifamily mortgage revenue bonds starting in Fiscal Year 2015

l) Report on Request for Proposal for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager on single family mortgage revenue bonds starting in Fiscal Year 2014

RULES

m) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 90, Migrant Labor Housing Facilities, '90.8 (a) and (b), concerning Forms, and directing their publication for public comment in the Texas Register

n) Presentation Discussion, and Possible Action on proposed amendments to 10 TAC '1.10, concerning Public Comment Procedures, and directing their publication for public comment in the Texas Register

o) Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code '2001.039 regarding 10 TAC '1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication in the Texas Register

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p) Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code '2001.039 regarding 10 TAC '1.17, Alternative Dispute Resolution and Negotiated Rulemaking, and directing its publication in the Texas Register

q) Presentation, Discussion, and Possible Action on orders adopting new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, '1.9 regarding Texas Public Information Act Training for Department Employees, and directing its publication in the Texas Register

r) Presentation, Discussion, and Possible Action on orders adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, '5.430, concerning Allowable Subrecipient Administrative and Assurance Activities Expenditures; and new 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, '5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, and directing their publication in the Texas Register

s) Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 60, Compliance Administration, Subchapter B, ''60.201 B 60.211, concerning Accessibility Requirements, and proposed new Chapter 1, Subchapter B ''1.201 1.212, concerning Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and directing their publication for public comment in the Texas Register

t) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 12, ''12.1, 12.4 12.6, 12.10, concerning Multifamily Housing Revenue Bond Rules, and directing its publication in the Texas Register

u) Presentation, Discussion, and Possible Action on an order adopting the repeal

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of 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily rules, Subchapter E, concerning Post Award and Asset Management Requirements, and directing its publication in the Texas Register.

v) Presentation, Discussion, and Possible Approval of an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, and an order adopting the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, and directing its publication in the Texas Register.

**Financial Administration**

w) Presentation, Discussion, and Possible Action on the Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund.

**REPORT ITEMS**

The Board accepts the following reports:

1. TDHCA Outreach Activities, Oct 2013

2. Status report on the HOME Program Contracts and Reservation System Participants

3. Report on the Department=s 4th Quarter Investment Report in accordance with the Public Funds Investment Act (PFIA)

4. Report on the Department=s 4th Quarter Investment Report relating to funds held under Bond Trust Indentures

**ACTION ITEMS**

**ITEM 2: HOUSING RESOURCE CENTER**

Presentation, Discussion, and Possible Action regarding the submittal to HUD of the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing
ITEM 3: RULES

a) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, ''10.601 10.625, concerning Compliance Monitoring, and adopting new Subchapter F, ''10.601 10.626, concerning Compliance Monitoring

b) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, concerning '1.5, concerning Previous Participation Reviews, and adopting new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, '1.5 concerning Previous Participation Reviews

c) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and an order adopting the new 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication in the Texas Register

ITEM 4: MULTIFAMILY FINANCE

a) Presentation, Discussion, and Possible Action on requests for waivers of the Department=s multifamily rules and requirements

b) Presentation, Discussion, and Possible Action on Requested Waivers and Consideration of Determination Notices for Housing Tax Credits with other Issuers, if all required waivers, if any, have been granted:

c) Presentation, Discussion, and Possible Action on a request for an Attorney General Opinion regarding eligibility of developments exercising Rental Assistance Demonstration conversion to compete in the At-Risk Set-Aside

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS. none

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MR. OXER: Good morning, everyone. I'd like to welcome you to the November 7 meeting of the Governing Board of the Texas Department of Housing and Community Affairs.

We'll begin, as we always do, with roll call.

Ms. Bingham?

MS. BINGHAM ESCAREÑO: Here.

MR. OXER: Mr. Gann?

MR. GANN: Here.

MR. OXER: Professor McWatters?

MR. McWATTERS: Here.

MR. OXER: Dr. Muñoz is on his way. I am here. Mr. Thomas?

MR. THOMAS: Here.

MR. OXER: Great. We have five present and a sixth on the way; we have a quorum, we're in business. Let's start and salute the flags.

(Whereupon, the Pledge of Allegiance and the Texas Allegiance were recited.)

MR. OXER: I'm going to do a sound check. This is our first time in this hearing room so we're getting accustomed to it. Can everybody hear this at this volume in the back? Great. All right, we're in business.

Okay. Consent agenda. Do I hear any requests
to pull any items? I think we've taken most of the things that will use us up today and moved those into the action agenda. That being the case, is there a motion to consider on the consent?

MS. BINGHAM ESCAREÑO: Mr. Chair, I move to approve the items on the consent agenda.

MR. OXER: Motion by Ms. Bingham to approve the consent agenda.

MR. GANN: Second.

MR. OXER: Second by Mr. Gann. Is there any comment?

(No response.)

MR. OXER: There is none. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

Okay. Just for a point of housekeeping here, we have this front row up here; as we always do, we'll keep the front row for those who wish to speak. We'll take those items for the folks, we'll line up from this chair right here next to the aisle out that way, so if you guys want to organize yourselves, that will be the first one right there to come up.

Anything unusual here, Mr. E.D.?
MR. IRVINE: I'm going to present the first item on the action agenda.

MR. OXER: Well, in that case, let's get started.

MR. IRVINE: First item on the action agenda. The State of Texas is required by HUD to have in place and keep current an Analysis of Impediments to Fair Housing Choice. We call it the AI. As part of the resolution of a fair housing complaint, Texas has updated its AI in two phases. The first phase was submitted to HUD in March 2011 and it focused primarily on the use of CDBG Disaster Recovery funds in regions that had been impacted by Hurricanes Ike and Dolly.

This current phase is phase two, and it covers the entire state. This got rolling in late 2011 when we conducted a public procurement process that ultimately led to the selection of BBC Research and Consulting to perform this analysis for us, and BBC's work has been pretty significant. It spanned the compilation and analysis of a tremendous amount of data, it's assessed complaints and court cases that have bearing on fair housing issues, and perhaps most importantly, it's been a very broad public outreach process.

Throughout the project we've been very intentional about the maximization of outreach, trying to
make sure that as many viewpoints were brought in and represented as possible. There were public forums, both physical and virtual, there were surveys, there were hearings, there were focus groups. As you can imagine, this document reflects a lot of different perspectives that came out of this input process. And I've got to say that a really valuable byproduct of this process is engagement and input. I think as a result of this process, a whole lot more Texans, local governments, elected officials, neighborhood organizations, just a wide array of folks are more aware of the requirement to further the Fair Housing Act's purposes in an affirmative manner. I think that the awareness and engagement on fair housing is just intrinsically a really, really valuable part of all of this.

At this time, staff is recommending that the Board authorize us to submit this to HUD, but I really want to underscore this is just one step along the way, this is a process, and I think it's critical that we embrace the precepts here, the importance of affirmatively furthering fair housing all the time in all of our activities.

This AI has been a huge task for a lot of people, not just our consultants, but our staff, Brenda Hull, Jennifer Molinari, Elizabeth Yevich, a lot of
others, devoted a huge amount of time and energy to this. I know that I and Barbara and Michael have spent a lot of hours reviewing this pretty meticulously. It's a large and it's a complex document, but anyway, that's where we are right now, and staff is recommending that we receive Board authorization to move to the next step.

MR. OXER: Any questions from the Board members?

(No response.)

MR. OXER: Very well. We'll have a motion to consider.

MR. THOMAS: So moved.

MR. OXER: Motion by Mr. Thomas to accept staff recommendations on the AI.

MR. McWATTERS: Second.

MR. OXER: And a second by Professor McWatters.

We have some public comment on this. Good morning.

MS. SLOAN: Good morning. Maddie Sloan with Texas Appleseed. I want to say we certainly appreciate the hard work of the staff that went into this analysis of impediments and Texas Low Income Housing Information Service and Texas Appleseed submitted public comments on this, written comments. We think some of our most substantive concerns weren't addressed; our major concern
is the lack of meaningful commitment to action steps that
address the identified impediments. We don't think this
meets HUD's standards for an AI and we're concerned it's
going to be rejected.

MR. OXER: Any questions from the Board?

(No response.)

MR. OXER: I have a question. What were the
parts that you felt didn't meet those, or have you
submitted those comments?

MS. SLOAN: We submitted, I think, pretty
extensive written comments. Our major concern is that the
analysis of impediments, the analysis and identification
of impediments is the first step and we had some concerns
about the small number of impediments, the split of what
we saw as all impediments and to impediments on
observations.

But the second step, and really in a way the
most important, is that the state needs to commit to
meaningful actions that address the impediments
identified. The action steps are almost all in very
conditional language: people should consider this, people
should examine this, people should work with. You know,
it's sort of a concern that the state can't even commit to
considering something. We don't think that's a commitment
to meaningful action steps and we don't think some of the
action steps really address the impediments that were identified.

MR. OXER: Hold on just for a second. I'll explain this to you here in just a second, but hold on. This is not nearly as interesting as it looks. You can probably hear me, most of you, without the microphone, but this is our first time in this particular venue, it's been recently remodeled, it's a House office building, there are often hearings in here. The chair position, everybody has a mic button under here that goes like this to turn on the mic and turn it off, but in the chair there's this big white button that's contained in a control box in here that if you push it, he shows up with a gun. I don't want to say I was just testing it, but since I hit it apparently, we're more than glad to see that he showed up. So let this be a warning to all of you. Apparently you don't have to push it very hard.

(General laughter.)

MR. McWATTERS: Mr. Chair, this doesn't reflect your response to Ms. Sloan's testimony.

MR. OXER: I understand that. She's just going to have to hold on for a second. Make sure that you're tweeting a timeout here, Michael.

MR. THOMAS: The chairman called the cops.

MR. OXER: More importantly, they showed up.
All right. Ms. Sloan, we'll continue. This is apparently going to take a minute. Everybody can hear me, I'm sure. Any questions from the Board? I've got this microphone right here, I don't mind standing up for a minute, as tired as I get of sitting down. Are there any other questions from the Board?

MS. BINGHAM ESCAREÑO: Did you have any other comments, Ms. Sloan?

MR. OXER: We heard you, we understand your comments.

MS. SLOAN: And you've got extensive written comments that I certainly don't want to make you listen to, as well as read. Thank you.

MR. OXER: Okay. Thanks very much.

John, good morning.

MR. HENNEBERGER: Good morning. My name is John Henneberger. I'm the co-director of the Texas Low Income Housing Information Service, a statewide nonprofit organization that advocates for the needs of poor people and affordable housing.

I'm here to agree with Ms. Sloan's comments. We have submitted our written comments, and I'd like to just supplement that by saying that the activity of creating an analysis of impediments to fair housing is intended to be a deliberative one on the part of policy

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decision makers at the state level. Too often in the past the analysis of impediments to fair housing has been a consultant-driven document in which lots of research is poured into gathering demographic data and facts and assessing information, but that is a meaningless exercise unless policymakers actually take that information and do the analysis of the impediments and then translate that analysis into specific action steps in order to overcome the impediments that are identified in the AI.

You have a 900-page document or something like that, the last time I counted, and it's a tree-killer. This is a lot of demographic information. I know because I actually read it, and I have to say that I came out of this document thinking well, there's a lot of information here but where's the plan, where is the commitment on the part of the state to undertake specific activities to overcome these impediments to fair housing.

I think the problem we're facing here, if I can kind of put myself in your shoes -- which is a dangerous thing for both of us -- but I think the problem is --

MR. OXER: My position is available, by the way.

MR. HENNEBERGER: I might take it just to vote on the AI.

But the problem is that I believe that the
state has become hypersensitized to its fear of being challenged about fair housing activities under this, and I understand it. I mean, my organization and Maddie, we filed a complaint on fair housing, but we filed it after two years of talking about what all the problems are with disaster recovery stuff. It wasn't like it just came out of the blue.

What I see going on with this is essentially there are no substantive commitments to undertake specific activities, and I believe that that stems from the notion that if you make an admission that there is a problem that you're going to get sued. And we will never solve the fair housing problem until we overcome this structural problem and until this Board exercises the responsibility that it really has to assess what these problems are and come up with a reasonable plan to address these problems. If you are acting reasonably, if you are taking steps as a board to deliberate and figure out what the problems are and set some reasonable goals, that is the best insurance against future complaints and litigation and other things on fair housing. And that's what's completely lacking, frankly, in the draft AI before you. It's a 900-page document that consultants have generated and it contains no effective policy remedies to address the fair housing problems in the state.
Thank you very much.

MR. OXER: Okay. Are there any questions from the Board?

(No response.)

MR. OXER: I have a question, John. Your summary statement is that you see this as something that should be a call to action rather than something to guide future action.

MR. HENNEBERGER: Yes. I see it as a -- I believe that the AI requirement of the state is for a decision-making body to assess what the impediments are and to come up with specific action steps in order to address those impediments.

MR. OXER: Good. Thanks.

MR. HENNEBERGER: Thank you.

MR. OXER: There's no further public comment. We have a motion by Mr. Thomas, second by Professor McWatters, to accept staff recommendation. Any other comments from the Board?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. It's unanimous.
Thanks very much.

Ms. Murphy, we have a few rules to talk about.

MS. MURPHY: Good morning. Patricia Murphy, chief of Compliance.

Item 3(a) is the compliance monitoring rules. These rules were approved for public comment at the September Board meeting. We got comment from five people, and staff is not recommending changes based on most of the comment received.

Two commenters provided a list of items that they suggested should be deleted from our inspection protocol. Several items on the list are not part of our current inspection protocol, and therefore, do not need to be deleted. Staff does not recommend deleting the remaining items as they are specific requirements of the Uniform Physical Condition Standards which the IRS has confirmed cannot be modified.

Another commenter made several suggestions about the utility allowance section of our rules. The rent limits published by TDHCA include an allowance for utilities, so unless a property is all bills paid, the owner is responsible for estimating a resident's utility bill. The utility allowance plus the amount of rent charged cannot exceed the rent limits. Treasury Regulation 1.4-10 sets out the allowable methods for
establishing a utility allowance.

The commenter remarked on several different aspects of the utility allowance section of our rules with the underlying theme that we are overstepping the IRS rule. Staff acknowledges that our compliance rules include some additional safeguards not specifically required by the Treasury regulation.

Noncompliance with the utility allowance provisions can have extreme consequences. A miscalculation of the utility allowance by just a few dollars could result in all or most of the households being overcharged rent, resulting in the potential for significant recapture of credit. To avoid this situation and ensure that rents are properly restricted, our compliance rules require approval to use certain methods at initial lease-up and clearly put owners on notice that they are required to provide backup and a reasonable explanation of how they calculated their utility allowance.

Staff has contacted the IRS about the concern that we're overstepping the rules and the Treasury Department has confirmed that our rules are consistent with the Treasury regulations.

Lastly, we had one commenter suggest that an acceptable correction for the finding failure to provide
the Fair Housing Disclosure Notice should be providing the
next household with the required notice. Staff does not
agree that providing the notice to a new household
corrects the noncompliance of not providing the notice to
the previous household. In addition, this commenter
requested deletion of some new subparagraphs that require
owners to give households written notice of the required
services and amenities. Staff did not find the reasons
cited by the commenter for eliminating this notice as
sufficient justification.

Staff recommends approval of these rules as
presented in your Board book. And it looks like we do
have some public comment, but do you have any questions
before comment?

MR. OXER: Let me ask a procedural question
here. Are we taking these one at a time so this is 3(a)
only?

MS. MURPHY: That's correct. This is the
compliance rule.

MR. OXER: I'm sorry. 2(a) only.

MS. MURPHY: So this is 3(a), this is the
compliance monitoring rule, and the next rule is the
previous participation rule.

Any questions?

MR. OXER: Are there any questions from the
MR. OXER: I have a question. You're talking about the previous household, that would be the existing household or the previous one with the unit being vacant?

MS. MURPHY: So as part of the ICP remedial plan, we have agreed that owners will provide households with the Fair Housing Disclosure Notice, and they're to provide them with that prior to move-in. So if they fail to provide the household with the notice and the household skips, so they take off in the middle of the night and they break their lease, there's really no way for the owner to fix that. So a commenter suggested why don't you, as corrective action, say that as long as they tell the next household about the Fair Housing Disclosure Notice, that you'll consider the past noncompliance corrected. Well, they're required to give the next household the notice anyway, and telling the Smith household about this required form doesn't do anything for the previous household that didn't get the notice.

MR. OXER: So what remedy is there for not having delivered to the previous household?

MS. MURPHY: There is not. We're not able to identify a way to fix it. If you can't give them notice because they're gone, you can't give them notice. If you
didn't give them notice when they moved in and they don't skip on you, then we're providing that you should give them notice within 120 days of their lease renewal, of when they need to renew their lease, to provide them with the notice to tell them that they have options about where they live and to consider fair housing in their choice of housing. But Barbara and I have kicked it around and we're not able to find a way to say how do you provide that previous household with the notice. Giving the new person the notice doesn't really change the fact that the other household didn't get it.

MR. OXER: All right. Motion to consider, and then we'll hear public comment.

MS. BINGHAM ESCAREÑO: Move to approve staff's recommendation to repeal the previous 10 TAC Chapter 10 and replace it with the new one.

MR. OXER: Okay. Motion by Ms. Bingham to accept staff recommendation.

MR. GANN: Second.

MR. OXER: Second by Mr. Gann.

We'll hear public comment. A housekeeping item here, we expect a fairly long meeting today, going to have some points at which we expect a lot of public comment, so we're going to run a pretty tight clock today, and we'll have three minutes to start, and if we need to, we'll
expand that, and I'd like you to please observe the time
requirements we have so we can make sure that everybody
gets heard today.

Okay. Barry.

MR. KAHN: I think everybody will be pretty
surprised, but I'll go along with the proposed rules.

MR. OXER: Good. Now sit down and let's vote,
everybody.

(General laughter.)

MR. KAHN: However, the second part of it
really extends to -- I mean, 3(a) and 3(b) kind of run
hand in hand, and I think what the big concern of the
industry is where all this goes with EARAC. If the
Department needs to report stuff to the IRS and that's the
law, and maybe there's been some confusion in all this, we
aren't trying to interfere with the law. That's correct
and that's why I say I will go along with the rules as
written.

Over the course of the last couple of meetings,
I've proposed some items to be excluded from the
inspection process. If they can't be excluded from the
pure inspection process and have to be reported on 8823s
to the IRS, it's up to the developer then to decide if he
wants to correct it from that perspective.

What the real issue gets to be in the

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development community and as we're getting squeezed in older properties -- and I've explained, I don't think I need to repeat it today -- we really only have 1 percent increases rather than 2 percent rent increases. And this is squeezing budgets, particular going seven, eight, nine years out, and these projects need to last at least fifteen years.

The Department can win the battle by making us spend the money and then deals possibly going under then down the road, but that's not where I think we want to go. The big overall goal is to preserve affordable housing, so I think until true rules come out on EARAC, what goes to EARAC, what repeat violators are, and a lot of this is not clearly defined, that what we need to do is incorporate the proposal which is in the Board book on page 433 to 434 on items that perhaps just don't go to EARAC, and then it's up to the developer does he want to cure the stuff for the IRS or not.

And basically, what these are are all housekeeping items that's under the tenant's responsibility. It's not trying to tackle preserving the property, preserving the grounds. I mean, as Tim had said at one meeting when we were first discussing the rules, you can pretty much drive on a property and tell if it's in good shape or not. And I think what the real goal is

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is let's protect the properties but let's figure out a
different way of dealing with the housekeeping issues.
Fine, report them to the IRS, but let's not hold them
against everybody as far as getting future allocations.

And I'm happy to answer any questions on it,
but I think there's something we can all work with,
particularly as new rules come forth.

MR. OXER: Good. Thank you. Any questions
from the Board?

(No response.)

MR. OXER: No other public comment. Motion by
Ms. Bingham, second by Mr. Gann to accept staff
recommendation on item 3(a). All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

Okay. Ms. Murphy, again.

MS. MURPHY: Patricia Murphy, chief of

Compliance.

Item 3(b) is the previous participation rule.

This rule was also approved for public comment at the
September Board meeting. We received comments from three
people and we are recommending changes based on some of
the comments. A lot of the changes simply reword things
to make the rule clearer, however, staff is not recommending changes based on all the comment received.

Two commenters suggested that events of noncompliance that cannot be corrected during the corrective action period should be excluded from an applicant's compliance history considered by EARAC. This suggestion was not contemplated in the recent revision to our governing statute. In addition, these commenters suggested that in instances where an owner owns multiple properties, the number of violations should be divided by the number of properties such owner owns when comparing violations to other owners with violations. One owning twenty properties with ten violations going to EARAC is a lesser violator compared to somebody owning one property with two violations.

It's not anticipated that the number of properties versus the number of violations will be determinative in the evaluation of the applicant's compliance history. Instead, the responsiveness of the owner, the reasons for the finding of noncompliance, steps the owner made to avoid the situation in the future are expected to be the focus of the decision. So staff does not recommend any changes in response to these comments and we recommend approval of the rule as presented in your Board book.
MR. OXER: Good. Thanks, Patricia.

Any questions from the Board?

(No response.)

MR. OXER: Motion to consider?

MR. GANN: I so move.

MR. OXER: Motion by Mr. Gann to accept staff recommendation on item 3(b).

MR. THOMAS: Second.

MR. OXER: Second by Mr. Thomas.

Okay. There's no public comment. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

All right. Cameron.

MR. DORSEY: That was far too fast. I move to have some of the people that were going to make public comment on the QAP make public comment on Patricia's rule instead.

MR. OXER: There's only so many seats up here you can't get everybody in the front, Cameron.

MR. DORSEY: If I wink twice and look to the right, push the white button.

(General laughter.)
MR. DORSEY: Item 3(c), this is an item that is for the repeal of the existing Chapter 11 which is the core kind of piece of the QAP, and an order adopting the new proposed QAP.

I'm not going to go in depth into the specific changes, I'll let these folks make comment and then I can respond to the comment however you all would like me to accomplish that, but I wanted to talk just a little bit about the process. This is a tough process, it's a very tight time frame every year, and so we started back in July, really, kind of figuring out what changes we may need to make.

Certainly throughout cycle we were gathering up changes as J. Paul said fix that, but we actually kind of dove into the document and started really the tedious process of figuring out what changes we needed to make, what changes made sense from a policy perspective, and these types of things. Certainly, also, we had the 83rd Legislative Session, so we have some statutory changes. There were three bills in particular that had pretty sweeping effect on the rules, so we needed to incorporate all those things.

And so the other thing is despite the kind of very tight time frame, I consider it an extremely important thing to make sure that we share as much
information with the folks in the room here that are going
to make public comment and the folks that aren't making
public comment because we made the changes they wanted, to
have a really meaningful dialogue with those folks. The
rulemaking process kind of has a very dry method of
getting comment in a written form and then we consider it
over an extended period of time, and then the response is
our reasoned response and whether we incorporated it into
the rule or not, but there's all kinds of stuff that
happens in between that I think is really important to
know.

We sat down and we met with the group from the
Texas Affiliation of Affordable Housing Providers and had
a really meaningful dialogue about what their comments
were and shared our own kind of perspectives, what was
going through our head as we drafted certain items. We
did the same thing with a group of public housing
authorities throughout the state. And I do the same thing
and Jean does the same thing on a daily basis as we
consider these things. Our knowledge and expertise is in
certain very specific areas, and the rules cover more than
just what our expertise is, and sometimes I need to reach
out and ask for help, and these guys are always willing to
provide help.

A great example would be there was a comment
that we should consider basically the kind of lick-n-stick kind of stone work, give it the same consideration that we give normal masonry veneer in terms of the percentage that we incentivize putting into the interior design of a building, and I'm not the expert on the different types of stone, so I call up a few developers, ask them what their perspective is, ask them what the cost is associated with this type of construction method, what the quality is and these types of things, and I got the same answer from everyone that I called.

And I really appreciate that kind of level of honesty and that kind of partnership that we have with the folks in the room. It makes things much, much smoother and a lot better, and the hope is at the end of the day is even if we disagree, we kind of have an understanding of where each other comes from and a mutual respect for kind of the constraints that we all have to face, despite those being oftentimes very different constraints. So I thank everyone that made public comment and that's going to make public comment today, and I will do my best to give very meaningful responses and insight into why we did or did not accept a particular issue.

Beyond that, I'll cut this part off and let folks make public comment, unless you have questions.

MR. OXER: Are there any questions from the
Board?

(No response.)

MR. OXER: Okay. Let's get started. We do have to have a motion first to consider.

MR. THOMAS: So moved.

MR. OXER: Motion by Mr. Thomas to accept staff recommendation on item 3(c) with respect to the QAP.

MS. BINGHAM ESCAREÑO: Second.

MR. OXER: Second by Ms. Bingham.

Now you're on.

MS. CHAPA-JONES: Hi. Good morning.

MR. OXER: Good morning.

MS. CHAPA-JONES: I'm Veronica Chapa-Jones. I'm the deputy director for grants management and compliance at the City of Houston Housing and Community Development Department. I have two specific issues that I want to speak to on the QAP this morning, so I'm going to try to bifurcate my comments because they can be a little bit complicated.

The first comment that I want to make is regarding the city's public comment on permanent supportive housing. I talked a little bit about the program that the city has put together to end chronic homelessness over the next four years. There's been many millions of dollars of city resources dedicated to this
effort, and the goal is to actually end the bane that is chronic homelessness by producing a unit count of 2,800 affordable units to take those people off the street with permanent solutions for housing.

In four different parts of the section in the QAP, 11.9, that specifically talks about criteria to serve and support Texans most in need, what the City of Houston requested was that proposed projects that meet the City of Houston designation for permanent supportive housing be offered equivalent points to the TDHCA program. So the difference is there's a couple of nuances that make our programs distinct, they have the same goal, they serve Texans most in need. The challenge was the Department also has a goal to affirmatively further fair housing and increase housing in high opportunity areas.

So the City of Houston would like to request, again, consideration in the four different comments that we made in the section, specifically for the criteria to serve and support Texans most in need, could we allow the City of Houston's program to be equal to the TDHCA program in high opportunity areas and allow for those proposed projects to receive equivalent points.

MR. OXER: Good. Thanks, Veronica.

Any questions?

MR. THOMAS: What specific section, 11.9 what?
MS. CHAPA-JONES: The citation is 11.9(c), Criteria to serve and support Texans most in need. And we made public comment specific to rent levels of tenants where points were provided, tenant services which is section (3), section (7) for tenant populations with special housing needs, and sub point (A) there as well.

MR. THOMAS: So that's (c)(2), (c)(3).

MS. CHAPA-JONES: (c)(7)(A) because we had added language in both (7) and then (7)(A).

MR. OXER: Let me ask this, does anybody else who wishes to speak have a comment on this particular component?

(No response.)

MR. OXER: Cameron, let's talk about that one. Let's address that one, Cameron, while we're at it.

MR. DORSEY: The City of Houston's original comment didn't have kind of that caveat for if located in a high opportunity area. I think our reasoned response reflects kind of a general hesitation to identify one specific city's program when we're not identifying any other city's particular programs. But to the extent that you all would be comfortable with that kind of thing, I think the addition of the language that would only allow access to these three points spread across two point items in instances in which the City of Houston's -- well, in
instances in which the development in question is in a high opportunity area, I think that that would mitigate a large amount of the kind of general concern that we had about the item. Certainly, I mean, we still have the issue of calling one specific program out in the state, but that's more of a policy type issue that you all can consider.

MR. OXER: Tim, did you have a though?

MR. IRVINE: I think it's a proposal that I don't object to it. In fact, I think in a certain way it makes sense to develop communities that have more diverse populations.

MR. OXER: Okay. Thanks.

Any other questions from the Board?

(No response.)

MR. OXER: Veronica, did you have a second item that you wanted to speak to?

MS. CHAPA-JONES: I do. I want to shift gears a little bit then.

Specifically community revitalization plans, and I apologize, I don't have the exact citation, but I want to speak to, I guess, Section (b) for developments located in urban areas outside of Region 3.

So the request from the City of Houston at the last Board meeting, I talked a little bit about the
disaster recovery plan that was an 18-month process that we went through in order to select areas in Houston for revitalization. So these were areas that were impacted by Hurricane Ike, and the populations are low-mod income. In a lot of places it's a lot of poverty areas in the city that we knew were really impacted. And so through this 18-month process, we went through a community-based planning effort, along with consultants, fair housing advocates, community stakeholders, and we've put together a document that we've submitted to TDHCA that kind of demonstrates that even though specifically the plan doesn't contain the same tenets that the revitalization plan does -- and the revitalization plan is Section (7) and (7)(A), is that right, and (7)(B) which is the disaster recovery piece -- we do strive for revitalization, we just don't have the same definition of it, and there's a lot of effort there to demonstrate that it's there.

So what we were asking for was could a revitalization plan that we know that the purpose is to lift these areas out of poverty, that there is massive federal, local and other investment going in, not to mention a lot of partnerships, could this count if it didn't meet the same kind of tenets. And what we're asking for is there is equivalent, and there's two
specific changes that we're looking for.

The first is that it's considered tantamount in points to a revitalization plan. We're asking for the Board to consider that the disaster recovery plan that we put together that targets these areas, that dedicates funding, that these are the objectives that we're going to perform, meets the same point parameters that we have with a revitalization plan.

The second piece that we talked about a little bit with TDHCA staff about before coming here was specifically looking at the issue of leveraging funding, how much funding does it mean per area. We currently have nine areas, nine smaller neighborhoods that combine to create the disaster recovery investment. And so one of the things that Cameron was asking us, could we match the $6 million requirement in the revitalization plan, because the revitalization requirement says you have to have at least $6 million to kind of get there.

And so what we said is yes, but rather than saying we want to have $6 million per area -- because my attorneys wouldn't let me say that today because I'm not allowed to commit funds on behalf of the City of Houston, I'm just a spokesperson; I have language, actually, that, of course, the attorneys provided that we worked on between 10:00 and midnight last night, and I still look
good.

(General laughter.)


This is so dry, I don't know how to make it more razzle-dazzle. I'm nerdy about it, I love this stuff.

MR. McWATTERS: Mr. Chair, press the white button.

(General laughter.)

MS. CHAPA-JONES: So for the record, the language that we worked on with the attorneys to demonstrate that the city is putting a dollar investment is that we ask that we add to Section (2) that the city, that we affirm that the specific target areas that are referenced in the sub-clause of this clause -- which is the disaster recovery clause -- have an aggregate budget or projected economic value equal to or greater than the product of $6 million times the number of specific target areas identified in the plan. So what this basically commits to is for the whole plan we're saying we're going to get to $54 million.

MR. OXER: There's some higher math here. These attorney types came up with that? Always the love.

MR. THOMAS: I need a section, please.

Cameron, what section is she specifically referring to?

MR. DORSEY: Hold on. It's on page 23 of 29 of
the supplemental, and it's 11.9(d)(7).

MS. CHAPA-JONES: And we have (7)(A) and (7)(B), and we're asking that (B) be equal to (A) with six points, and that the city's amended language be accepted to demonstrate that we will have either to or greater than the product of the $6 million times the number of specific target areas identified in the plan.

MR. OXER: So essentially what you're saying is that you would have $6 million per unit, or per area.

MS. CHAPA-JONES: In the aggregate. I'm not allowed to commit as far as the geography, but, yes.

MR. OXER: I get it.

MS. CHAPA-JONES: And Cameron and I talked about this, and Tim, thank you for your time this morning, because this is a really large effort and there's a lot happening very quickly, and we operate in our little bubbles, especially because we're in two different communities doing different things. There definitely needs to be a commitment to work together.

MR. OXER: You could be essentially working and put $10 million in one and $3 million in another, as long as there's six times the aggregate, that's generally what you're thinking this would cover.

MS. CHAPA-JONES: That's what we're thinking. And part of the problem is that last night I couldn't get
you numbers. If I really want to look at investment
numbers, there's management districts, TRZ districts,
there's CIP, there's really ways to put this funding
together to understand how it's impacting the areas, just
haven't done that piece yet.

MR. OXER: All right. Thanks, Veronica.

Cameron, do you have a response? Do you want
to make a suggestion or talk to that?

MR. DORSEY: I think on this one, bear with me
for a moment, because the way the scoring system works,
you know, it's a really dynamic system. You have, first
off, the specific points and you can add up. There are
kind of two different avenues we've got in the QAP, I
think most of the folks in the room recognize. There's
kind of the high opportunity route for accessing points
and creating a competitive scoring application, and then
there's the revitalization route, and those are, to some
extent, mutually exclusive, certainly the points under
each are mutually exclusive.

And you can't just kind of add all the points
up and say, Oh, look, this doesn't create kind of a fair
playing field, because when you overlay the real world
constraints that people actually experience out there, you
end with a very different picture than the simple math of
adding all the items up. And unfortunately, it takes
quite a bit of experience kind of being entrenched in this program and a lot of observation to kind of see how all these scoring items work together to result in kind of a total package and a specific score.

The concern that I have with this issue, and what Veronica laid out, is not one that's a definitive, you know, I believe that this doesn't comport with statute or anything like that, it's based on the hours of time that Jean and I and Tim and Barbara spend theorizing about all the different possible avenues that these things can go. These guys are very good in the audience at kind of reverse engineering the system and determining where the path of least resistance is and pursuing that path of least resistance, because at the end of the day, they want a competitive scoring application, otherwise, the process is a fruitless process for them.

And so while we had four points on item, and not six, for example, the feeling was that when we look at the scoring system as a whole, the difficulties that folks encounter accomplishing high opportunity area deals versus some of the lack of resistance that's frequently encountered, and obviously already having city support for pursuing the path of revitalization, you know, while the simple math would suggest that the path of least resistance or the path to a competitive application is

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high opportunity area, the reality is that that's
moderated to some extent by all of the real world
difficulties in pursuing that path.

And so we end up with we felt as if the scoring
system as a whole allowed viable options for pursuing
revitalization with the four points, and also that we
would have viable options for pursuing high opportunity
area deals, and that hopefully those outcomes would
produce a diverse set of awards that also comport with our
responsibilities to not only make sure that the rules are
facially compliant but that we have a lawful outcome at
the end of the day. And you know, it's a process of
guesswork, educated guesswork.

So I don't have a specific objection to moving
it to six points or at least the same kind of six points
that's available under the other option. In the other
option there's only one development per city or county
that can get those six points, and it's for a resolution
that that particular development most meaningfully
contributes to the revitalization efforts of the city. So
basically, that's the development, of all the developments
that have been proposed, that most meaningfully
contributes to the revitalization effort. It's, first
off, not a six points across the board, it's just for one
development per city.
MR. OXER: So in that case, it's essentially a local choice to pick out which one they want to front.

MR. DORSEY: Right, that's right. And so I don't have a specific objection to that, it's just a risk analysis that we have to kind of do, and everyone might come up with a different result at the end of the day. Jean and Tim and Barbara and I, in looking at this particular issue, came up with: You know what, four points is what make sense for this particular item, given all of the real world constraints out there and how these things interact.

With respect to the other change which is to remove the requirement that they actually have a commitment of DR funds and have in place of that, basically, the city will be investing $6 million times the number of target areas, it's the same thing. If you don't have to have a commitment of DR funds, then your universe of possible applications pursuing this path kind of begins to expand because you don't have that kind of governor on it.

MR. OXER: So it essentially becomes something that has no discriminatory meaning, making a choice -- not discriminating but differentiating on the various applications.

MR. DORSEY: Right. It becomes difficult to
anticipate the outcome based on the language because it's less specific and we know kind of how much CDBG DR funding there is out there. We don't know how many folks might assess that this is the path they want to pursue because they feel as if it can produce a competitive application, perhaps it's fifteen, perhaps it's two, and so it's a prediction process.

I think on the other side of the equation here, in discussion with the City of Houston and Veronica, they've indicated they do not believe that they will have a plan that's compliant with option (A) for getting points under this, so I think to some extent that mitigates some of the concern about the universe being really wide open here. If they don't have an option (A) for folks to pursue and they only have this kind of option (B) because their focus is on CDBG DR revitalization type efforts, then that, to some extent, mitigates those concerns.

Again, though, it's that guess work: at what point do you tilt the field just enough that you don't get that kind of balance in the allocation you're looking for. So I think that's the judgment call that has to be made, and we can certainly, from a year-to-year basis, recalibrate but I think we're in a situation where we need to be really focused on kind of what kind of outcomes we believe are necessary to comply with the law.
MR. OXER: Okay, good. Thanks. Does anybody have a question of Cameron?

MR. McWATTERS: I do.

MR. OXER: Professor McWatters.

MR. McWATTERS: Cameron, given these two proposals, what effect do you think it will have on the number of non-elderly developments in HOAs in Region 6. Will it increase non-elderly developments in HOAs in Region 6, or will it decrease it?

MR. DORSEY: I would suggest that it would decrease it. That would be my educated assessment.

MR. McWATTERS: Thank you.

MR. OXER: Any other questions? Mr. E.D.

MR. IRVINE: Actually, I have three sort of comments and/or questions. First of all, I always get nervous when you've got a very large and complex document and you're trying to navigate substantive changes on the fly, especially given the amount of the allocation that goes to the Houston area, so I would certainly offer that while you have a motion on the table and you're receiving public comment, it certainly would be appropriate for the lawyers to have a moment to look at the language and noodle over it, and also, it would probably be appropriate for them to give you legal advice in executive session with regard to that matter.
Two real questions I've got, perhaps they're rhetorical, perhaps they're actually questions. One is we've talked about the timing issues and the urgency and so forth. One of the questions I've got is how specifically does this intersect with the timing, both of the City of Houston's governance processes and the GLO's processes with regard to CDBG Disaster Recovery, and when would it be clear how much funding is actually going into the specific region in which a particular development might have received an award. And sort of another aspect of that question is is it possible under this proposal that a development could receive an award because it got these additional points and it was in a region that did not, in fact, ultimately receive the recovery funds.

MR. OXER: Veronica, you have to identify yourself again.

MS. CHAPA-JONES: Veronica Chapa-Jones, deputy director, City of Houston Housing and Community Development Department.

So the first question specifically was when we would know with certainty funding amounts for different projects moving forward, and the answer that you're not going to like is it's going to depend on the project piece.

MR. IRVINE: An outside date.
MS. CHAPA-JONES: Well, for example, the Disaster Recovery funded housing has to be done by December 2015. The infrastructure is slated supposed to be on the same timeline, but given the design of the infrastructure and that we still haven't had projects selected, we're assuming those are going to go beyond that, the design-build piece. Other projects that could also be leveraged locally, I just don't know because I don't know the areas well enough to know what's on the CIP, so that's, again, why it would be tiered.

One of the things that Cameron and I talked about when the workshop happened in Houston on December 4 is to talk about the inventory and look at those pieces, and we can work and collaborate on that. It's not a lack of concern that they're not going to happen, it's just the timing of when. And I think the important piece for the revitalization is happens over time, it's not going to happen in two years, it may take three years, five years and seven years, based on the project development. And when we get those projects, when the funding is officially committed by council, we know it's moving.

So then the part B of the question, as I recall it, Tim, is whether or not a specific project may get funding for tax credits but may not get a disaster recovery award. Am I understanding that correctly?
MR. IRVINE: No, that's not it at all.

MS. CHAPA-JONES: Okay.

MR. IRVINE: The question is whether if this proposal were enacted, a development that got an award could be in an area, one of these designated areas -- I believe you said there were seven, earlier -- could it be in an area that did not, in fact, receive CDBG Disaster Recovery assistance in some meaningful amount.

MS. CHAPA-JONES: At this point I would say no because all of these areas -- there's two types of areas, without getting into technical detail, but I guess we're there -- and it's basically a concentration of whether there's going to be a multifamily anchor, because we have a single family suburban neighborhood type as well, so all of the areas that were selected for the disaster recovery plan will receive housing disaster recovery funding, it's the infrastructure and the other pieces that we just haven't scaled and finalized in a timetable yet with funding committed by council.

MR. IRVINE: And my specific concern was really directed more to the Section 42 requirements for community revitalization that we, in fact, know that there will be some meaningful funding for revitalization in an area that surrounds each of the projects that might receive these points.
MS. CHAPA-JONES: Understood. I think there's just a lot there when we're talking about revitalization: is it a tipping point neighborhood, is it a neighborhood that requires more. That goes into it, along with the timeline and the type of investment that we're doing.

MR. IRVINE: And that also sort of tangentially raises the whole issue: is disaster recovery the same thing as revitalization.

MS. CHAPA-JONES: In this case it is, because we had the fair housing advocates working hand in hand, along with the Texas Organizing Project, and it was an 18-month process to select, and the goal was revitalization. So I'd like to make this emphasis, if I may. I understand the need and the issue with high opportunity areas because people need choice, completely get that. I think what we're missing in the debate is the argument that there has to be meaningful revitalization and that that can occur and it can occur on balance.

And what you're going to see in the City of Houston is while we are committed to support the Department, we cannot effectively export and allow for people just to leave. There are neighborhoods that are historic neighborhoods that need reinvestment, the neighbors are coming out and they're telling us that they want this investment, so you're going to see the City of...
Houston for the next couple of years really working hand
in hand with the neighborhood groups to say what does
revitalization look like and how much are we going to put
in there to do it.

MR. OXER: Thanks, Veronica.

To Tim's earlier point, we're going to hear
comments on this, and to the extent that we have to, we're
going to heed counsel in executive session before we'll
come to an end on this, so we're going to go through each
of these to be considered in the QAP and then take a
break.

All right. More comments. Next one, please.

Good morning.

MR. MILK: Good morning. My name is Richard
Milk. I'm with the San Antonio Housing Authority where we
serve 70,000 low income children, adults, seniors,
disabled individuals and veterans.

Now, right off the bat I want to say on the one
hand you're going to hear from some of our colleagues
shortly regarding the RAD provisions, and we preemptively
support those comments, so have that in the record.

Housing authorities in Texas, there are over 400 housing
authorities that serve 200,000 households, the vast
majority of whom earn below 30 percent area median income.
We are able to do that because of three critical
resources: HUD subsidy, tax credits and public-private partnerships. These resources are threatened by language in Section 11.9(d)(2)(B), referencing the commitment of funding by local political subdivisions, so I want to focus my remarks on that section.

We're very troubled by the related party funding language that was added last year. To preserve the communities that serve the poorest Texans, many of which are 50 to 75 years old and in desperate need of redevelopment, we strongly recommend the removal of the related party language to again allow housing authority monies as a leveraged source of funds.

I would remind the Board that we received and shared with you letters of support reflecting the same concern and making the same recommendation from State Senator Letitia Van de Putte, State Representatives Roland Gutierrez and Ruth Jones McClendon, Mayor Julian Castro, our president and CEO, Lourdes Castro Ramirez, and our board chair, Ramiro Cavasos.

The current related party language denies the fact that housing authorities are public entities, we are units of local government, with no potential financial gain and no opportunity for self-dealing. Public housing authorities have unique resources that can only be provided by them and for the purpose of building and
operating low-income housing. In fact, a good portion of housing authority funding is limited to transactions where the authority is a participant. The resulting public-private partnership is a proven generator of both low-income housing units and economic development.

When an authority participates in a transaction, it procures the services of development partners and other private entities. This provides an open and equal opportunity for any developer, lender or investor to participate. Our developments house the hardest to serve, maintain long-term affordability, and rebuild projects into sustainable mixed income neighborhoods.

We urge you to reverse the recent addition of the related party language and return to language that recognizes the role of housing authorities in our communities and throughout the state. Thank you.

MR. OXER: Good. Thank you.

Any questions from the Board?

(No response.)

MR. OXER: Good. Thanks. Don't forget to sign in, each of you, as you come to the podium.

MR. COCHON: Good afternoon, everybody. Gerry Cichon here, Housing Authority of the City of El Paso. I'm the CEO out there. We actually house 40,000 people,
6,500 units of public housing alone.

And the reason I stand before you is our infrastructure is crumbling, the federal government has tried to change the way we do business. We are going to be the largest housing authority, we're the fourteenth largest in public housing alone in the United States, and we're going to have to invest about $500 million in the next five years to do something about it.

Now, the rules that you're changing are significantly impeding our ability to do just that. That being said, you look at it like this, it's a light switch test. The rule has been the rule for the last fifteen years, it was accepted under previous administrations, it's been accepted by this governor, and now, all of a sudden, the staff has chosen to change it. And I have great respect for Tim and for Cameron and for all the work that they've done in meeting with us, and even your indulgence in being able to speak here today.

But we're a unit of local government until we get involved. As soon as we put our money in it, the light switch goes off and all of a sudden, we don't get the points. So why are we a unit of local government if we're not involved, and when we put our money into it, all of a sudden we lose that opportunity. It doesn't make any sense, especially when right now any, quote-unquote, self-
dealing goes to the benefit of the taxpayers.

The money that we use doesn't just go to support public housing. As you know, you also run Section 8. Well, with the cuts that have happened with administrative fees being reduced, we have to compensate. And it's not that we just do public housing, we also house over 180 homeless veterans that we work closely with to try to get them into homes and buy their own houses. We work very closely with homeownership with our overall population. We work very closely with the city with development of economically blighted areas. There's a lot that we do that inures to the benefit of the taxpayers.

But yet, somehow this rule has said, Hey, listen, we don't want you to compete with the local developers.

Well, you know what, we're not a local developer, we're government, we've been government, we are a unit of local government, and our money should be looked at as government money. So why change the rule now? Why is the rule changing? I've sat here and I've come up here and I've had those discussions, and no one has been able to answer other than: Hey, we don't want you to compete with the developers, you're the same as them. But we're not.

So this doesn't even take having to go to executive session. It's not a discussion like: Hey,
what's the change going to be? Just don't make the
change, just leave it alone. Because $500 million is what
we're going to invest in El Paso, we're going to have to
move 20,000 people out of their houses and move 20,000
people back somehow. We're going to have to remake public
housing just so that it is self-sufficient, because the
way it's happening in D.C., we're getting ready to lose
everything that we have.

And so as we stand here, this rule that seems
so innocuous, well, it's a light switch, if you're
involved, it's self-dealing, taxpayer money should not be
taken advantage of or looked at in a way that is to the
detriment of the people that have put it forward. Thank
you.

MR. OXER: Thanks, Gerry.

Any questions from the Board? Okay. Question
by Mr. Thomas.

MR. THOMAS: I have a question, Gerry. Good
morning.

MR. CICHON: Good morning.

MR. THOMAS: Help me understand. We've had
lots of testimony in my short tenure on the Board -- and
I'm very sympathetic to it -- of private developers
discussing the increased the cost, the difficulty
associated with being able to put together deals and then
be able to manage, from a profitable perspective, the
delivery of the housing services. How do you reconcile
the fact that those developers don't have access to
taxpayer dollars and then they still feel like they'd have
to compete with you for some of those projects?

MR. CICHON: Well, look at it this way, I mean, we're in the same situation, it costs us the same amount
of money too. In that regard, when you think about
putting together a deal, we still have to have staff, a
lot of times we're doing private-public partnerships,
those costs are still the same costs that they do, and we
still have to run it at a deficiency level with what we're
being given from the federal government, and that's the
reason why we need outside sources.

Like right now we've got 5,600 families in
Section 8. With sequestration we've had to decrease that
by 700. We're currently covering the cost of that side of
it with the money that we're receiving from the cash flows
of our tax credit properties. And so we're doing a lot
with these monies to try to help not just that aspect of
tax credits, but also the overall citizenry. So if you
look at it with the costs, we're the same regarding those
costs, but overall, the monies that we receive go right
back to the taxpayers.

MR. THOMAS: But the whole system is broken. I
mean, effectively, you're saying we're a private developer as well, we have the exact same cost structures, even though our access to public funds exists in that way. You're just saying there is no good solution so don't treat us as a double-dipper, effectively.

MR. CICHON: No. What I'm saying is, one, we're government, and two, we have an infrastructure that's crumbling. So the question is do you want us just to create slums that are currently there. Because we're already in the cities, we're already in your downtowns, we're already in those high occupancy urban areas, and the question is right now if we can't get access to 9 percent, we can't rebuild them. So do we want them just to continue to degrade, because they're covered in asbestos, they're built in 1940, we're keeping down the overall property values around us. Do we want to leave it that way?

MR. THOMAS: Tell me the flip side of the argument. Help me understand, from the other hat that you would wear, why private developers would be concerned about maintaining the rule. Honestly.

MR. OXER: We're going to have commentary to that effect, I'm sure.

MR. THOMAS: I still would love to hear it, particularly because this really helps me in this regard.
MR. OXER: Okay. Sixty seconds, Gerry.

MR. CICHON: I think when you look at it, I think if you look at developers as partners in the community, I think you need to look at them as what's best overall for the city. If you have a dying infrastructure, if you have a dying interior of the city, like we have in El Paso -- right, you're looking at Segundo Barrio right along the Mexican border, you're looking at property values down there that are worth $50,000 -- if we don't do something to shore that up, all we're going to keep doing is pushing everything to the outside, building on the outside, and in the end, I think it hurts the community overall.

I do recognize that the developers themselves would like to have us be involved because we're doing private-public partnerships. I mean, we're not in this alone, we know that we're not massive developers, we recognize that we're not huge construction companies, and that by leveraging the 4 percent, which we'll be asking a lot of, and 9 percent, we're going to be, one, able to help the community overall, and two, you're talking about a 2.2 times magnifier that we're going to bring into play. And this all has to happen in the next five years under the RAD program.

And so the effect upon El Paso is about a $1.4
billion economic swing, and that's why, at least for El Paso, it would be good not only for the citizenry but for developers too.

MR. OXER: Thank you.

One of the things that we have to use a criteria for some of the decisions we make is that there are a number of tools that are available to satisfy some of the housing requirements that the State of Texas has. The Tax Credit Program is one of them, it's a very big tool, it's a very useful tool, it's not the only tool and it can't be the only tool that has to be in a city's toolbox or in anybody else's toolbox, because, as they say, if you only you've got is a hammer, you start looking at every problem like a nail, and so eventually, in some circumstances you'll wind up standing there with a hammer trying to solve an electrical problem.

And one of the problems that we're trying to solve is the fact that the deteriorating interior of these cities has been going on for a lot longer than the time we've been trying to solve it with the Tax Credit Program. So while we're sensitive to your issues, we understand that and are sympathetic to the need, there are certain constraints that guide the decisions that we make, and while we appreciate your comments, everybody has to recognize that we want to hear what you're doing, we're
going to have to adjust this and try to meet the problems
that we have, but everybody here should know that nobody
goes away with everything they wanted.

MR. CICHON: We understand that too. Just one
just aside real quick. On RAD, the at-risk set-aside, we
recognize that we may not be able to be able to be in it
because it's going from Section 9 money to Section 8
money. We recognize the efforts on staff -- Tim and
Cameron, thank you very much for all your efforts on
that -- but we will be looking for some form of
legislative reprieve and we'd ask for support of staff on
that as you move forward. Thank you very much.

MR. OXER: Thanks.

Cameron, do you want to take a shot at that one
before we go on to the next piece?

MR. DORSEY: I think there's other comment on
the first issue, but just the last piece of that, the
recommendation specifically related to the RAD program and
whether it is eligible or not eligible under the at-risk
set-aside, basically, staff is recommending that we
request an AG opinion on the subject. I don't think our
intent was to include any language that specifically
precludes or includes RAD so that we can wait for the
disposition of the issue with the AG's office.

What that would mean is that folks could apply
and elect the at-risk set-aside if they have RAD funding. I think that there is a certain risk there because I'm not sure that we would have an AG opinion before the cycle started, but they could also, for example, request kind of a waiver in the application in the event that the AG opinion would come back and say it's not eligible for the at-risk set-aside, that we could flip them over and allow them to participate within the subregional competition. It would require a waiver but that's a possibility that I just wanted to kind of have on the record for everyone to hear.

MR. OXER: Great. Okay.

MS. PALMER: Good morning. Claire Palmer. I'm really here to talk about educational excellence but because I represent a lot of for-profit developers, I thought I'd real quick talk about the UGLUG funding that's been talked about by the housing authorities, and honestly, I think that at least my developer clients would be supportive of allowing the housing authority funding to count so long as they were partnered in some way with other developers so that it's not purely a public housing authority using their own funds to qualify for UGLUG funding and then building their own development.

MR. OXER: So that it truly constitutes a

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public-private partnership. Some formality with a contractual arrangement and some elective choice by the local government.

MS. PALMER: Exactly.

But on the educational excellence, this year, because there's a new scoring system under STARS, the staff has set a cutoff score 77 on Index 1 which I've talked to Cameron about a lot and I understand why he did it. I have a lot of clients in Urban Region 3 -- which you all know is a fun region to be in -- I have actually run all the schools in DISD. DISD has an interesting system because there are so many magnet schools, and magnet schools don't count for educational excellence points.

So I've looked at all of our high schools, all of our middle schools, all of our elementary schools. Only one high school, Woodrow Wilson, scores a 77, and it's feeder middle school, there's only one, only scores a 74. So essentially, that whole east Dallas area that's covered by Woodrow Wilson High School could not get three educational excellence points. If the score was moved down one point to 76, W.T. White High School, which is the north Dallas high school, would be able to score an educational excellence point, as would its feeder middle school would then result in an area from Forest Lane south
of LBJ to Preston to Frankfurt north of LBJ that would actually include an area that could score three educational excellence points. For the very first time ever, areas within the DISD would have a high educational excellence area.

Why is that important? There's a huge area north of LBJ Freeway up from the tollway to Preston and up that is in a new TIF created by the City of Dallas where there's going to be a great deal of housing, and so if we could get that point lowered one point, we would have a very good north Dallas area that would be able to score educational excellence points for the very first time.

MR. OXER: Good. Thanks, Claire.

Any questions?

(No response.)

MR. OXER: Do you need to take a shot at that one, or do you want to wait, Cameron?

MR. DORSEY: Either way.

MR. OXER: Okay. Bobby.

MR. BOWLING: For the record, I'm Bobby Bowling. I'm a builder-developer from El Paso. Good morning, Mr. Chair and the Board.

I'd like to speak on the item that the housing authorities came and addressed. Just so everybody is clear, this is item number 23 in your supplement, it's on
The last speaker from El Paso was kind of all over the place. I wanted to clarify one thing for the record. He's asking for no change in the QAP and so am I. The rule is in place. You heard hours of testimony on this last year. There weren't two housing authorities here at this meeting last year, there were more like ten or twelve. Some of them were up here, including the El Paso Housing Authority brought an attorney named Frank Sansa who stood up here and told you that you do not have the legal authority to do this rulemaking and make these parameters on this section of the QAP.

Well, what's changed in the last year? Nothing has changed, except for this rule went into place, and in the interim TDHCA was brought to the attorney general's office by a state legislator and the attorney general was asked the question: Does TDHCA have the rulemaking authority to put these parameters on this section of 2306 in the statute. And the attorney general of the State of Texas said yes, you do. So that's a matter of record, and the attorney general has affirmed what you did last year. Nothing has changed.

The reasons that I heard given were that the housing authorities have problems. Well, I'm a private
businessperson and I have problems too. I need a 9 percent tax credit deal every year too. I employ hundreds of people; between our single family and the operation I have in El Paso, there's more than 1,500 people that work on my job sites. Now, I don't think that's a good reason for you to adopt public policy or craft public policy because I need it, but that's really all I heard from the PHAs is they've got problems and they need a 9 percent deal.

I think good public policy is public policy that levels the playing field, and that's all you did last year and that's what the rule does. The rule says the PHAs can go to the city council of the City of El Paso and ask for funding, just like I can. The rule prohibits them from giving themselves their own funds. Whether they're in a deal 100 percent or a public-private partnership, that's wrong, because I can't do that. I have a family charitable trust in El Paso, we've donated to lots of different causes, we donated a million dollars to the YMCA last year. I can't get points for that. I would if you would allow me, but then where do you draw the line because not every private developer has a family who has a trust with charity that they can give to their own funds.

What I think you're charged with is just exactly what I said, and I'll repeat it again: creating a
level playing field for all participants for everyone who applies. And I think that's what the rule does.

And with a little leeway, Mr. Chair, I'd like to just read one citation, one quote.

MR. OXER: Take a minute.

MR. BOWLING: On page 38 of 63 in this item, I think your staff says it best, and it's on the second to last paragraph, and this is really the crux of the item, and either Cameron or Jean wrote this. "The removal of the related party restriction would have the effect of providing a disproportionate advantage to certain types of applicants and would have larger sweeping effects than simply allowing PHAs to lend funds and thereby score points for transactions in which they have an ownership interest. Staff does not believe the scoring item was ever intended to give one class of applicant a particular advantage over another class of applicant and no change in this regard is recommended."

That's the crux of the issue: do you want to give PHAs unfair advantage over private developers. I'm not asking for an unfair advantage, I'm not saying give me special points because I'm a private developer, because I pay taxes, because I contribute in my community, because XYZ, ABC. I'm just saying let us all compete, keep the level playing field that you have in place now, and...
there's really no reason that they brought forward to change your current policy.

MR. OXER: Thanks, Bobby.

MR. BOWLING: Thank you, Mr. Chair.

MR. OXER: Any questions?

MR. THOMAS: Would it be different, per our chair's last series of questions, if there was a requirement that allowed the public housing authority or required that they work with the public-private partnership in that regard? Would that make a difference to you?

MR. BOWLING: They brought that as well last year, Mr. Thomas, and I am strenuously opposed to that, because now you're creating a system whereby you're handing over a region. Like my region, Region 13, is now basically at the disposal of the housing authority, so they get to pick and choose the winners based on some other criteria. It's invalidating your QAP. I don't think the federal statute intended for you to do that, and that's what effectively this would do. Because I can't overcome those points. If they're going to get those points, I have to go to the housing authority and work through them, but why should I have to?

If you look at my compliance record -- and I've done this research -- my compliance scores are better than

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the Housing Authority of the City of El Paso's in my region. So it's not like they're doing some better service in our region than the private sector is doing. So by enabling them to have these points under the caveat of, well, we'll only do it if we're doing a public-private partnership, it still kind of invalidates your QAP and the statutory authority that I think Section 42 gave you as the State of Texas. I think your QAP is fair, it's been developed over 25 years now, it's got lots of things, and we'd be starting all over at the local level with the housing authority, and I still don't see the reason why.

MR. OXER: Thanks, Bobby.

John, you were next in the list, so come on. Barry, you guys that want to speak, get up here on the front row, that way I'll know. Ms. Sloan, you'll be in there, you're next.

MR. HENNEBERGER: John Henneberger, Texas Low Income Housing Information Service.

I'd like to speak briefly about two matters. One is the elderly exclusion in selected areas. We strongly support staff's recommendation on that for the reasons that the staff has stated in the comments. The Department must balance the housing needs out there, and when the effect of the tax credits is to disproportionately underserve families with children, it
becomes both a legal and a policy problem. So we support the position in the QAP that your staff has.

The second issue I'd like to discuss has to do with the issue about how you take letters expressing support or opposition to developments, and here I disagree a bit with the staff's interpretation. In our comments we suggested two things. One is that every type of support, be it from a qualified neighborhood organization, a community organization, or a state legislator, should be held to the same standard, that in each case they should state their objection to the development. Under the rules, as I read them, only community organizations, not qualified neighborhood organizations and not members of the legislature, are required to state the basis of an objection, the others can simply object. And that is to grant unreasonable power to those entities to make a decision on an arbitrary or perhaps a discriminatory basis, and this Department has to consider the basis of the objection before it can move forward.

And the second issue has to do with the staff's review and the Department's review of those objections. Again, only certain categories of these objections does the staff review to determine if they are a lawful objection or not, and I would suggest that people need to say what their problem is, what their objection is, and
then that objection needs to be able to be shown to be a lawful basis for objecting to the development, or it should not be scored and considered, simply that. So those are my two areas of concern.

MR. OXER: Good. Thank you, John.

This is just a comment, you're welcome to stay or sit, but I think it's important that we know, when somebody does have an objection to a project, the foundation for that objection.

Cameron, are you keeping track on all of these and we'll get them generally when we settle up on this. Okay?

MR. DORSEY: Yes.

MR. OXER: Okay. Ms. Sloan, did you have a comment?

MS. SLOAN: Maddie Sloan, Texas Appleseed.

I just wanted to expand a little bit on John's comment on our support for 11.3(e) on prohibiting the further development of elderly restricted units in certain jurisdictions.

MR. OXER: I've got a quick suggestion. You're getting what you want. You sure you want to say anything?

MS. SLOAN: Again, we think it's a big fair housing issue. We actually, you will not be surprised, would go further. We would leave the exemption levels at
250 rather than raise them to 500. We would also suggest that there be some consideration of unit composition when looking at developments that aren't necessarily elderly restricted in title. If developers are trying to get around this rule by doing exclusively one-bedroom developments targeted at the elderly, again, that's a problem of discrimination against families with children, and I think it would also be a problem in terms of persons with disabilities who need an extra bedroom for a care giver.

But again, we strongly support this.

MR. OXER: Good. We appreciate your comments.

Okay. Barry, I think you're next.

MR. PALMER: Barry Palmer with Coats Rose, and I just wanted to pick up again on the UGLUG issue with the housing authorities.

We've worked with a lot of the major housing authorities over the years in the program and we've always had the UGLUG points and it was just last year that we put in this restriction on the related party restriction where housing authorities could not get the points for putting in money into a deal that they had a partnership in. In all of the years that we had the points without the related party restriction, it's not like the housing authorities took over the program and invalidated the QAP.
There were housing authorities who would get an occasional deal. The major housing authorities, Dallas, El Paso, Houston, San Antonio did participate in the 9 percent program and have build some very nice properties, and I guess the advantage of that is the resources that the housing authorities have in terms of rent subsidy allows them to serve a much lower income level tenant than the private developer projects. So there is some advantage in having the housing authorities participate in the program.

When you changed the rule last year to prevent housing authorities from getting these points if they put money into their own deal, it resulted in not a single major housing authority even applying last year, so there were no allocations last year to any of the major housing authorities because of this change in the rule. And I suspect that if you have the rule the same way it is now, that probably none of the major housing authorities will apply again because they can't be competitive. So you're not leveling the playing field, this change in the rule hasn't leveled the playing field, it's kind of kicked the housing authorities off the playing field.

So I would suggest that you allow housing authorities to get the points on a project that they're involved in, and I like the idea that's been mentioned.
about public-private partnerships having developers involved, so it's not just housing authorities in their own deal, but let's keep housing authorities in the program because they bring a lot to the program that private developers can't bring through the rent subsidies and other resources that they have.

MR. OXER: Thanks, Barry. Any questions?

(No response.)

MR. OXER: How many more? We have one more comment on this item?

MR. LANG: It's a different item that was addressed earlier.

MR. OXER: Okay. If you want to just say you're in favor of it and that's good, or against it.

MR. LANG: Okay. Let's hear that one right quick. Peggy, you've got one to read into the record, and then we're going to take a short break after that.

MR. LANG: Thank you. My name is Tim Lang, I'm with Tejas Housing Group. And first of all, I'd like to applaud staff on this version of the QAP. I think the major issues that we were looking at have been addressed effectively and enable us to move forward a lot more comfortably than we had with the previous version.

My comment is in regard to 11.9(c)(5), educational excellence, and it's not necessarily about the
scoring portion of the item, it has to do with the situation where paired schools come into play, and in that instance where it takes more than one campus to constitute what a traditional elementary school would come out to be.

Under the current system, the lower of the two rated schools is the one that carries forward. This is how it's been in the past, however, in the past we didn't have an effective means to come to an average to where we had a very good aggregate score which we could compare to traditional single campus elementary schools. With the current system, under Index 1 in the rating system, we can come to an effective average to where we're comparing apples to apples in this situation.

So in other words, if we had a situation where there were two paired schools creating an elementary school for a certain attendance zone, if one school scored in the 80s and the second school scored just under the 77 percentile mark, that school would not qualify. If we averaged those based on the 80s scores for the grades that it accumulated and then the 70s, we could quite honestly come out to an average that was in the high 70s and would qualify.

What this does is make paired schools work twice as hard to get to that level and it's not, I don't
think, creating a fair playing field between those that
are paired and those that have a single campus. I think
that this year we have the opportunity to create an
average, one that's accurate, and it would enable us to
compare single campus schools to the paired schools for
all of the grades that are encompassed. I think that they
should all be looked at together as a single educational
experience for each child that's going to be in that
attendance zone.

MR. OXER: Good. Any questions from the Board?
I have a question. How many instances of paired schools
are there?

MR. LANG: I think it's primarily going to be
found in rural areas. I couldn't give you an accurate
guess. I would say maybe 10 percent, 10 to 12 percent.
It would be, I think, a couple of seconds to figure out
what the average would be and really come to a meaningful
comparison between paired schools and single campus
schools.

MR. OXER: All right. Thank you.
Peggy.

MS. HENDERSON: Peggy Henderson, TDHCA,
registering public opinion for Gerald Cichon from Housing
Authority of the City of El Paso on agenda item 3(c),
against staff recommendation.
MR. OXER: Is that you, Gerry?

MR. CICHON: That's me.

MR. OXER: Okay. Just making sure. Run up a flag there.

All right. We've been in our chairs here for an hour and a half, so we're going to take a quick break while Cameron does his work. It's 10:40 right now, let's be back here at 10:50.

(Whereupon, at 10:40 a.m., a brief recess was taken.)

MR. OXER: All right, let's get back in the game. Is there more comment on this item? There's two more, apparently. Donna, if you're going to speak, come up to the front here.

MR. SERRA: Jim Serra, Serra and Company.

I wanted to comment on the 6710, the historic tax credit issue, and I want to say I appreciate staff actually putting something in. I wanted to elaborate a little bit one more time, and I think you may be getting some more information from some other interested parties shortly. In any event, I wrote up a little thing I want to read.

As you know, we've been lobbying you guys to change the QAP to incent the use of the new Texas historic tax credit and federal historic tax credit as an

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additional leveraging source to produce affordable housing and renovate deteriorating central business districts. We believe the incenting of this behavior and additional scoring will enable multiple community development objectives to be made instead of just one. And the subsidy, as I've explained before, is going to be about 40 percent, 35 to 40 percent of additional leveraging by the Texas low income housing tax credit.

Therefore, I've been through this before, you know, asking for appropriate level of points. The staff issued a draft Monday which is going in front of the Board today, and I guess my understanding, I haven't been around in five years, it's pretty quickly going to go from you guys to the big guy. And I think the draft, while it does recognize the significance with the recommendation of additional two points, doesn't go far enough to make the projects viable, i.e., there are too many other categories that are against this type of development. I don't think they're intentional, but there's just there all the same, and I believe we need to do a little more.

And to put it in context, there's ten or twelve -- an eleven-point category for $15,000 of local subsidy that most people qualify for, and what I'm talking about is going to produce a 30- to 40,000 unit minimum subsidy per unit, and that pretty much dwarfs the local
participation. And I think the difference is, this is equity, the local subsidy category, as I think most of us know, is kind of an in and out loan. It's really representing your equity, at least when I was here before. That money doesn't really stay in the deal, and I don't really know how else to say it other than that, whereas, mine is going to come in and stay in, and not just mine but anybody that does historic tax credits.

So we've got a two-point category versus an eleven-point category where we provide four times as much subsidy that doesn't leave the deal, and I think that's important. I don't think it was designed that way but I think that's the net effect of what happens.

So staff wrote in their commentary: We agree it's appropriate to incentivize, et cetera, however, it wouldn't be consistent with the statute to introduce a scoring item that's worth a greater number of points than those included. And I don't think that's right, I think that's incorrect. I think I see at least five or six categories where the points go up, the points go down, and that's uncommon, that's commonplace, priorities shift from year to year, situations change, and I don't think there's been a bigger shift in the state policy than the passage of House Bill 500, this historic tax credit.

If I could finish, sir. And I think my
understanding was there's an up to an eight-point change
can occur without the judge issue, and I'm not sure if
that's accurate, but that's what I've heard. And so I
think what I'm asking for is -- and one more level of
explanation. This category has an affordability period
and historic tax credit equity, and the proposal is you
can either get two points for affordability or four points
if you bring all this equity. And Cameron correctly put
in if you use less than 7,000 per unit in tax credit which
is significant.

Those two don't really go together, to me. I
don't think the intent or mission of TDHCA is to reduce
the affordability period because I'm going to elect
historic tax credits and take four points but then I don't
have to extend my affordability period. I think that's
just a function of they're in the same category and not
really what you want. I think what you want is if I'm
going to do historic credits and use 7,000 per unit, you
also want me to extend my affordability period because
that's your mission. And those are kind of -- I don't
know if mutually exclusive is the right word but I would
never extend my affordability period if I didn't have to.

So everybody is going to check two points for low income
affordability, I'm going to check four points for
historic, and I'm going to have 15- or 30-year
affordability period instead of the longer one.

So I think a simple change is to make that an and category, not an or category. I think you can easily do that and you get both things you want. Of course, I want more, but if you do that, I think you would recognize the significance of the credit. Anyway, I'll stop that.

Thank you.

MR. OXER: Thanks, Jim. Appreciate your comments.

Any questions from the Board?

(No response.)

MR. OXER: Cameron, you're keeping track?

Okay.

MS. MANLEY: Meg Manley from McCormack, Baron, Salazar.

I just wanted to make a quick comment on the public housing funding issue. For at least two decades now, we've been doing a tremendous amount of our work through partnerships with housing authorities around the country. Many of these housing authorities are at a tremendous disadvantage, there's so much stock that needs to be repaired, replaced, or in some cases, leveled and rebuilt.

Texas has a unique conflict here. Certainly in many instances we have acted just as a designated
developer where we are the owner and the GP, we own the improvements, we lease the land. Texas, in order for the public housing units to qualify for their tax exemption, the housing authorities have to be in the ownership structure, so it presents a unique conflict for housing authorities in this category because the public housing units are net zero units, they generate zero income, so if you've got some public housing units in your development, you're going to want the tax abatement on those units.

So there is a conflict I wanted to point out that it's not so simple for housing authorities in this state to be able to just simply designate a developer, enter into a master development agreement, and not be part of the ownership structure.

We have made this our stock and trade over the last four years as redeveloping really severely distressed public housing communities, and so we would ask that you consider that this does count and it would count as a local contribution because we are in a unique situation here where quite often the housing authority must be part of the ownership structure.

MR. OXER: Good. Thank you.

Donna.

MS. RICKENBACKER: Good morning. Donna Rickenbacker with Marque Real Estate Consultants.
My comments this morning are in connection with 11.9(c)(6) which is underserved area points. These are two points that are provided to developments that are proposing developments located in areas that are underserved, and it is limited to those types of applications that are serving general population and supportive housing.

One of the ways to qualify, if you're in an urban area, is if the place has never received tax credit allocation. We ask that the Department take a look at adding a qualifier to that: serving the same tenant population. And I'm hopeful that the Board will take a look at this and see that this change is truly a change that will affect the purpose and intent of the scoring category to provide points to areas that are underserved.

Their reasoned response, staff believes that such a change is not consistent with the statutory requirement as explicitly stated. We've already deviated from the explicit language of the statute. We've gone from census tract level determination to a place, which is a much larger footprint, and limiting the points to only general population and supportive housing developments. I assume these deviations were done to advance the objectives of the remedial plan to deconcentrate affordable housing and to provide the greatest incentives.
to those developments that accept tenants of all ages.

Our change is meant to do that just that. The change is meant to further the remedial plan objective. Please keep in mind that these points are only available to supportive housing and general population developments, so if you're in an area that's only serving age-restricted seniors, you're in an underserved area, and I think that they should be able to then have the associated points.

This is a statutory provision, and I know that there's some ties being made to the remedial plan and whether or not this really complies with the remedial plan and not wanting to go to the judge to expand, I guess, what we're going to the judge to take a look at and hopefully incorporate in the 2014 QAP. I look at this is and it really is truly statutory. If there is any tie to the remedial plan, I hope that you all will look at this as a way to advance the objectives of the remedial plan, so I look to you to see what we can do to adjust this scoring category.

MR. OXER: Good. Thanks. Any questions from the Board?

(No response.)

MR. OXER: Okay, sir.

MR. LINDHOLM: Good morning, Chairman, members. My name is Craig Lindholm. I'm with the City of
Texarkana, Texas. I actually have two comments. I have a letter here that has been submitted from Representative George Lavender, House District 1, and also Representative Byron Cook, House District 8, that I'd like to read into the record. And then I will limit my comments very briefly after I read the letter into the record and I will submit the letter for your perusal.

"TDHCA Board Members. A coalition including five to eight cities, bipartisan legislatures, the Texas Downtown Association, and multiple local and historic associations have come together to promote long-term sustainable affordable housing and development in downtown areas and central business districts across Texas. This coalition recognizes the significant opportunities that exist by combining and leveraging tax credits which were afforded in House Bill 500, along with the low income housing tax credits through TDHCA.

"We would, therefore, request that the Board build on the staff's recommendation to provide more equity in the process for historic and revitalization developments by making the following two additional changes:

"Number one, make affordability and historic equity categories an and item instead of an or item. Therefore, if you do historic renovation in accordance
with this subcategory and agree to extend the affordability period, you would receive both scoring items. It would seem like anything else would be counter to the mission of long-term sustainable affordable housing for Texas citizens.

"Number two, recognize the legislative intent and the importance of the use of federal and state historic tax credits by maximizing the point category as allowed by statute. We request that the number be in the range of six to eight, not two. The additional points will directly counteract the opportunity index which few or no downtowns, especially in our smaller cities in Texas, can qualify for. We don't believe it was the court's or legislative intent of the TDHCA oversight situation to effectively eliminate downtown development from consideration. We ask to right this error by supporting smart finance and smart growth by increasing the points available in this subsection.

"Very truly and sincerely yours, George Lavender and Byron Cook."

I serve as the executive director of community redevelopment for the City of Texarkana, Texas. I support what has been represented in this letter. I also support the comments that were made by Mr. Serra, but I would add one other comment to this for consideration. While I
really believe in using low income housing tax credits as a catalyst for redevelopment downtown, the important thing here is that it's about affordable housing, and we have the existing infrastructure in our downtowns and small cities, we have many buildings that could be renovated, especially with the historic tax credits from the feds as well as the state. It seems counterintuitive to our purpose of expanding affordable housing in Texas by not combining those two.

If we use historic tax credits bringing more equity into these deals, we use less low income housing tax credits and that can be stretched longer. And it's my belief that that is really what the mission of TDHCA is about: to make more affordable housing available to all Texans, whether you live in metropolitan areas or in the more rural cities.

So with that, I'll close, and I thank you very much, Board members.

MR. OXER: Thank you. Any questions?
(No response.)
MR. OXER: Good. Thanks.
Are there any other questions on this item, any comment on this item?
(No response.)
MR. OXER: Okay. You've got summaries of each
of these. We're actually going to table this item until
after our executive session so we can get some input from
counsel on this. And I think I have to have a motion to
table.

MR. GANN: I'll make that motion.

MR. OXER: Motion by Mr. Gann to table this
item until after our executive session.

MR. McWATTERS: Second.

MR. OXER: And a second by Professor McWatters.

No vote necessary.

Let's see, we'll move on to item 3(d) is up
next. I'm going to exercise the discretion of the chair
and change our order here just for a second, Cameron. I
know there are some folks here that are trying to get
going, and we might as well get all the really natty,
gnarly ones out of the way, just throw them out there and
stir the pot, so I'd like to go to Multifamily Finance,
item 4(b), Cedar Terrace.

MR. DORSEY: All right. Item 4(b) is
consideration of the possible approval for the issuance of
a determination notice for the Cedar Terrace Apartments
development to be located in Galveston.

As you all recall from the two previous
meetings, there are two waivers associated with this
particular issue. One relates to the parking being more
than six inches below the flood plain or flood level. The other is due to the location of some of the buildings within the engineered fall distance of high voltage, high tension power lines.

In addition, at the last meeting the Board placed two conditions -- well, they were multifaceted conditions but two kind of key conditions, one related to some additional information from an engineer or an engineering report from the power company related to the high voltage power lines, the possibility of moving those power lines and any barriers to doing so, and with regard to the safety, if they remain in their current location.

The other condition related to specifically some of the fair housing issues that have been discussed in both of the prior meetings, as well, and the Board effectively requested that the applicant pursue getting a letter from HUD which addresses kind of four specific factors that are reflected in your Board materials that basically help support the necessity of the development being located on this site, the necessity of 4 percent tax credits to facilitate the deal, as well as its compliance with the Fair Housing Act, including any disparate impact issues.

So the applicant has, in the intervening period, gotten some information for you all in the hope of
satisfying those conditions. That information is included in your Board materials.

The other thing I want to mention real quick is at the last meeting the Board chair designated a committee that could consider the documentation and whether or not the documentation met the requirements, and the committee was a three-member committee of Board members. Due to the timing of when the documentation was ultimately received, particularly the HUD letter, it was basically kind of eight days before this meeting, so it didn't make a lot of sense to hold two completely separate meetings, one of the committee and then one of the Board, it made absolute sense just to bring it back as a whole issue here, and so that's what we have done.

I guess at this point I'll allow you all to ask questions. Tim, do you have anything additional?

MR. IRVINE: Yes. I'd just like to clarify one thing. It was my impression more that the request that certain issues be addressed by HUD weren't necessarily conditions or requirements, they were simply the Board had identified these issues and concerns and thought that this might be something that that would be responsive to those concerns.

I would also point out that the fair housing concerns sort of stand as one set of issues, but the whole
issue about the waivers is an independent issue. It does all roll up to whether the deal is going to get done or not, but it is important that the waivers be individually addressed.

MR. OXER: Okay. I will exercise a summary on this, because since it was indicated last meeting that HUD had indicated that this was a site they wanted to have redeveloped, that it satisfied the fair housing and they had been given some of that communication to the developer and legal counsel, so we were asking for direct communication with us to that effect, which we have essentially received.

The question of the two waivers, we can address. I think one of the things that needs to be recognized is we've done this, we've been consistent, I'd like to be consistent with what we've done in the past. The waivers on the level of the parking area, I think it was brought out last time that the entire island is essentially under the flood zone and you put a Cat 5 hurricane down there with a really low central pressure on it, there's no telling where that's going to be because it could be twelve or fifteen feet, not six inches. So I think the discussion was let's keep the parking area there and then have the living quarters essentially the second floor or second level and beyond that.
And to mitigate that in terms of the lack of knowledge on behalf of the residents, there would be some communications with them and a guarantee that they read it by having a signature on their leasing documents that they read that and recognize that the parking was in a flood zone and during times like a hurricane that they need to exercise some discretion and precaution in going into the garage to access their vehicles.

The fall zone for the transmission lines, which is waiver two, I think, we've addressed that and I'm satisfied with the communication from CenterPoint about the impact of those. I add that only as commentary from my perspective and the expertise that I recognize and represent to the Board, to the other members.

So with that, do we have a motion to consider?

MR. THOMAS: So moved.

MR. OXER: Okay. We have to take these one at a time in terms of the waivers. Is that correct?

MR. IRVINE: So doing it sequentially, how about parking waiver, fall zone waiver, and proceeding with acceptance of the letter. Because the staff recommendation was neutral, the motion would need to be specifically for granting the waiver or against, and if it's for, it needs to state on the record what the necessary rationale is.
MR. OXER: I will put that in a slightly different sequence, because without one, the other two are irrelevant, without the letter from HUD.

MS. DEANE: There's different standards to be applied on the waiver, so we need to address those individually.

MR. OXER: Individually. Okay.

MS. DEANE: And meet the standard.

MR. IRVINE: For the Board's memory, the standard to be met granting a waiver is that it is necessary to grant the waiver to ensure that a policy or purpose expressed in Chapter 2306 is carried out.

MR. OXER: I think we should take the letter first. Essentially, the letter explicitly stated everything that I was looking for, since I was the one that raised the questions and asked for the letter. The only one being that that was the only place on the island where this development could be, I'm sure that could never be the case, it would be unreasonable to think that that was the case, but it was where the reconstruction of the previously existing housing was available. It would be, if I recall correctly -- and I want to make sure this is right -- it would be a mixed income unit, there would be some low income units, but this is to be considered part of a larger plan for restoration of the entire portfolio.
of housing that would be available on the island. Is that correct?

So there's that part and it satisfies that it does further fair housing which was the communication that I was really looking for to make sure that they felt that by doing this that we met our obligation and responsibility to further fair housing.

So with that, I want to start with the acceptance of the letter. Is that required? It's a neutral recommendation from staff, so how should we approach this?

MR. GANN: You need a motion to accept the letter.

MR. OXER: So given the letter, in light of that letter, the only motion we have to make or the only consideration we have to make is to offer the waivers. Is that correct, Counselor?

MS. DEANE: Right. From what I understand, the process that you're taking is you're going to start with the HUD letter and you would take a motion and a second, and then you would take public comment, and I think probably on this item, as well, you may want to go through the executive session before you take final action on it, but to at least get movement in order to receive public comment on this, and then you would move to the next
waiver and take a motion and a second.

MR. OXER: But in recognition that the letter is what we were looking for, to have the letter as part of the consideration for the two waivers, so the only thing we're actually doing is considering the waivers. Isn't that correct?

MR. GANN: Consider the letter.

MR. OXER: That's what I'm saying. The letter is part of the defense for the waivers.

MR. IRVINE: You're being asked to do three things, as I understand it: to grant both of the waivers and to approve a tax credit determination notice.

MR. OXER: Okay.

MS. DEANE: Right, and the letter would be part of the determination.

MR. OXER: All right. So the letter constitutes the determination notice.

MS. BINGHAM ESCAREÑO: Mr. Chair, question.

MR. OXER: Yes, Ms. Bingham.

MS. BINGHAM ESCAREÑO: So would you take the motions on the waivers individually or together?

MR. OXER: The motions on the waivers will be individual because they're different standards to be applied to each one of them. We'll take the consideration for the letter. Say that again, Tim. The determination
of the tax credit appropriateness for this deal.

MS. DEANE: Well, I think you would have to dispose of the waivers first because without the waivers it is ineligible, so unless you have the waivers, you couldn't vote on the determination as a whole because it's ineligible at this point.

MR. IRVINE: And as we indicated earlier, you could have a motion, have a second, have public comment, and then table it, and I think that the way the letter plays into it is certainly that it would potentially be a factor that could be used in describing your rationale one way or the other on the waivers.

MR. OXER: All right. Let's take consideration of the waiver for the flood plain component. Motion to consider for that single waiver.

MS. BINGHAM ESCAREÑO: I'll give it a try. Mr. Chair, I move approval of the request for waiver regarding the parking area being below the identified flood level, as it is necessary to grant the waiver so that we can meet provisions of 2306 which would be that it appears that any structure in the Galveston area would probably require a similar waiver.

MR. OXER: Motion by Ms. Bingham for the waiver.

MR. McWATTERS: Second.
MR. OXER: Second by Professor McWatters. Is there any public comment?

(No response.)

MR. OXER: Right answer. Motion to table?

MR. GANN: I make a motion to table.

MR. OXER: Okay. Motion to table by Mr. Gann. There is a required second.

MR. THOMAS: Second.

MR. OXER: Second by Mr. Thomas. Okay. We'll table that one until we consider executive session.

With regard to the transmission line?

MR. GANN: Mr. Chairman, would you state your position on that one more time?

MR. OXER: I'm in favor of the waiver.

MR. GANN: I'm talking about the letter on the fall lines.

MR. OXER: On the fall lines. The information submitted by the architect and by CenterPoint satisfies my concerns and technical issues associated with the fall distance for the transmission line poles.

MR. THOMAS: Mr. Chair, I move, in light of the clarification provided by the architect and CenterPoint Energy, that we grant the waiver necessary related to the fall line.

MR. OXER: And to add to that, just to expand
that, would you finish out his sentence, Leslie?

MS. BINGHAM ESCAREÑO: I would add an amendment that it is necessary to grant that specific waiver to meet specific provisions of 2306.

MR. OXER: We have a motion to consider by Mr. Thomas.

MR. THOMAS: Friendly amendment accepted.

MR. OXER: Okay. That was only to expand on it, to describe it.

MS. BINGHAM ESCAREÑO: Second.

MR. OXER: Second by Ms. Bingham. Is there any other additional comment on this one?

(No response.)

MR. OXER: Right answer. Motion to table?

MR. GANN: So moved.

MR. OXER: Motion to table by Mr. Gann.

MR. McWATTERS: Second.

MR. OXER: Second by Professor McWatters.

All right. Then we'll move to that one and we will take up the consideration of the tax credit proposal after executive session once those are considered. Is that the way it should work?

MS. DEANE: To take up the actual item of voting to approve the matter, you couldn't really do it at this point because the waivers haven't been actually voted

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on, and so it's still ineligible at this point.

MR. OXER: Correct. Right now it's still ineligible.

All right. What we should probably do is go into executive session early to get some of these things taken care of and see if we can get it knocked out and come back.

As you probably all know, counsel provides script to make sure I get this right. The Governing Board of the Texas Department of Housing and Community Affairs will go into closed session at this time, pursuant to the Texas Open Meetings Act, to discuss pending litigation with its attorney, to receive legal advice from its attorney, to discuss certain personnel matters, to discuss certain legal and state matters under Section 551.072 of the Act, and discuss issues related to fraud, waste or abuse under Section 2306.039.

MS. DEANE: Also state the section items here on these first two.

MR. OXER: That's why she's got a cattle prod. Let's start this over. The Governing Board of the Texas Department of Housing and Community Affairs will go into closed session at this time, pursuant to the Texas Open Meetings Act, to discuss -- actually, we're going to receive legal advice from our attorney under Section

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551.071 of the Act. The closed session will be in the anteroom behind us. The date is November 7, the time is 11:27.

MS. DEANE: And to discuss pending litigation which is also 551.071.

MR. OXER: And to discuss pending litigation which is also 551.071 of the Act.

The time is 11:28. We expect to be back pretty quick, so stand your ground.

(Whereupon, at 11:28 a.m., the meeting was recessed, to reconvene this same day, Thursday, November 7, 2013, following conclusion of the executive session.)

MR. OXER: The Board is now reconvened in open session, and it's 12:55. In executive session we received legal advice from our counsel and no decisions were made and no deliberations were in more detail than receiving advice from our counsel.

We have two items that have been tabled, the waivers on Cedar Terrace. I think we should take those up in order. It's item 4(b), the waiver regarding the flood plain, there was a motion by Ms. Bingham and a second by Professor McWatters. Do we need a motion to reconsider?

MS. BINGHAM ESCAREÑO: So moved.

MR. OXER: Motion by Ms. Bingham to reconsider, and a second by?
MR. McWATERS: Second.

MR. OXER: Mr. McWatters. So it's not returned to the consideration. Is there any other discussion, any more comment? No public comment.

MS. DEANE: J. Paul, if you don't mind, I thought I would just read in the standard for the waiver under the rule into the record just so it's really clear, because there's actually two prongs.

A requested waiver must establish how the waiver is necessary to address circumstances beyond the applicant's control, and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law, purpose or policy set forth in Texas Government Code, Chapter 2306. So those are the two prongs.

MR. OXER: Right. And I think it's fair to say that this one, our purpose in granting this waiver would be to meet the expectations and responsibilities for the conciliation agreement that we have. I think that constitutes an obligation under 2306.

MS. DEANE: Well, clearly at the time the conciliation agreement was entered into, it was determined that it was consistent and allowed under Chapter 2306, so it's certainly in accord with Chapter 2306. Yes.

MR. OXER: All right. Given that that's the
case, there was an original motion by Ms. Bingham and second by Professor McWatters. Is there any other public comment? There is none.

Any other questions from the Board?

(No response.)

MR. OXER: All in favor of granting the waiver consistent with the discussion and description that's been made. All in favor?

(A chorus of ayes.)

MR. OXER: And opposed.

(No response.)

MR. OXER: There are none. The first waiver is granted.

All right. Same criteria apply in terms of the requirement to meet the obligations of 2306 for the waiver with regards to the transmission line. The original motion was made by Mr. Thomas, second by Ms. Bingham. It's been tabled. We need a motion to reconsider.

MS. BINGHAM ESCAREÑO: So moved.

MR. OXER: Motion by Ms. Bingham to reconsider.

MR. THOMAS: Second.

MR. OXER: And a second by Mr. Thomas. I think it's fair that we've got the criteria established already, Barbara? Under the criteria, those apply to both the waivers.

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MS. DEANE: The same criteria would apply, and so the extent to which you have found that the power poles and the location of the power poles are an item that is outside of the control of the applicant, and that failing to grant the waiver would cause you to fail to fulfill some requirement or policy of 2306, then yes, that would be the same thing applied to the power pole issue.

MR. THOMAS: I have just a couple of points.

MR. OXER: Please, Mr. Thomas, you have a comment.

MR. THOMAS: I found the letter from the architect and from the power company, CenterPoint Energy compelling. I found specifically that coupled with the testimony that we received, that because of the nature of these specific power lines and what they were built withstand and the likelihood that there be an issue associated with a storm is low. I was also very moved and impressed that I had not considered a greater issue of a vehicular crash, and I was impressed that consideration would be taken to build I believe it was crash walls would be designed in compliance with TxDOT standards for a safety barrier.

So I believe that because these power lines are not just normal lines, that they're large transmission lines, they are not able to be moved by the applicant, and
because there are steps that can be taken to increase
safety, that it's, first, outside the applicant's control
related to the location of those power lines, and I also
believe that the safety precautions would allow us to meet
the needs of making sure that a safe environment existed
for members that would live in these housing units.

MR. OXER: Is there any other comment from the
Board?

(No response.)

MR. OXER: Very well. And I assume there is no
more public comment. Just checking. The original motion
by Mr. Thomas and second by Ms. Bingham. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none; it is unanimous.

Now we have to consider the actual -- we broke
this into three parts so the third one would be the
consideration of the 4 percent for Cedar Terrace. Mr.
Thomas, would you like to take another shot at one?

MR. THOMAS: I would prefer if Ms. Bingham
would.

MS. BINGHAM ESCAREÑO: It will be my pleasure.

(General talking and laughter.)

MR. DORSEY: May I weigh in for just a moment.
I want to make sure that this is impeccable. There's an item that's reflected as the third -- it's in the recitals related to the approval, and it deals with pre-clearance. The issue of being located in an area where more generally than just the location of the parking below the flood plain but it's an area where there's significant or recurring flooding necessitates a pre-clearance under Chapter 10, Section 10.101(a)(4)(A) of the Uniform Multifamily Rules, and I think the burden is actually lower for this than the previous waiver, so it probably carries forward, but if we could just build into any motion that pre-clearance is also granted.

MS. BINGHAM ESCAREÑO: Mr. Chairman, would you entertain a motion to approve the pre-clearance? I'll make one if you'll entertain it.

MR. OXER: Yes, we will.

MS. BINGHAM ESCAREÑO: I move to approve the pre-clearance, pursuant to 10.101(a)(4)(A) of the Uniform Multifamily Rules, regarding the site being located in an area that has a history of significant or recurrent flooding.

MR. THOMAS: Second.

MR. OXER: Motion by Ms. Bingham, second by Mr. Thomas, for offering a pre-clearance. Is that sufficient for the needs on the record of the transcript here,
Cameron?

MR. DORSEY: I believe so.

MR. OXER: Is there public comment? There is none, apparently.

All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

Now to the item considering the tax credits for the deal.

MS. BINGHAM ESCAREÑO: I'd like to make a motion.

MR. OXER: Okay, Ms. Bingham.

MS. BINGHAM ESCAREÑO: I have a couple of comments but I'll make the motion.

MR. OXER: Let's hear the comments first.

MS. BINGHAM ESCAREÑO: Okay. Well, my first comment is to Toni, I guess, that we sent you on a wild goose chase in the middle of a government shutdown to talk to HUD, get them to put something in writing, commend you for that.

MR. OXER: Squawking and feathers everywhere, there were dead geese all over the place.

(General laughter.)
MS. BINGHAM ESCAREÑO: Super impressed with that, just the fact that you were able to get it. The letter itself answered a lot of questions for me, and I think as we left the meeting the last time, there were some questions that we needed answers for. I think having the three signatures, the three authorities sign off on the letter and being willing to provide that was exemplary. And I think the letter is on the record for everybody to look at. The group does say that it furthers fair housing, which was a huge concern for us, and that it does deconcentrate, which is another important thing. So I think not only were you able to just quantitatively get the letter, but I think my opinion is that the letter qualitatively answers a lot of the questions that we had.

So with that, I would recommend that we approve the determination notice for Cedar Terrace Apartments.

MR. OXER: Motion by Ms. Bingham to approve determination.

MR. THOMAS: Second.

MR. OXER: Second by Mr. Thomas.

MR. DORSEY: May I say one additional thing to just clarify absolutely? The amount of the determination would be the amount reflected in the underwriting report that's recommended of $528,246 in annual tax credits.

MR. OXER: I don't think it requires amendment
but we'll add that as a clarification.

MS. BINGHAM ESCAREÑO: As staff recommendation and the underwriting report, that's fine.

MR. OXER: Is there any question from the Board?

(No response.)

MR. OXER: All right. There was a motion from Ms. Bingham, second by Mr. Thomas to approve staff recommendation for determination on Cedar Terrace. There being no further comment, is there further comment from the Board?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: And opposed?

(No response.)

MR. OXER: There are none. Congrats, ladies. Cameron, let's get back to we were working on 3(c), as I recall.

MR. DORSEY: We were.

MR. OXER: We were, which is the QAP. Is Peggy here? Annette, do you have this comment? We have one more public that was requested to be read into the record. Annette, would you read that for us?

MS. CORNIER: Annette Cornier, TDHCA staff.
Ms. Lucille Diaz would like to register her opinion on item 3(c) against staff recommendation. She is representing Franklin Development, and the other statement says that: Franklin Development agrees to a private-public partnership but is against staff recommendation.

MR. OXER: Good. Thanks.

Okay. Let's hear a summary of where we're at here, Cameron.

MR. DORSEY: Sure. I think we've heard all of the public comment. The remaining public comment is addressed through the reasoned response. I think it may be appropriate, unless you feel otherwise, to go ahead and I'll walk through kind of a brief staff response to each of the issues. If there's an instance in which you guys want further explanation or have some questions, just let me know.

So I've got a list here and they may not be in the same order as reflected. I think I've already spoken to this point, but I believe that staff would feel comfortable amending our recommendation to include some language regarding the City of Houston's Permanent Supportive Housing Program and its ability to qualify in at-risk. I think the language that I would specifically offer up is that an application has already applied for the City of Houston Permanent Supportive Housing Program,
at the time they apply to TDHCA, so by February 2014, that
development must be located in an area qualifying for
points on the opportunity index and that it not have more
than 18 percent of the total units preserved for persons
with disabilities for consistency with our integrated
housing rule.

And this would impact two specific provisions.
One is Section 11.9(c)(2)(A), and this option would
provide the ability for an applicant to get thirteen
points for doing this. And under Section 11.9(c)(3), this
option would provide access to eleven points.

On the other issues, that's the only one that
I think we can build into our recommendation. I'll give
you some feedback on the other ones as well, though. So
with the PHA request that we remove the related party
language in the development funding from a local political
subdivision, I think specifically what I want to address,
I think you all kind of understand the overarching
approach that we've taken here, but Mr. Palmer brought
forth a few other pieces of information that I wanted to
address.

The first is that this was an addition last
year, and that is absolutely true, it was an addition last
year, but we've got to view that in the context of a
pretty much ground up rewrite of this portion of the QAP

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that included a host of other changes that refined this
particular point item and made it, frankly, more difficult
for everyone to achieve. And when we narrowed the field
of what entities qualify any particular application for
local political subdivision points, I think we had to take
some additional measures, and that included the kind of
looking at the possible effect of allowing related party
lending.

In previous years, it was effectively mitigated
because the number of local political subdivisions that
were eligible were so great and there were so many actions
folks could pursue that it wasn't a measurable issue, and
so we didn't feel that any type of restriction in that
regard was necessary. So that's one issue.

The other issue was that no PHA deals applied
last year, and I think this is probably indicative of kind
of an overarching issue, and that is that our QAP -- or I
would hypothesize that our QAP incentivizes going into
high opportunity areas, and that's a very strong
incentive, and those areas typically aren't the
preferential areas that a PHA does deals, and the reason
is not because necessarily they don't want to do deals in
high opportunity areas but the deals within their existing
portfolio are oftentimes not located in those areas.

And I would encourage them under our at-risk
provision in particular, they're able to move units to high opportunity areas now and still qualify as at-risk. In addition, this last legislative session the at-risk set-aside was statutorily changed to allow public housing transactions to qualify. I think we heard about RAD but that's a very specific kind of subset. Basically, redevelopment of public housing deals can now qualify under at-risk, it's a specific new addition, and so I think that's an appropriate set-aside to accomplish redevelopment in the manner that public housing authorities typically approach redevelopment. That's just in addition to our reasoned response.

We also had some comments on educational excellence, and one was to reduce the requirement to have 77 or greater on Index 1 related to student achievement of the school ratings. And we were very deliberate about how we approached this, and I've gotten a number of emails over the past few weeks about hey, can you take that 77 and lower it to 76, and across the board my response is can you give me kind of an overarching policy rationale to make that change because it starts to feel like sometimes it's like they've got a site in an area and it has a school that's a 76 and they want that one to clarify.

Claire's issue was a little bit broader than that. She's looking at the City of Dallas as a whole,
however, we're looking at this from a statewide perspective and we need to have a very affirmative reason to say this is why we chose this number, this is why we drafted the rule this way because this we have to request approval from the court, and the 77 is the statewide average. So it's a tangible number that we can explain, look, we chose a number to encourage effectively location in the attendance zone of schools with an above average rating statewide, and so that was the rationale for the 77, it's easily explained, it's tangible. If I go to another number, it becomes more difficult, it's like why, and I'm like, well, you know, it's one below the average. I don't know. So that's the difficulty I have with that type of change. I don't oppose it necessarily, it just how do I explain that.

MR. OXER: That was just simply your rationale of where that number came from.

MR. DORSEY: Seventy-seven came because we discussed the issue with the TEA, they provided us with the statewide average for this particular index, it's an index specifically related to student achievement which is what we were looking to incentivize, and as a result, it was a rational decision to choose that 77.

In addition, I suppose while we're on the subject, it also allows us to maintain an approximate
about 50 percent of the schools in the state hit on the Met Standard at 77 on the index, and in the 2011 ratings that were used explaining the remedial plan and was used in last year's QAP, the 2013 QAP, we had approximately 20 percent of the schools qualifying there as well. So we're moving from about 50 percent of the schools in the state hit on all cylinders to about 50 percent of the schools in the state hit on all cylinders, so we're not moving tighter, we're not loosening up the restriction in a manner that might cause concern for the court.

There were some comments about requiring those local entities, whether they be neighborhood organizations, community organizations, state representatives, what-have-you, that we should consider building into all of those a standard whereby they have to basically put their rationale on the record. I wanted to note that we do have a kind of standard in the neighborhood organization point item that involves the use of a fact-finder in cases where an applicant believes that there are some issues with the comment that the local government has already found that this is an appropriate use for the site and where their rationale is inconsistent with those local government findings. So that's a mechanism built in there.

I think the request is really to build it in
also to the state representative letters. I just put that forth. I don't have an opinion either way, it's just a policy decision, I think, as well as whether or not Barbara feels like the statute supports, but I don't have a specific opinion in that regard.

The elderly de minimis, so the elderly restriction in 11.3(e), we used a methodology, or we refined our methodology a little bit to include a de minimis of 500 units. We used to have a de minimis in our original draft of 250 units, I believe, and we moved up to 500 for a couple of reasons. One was, you know, I think Granger MacDonald made some comments about how he's got two deals in this county and they're both elderly, and those two deals alone are what's causing the elderly restriction.

And so we kind of looked at it again and it's like, you know, two deals in a county, what are the kind of average size of deals and we didn't want to exclude counties that just over time don't get that many developments. I mean, 500 units is not a whole lot when you're looking at years and years of administration of the program, so we moved from that 250 to 500 for that reason.

The counties that are now eligible for an urban elderly development but weren't in the previous language with the 250 de minimis are the ones that are struck in

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your Board proposed rule. That's, again, just kind of an overarching policy decision. We felt like it was appropriate. First off, a number of these counties are primarily rural to begin with, and rural isn't restricted, and so that was one thing right off the bat. So anyhow, that's really a policy reason but that's the reason we made the move is just 500 units didn't seem like a kind of critical mass.

We had some comments on the educational excellence also with regard to the idea of paired schools and taking an average of the ratings rather than taking the lowest of the two ratings. And this is, again, more a policy issue than anything else, but it's one where we would have to request the court's approval, but in addition to that, I think if you just take a straight average, I don't think you're really accounting for what's going on behind those ratings.

Take, for example, a school where a rating of 60 was derived from a student body of 500 test-takers and that has to get paired with a school that has 100 rating but it was a student body of 100 test-takers. Well, a strict just average and not use of some kind of weighted methodology would potentially allow that type of situation to count when the majority of the students in these paired schools really aren't performing. And so that creates a
question as well as an issue with kind of crafting that affirmative this is why this makes sense because I already know all the drawbacks of it so you kind of have to acknowledge those as well.

So that's what I would say about that. You could come up with something that's kind of in between like, you know, a weighted average based on the number of grades each one serves or something, but when you look behind the data, really what you're dealing with is individual students and student bodies and how big the universe of test-takers is.

With respect to the historic credits and the comments about more points or the “and,” I would say this, we didn't develop the two-point differential in a vacuum, we developed the two-point differential based on a whole assessment of the scoring system and looking at the effect that any given change may have in the ultimate outcomes. And so if I were to make it “and,” I would simply also so and reduce the historic credits two points because I think the two-point differential there between a historic deal and a non-historic deal is really what we were looking at, maintaining a viable path for a historic deal.

Certainly that's not the only thing they can do, they have to attempt to achieve points under other items as well, and those might be difficult to achieve,
but there are packages that can be put together to create a viable historic rehab application. And it may not work for every historic building, there are certainly going to be some instances where that doesn't work, but if we took the lowest common denominator approach, then that would be the path of least resistance and then I would see, Lord knows, how many historic rehab deals. So it's kind of that measured having to look at the entire picture.

On underserved area points, Ms. Rickenbacker commented about the possibility of where it's the option related to point incentive for the point incentive for a development located in a city with no existing tax credit deals, or if not located in a city, in a county with no existing tax credit deals, and moderating that or changing it a little bit by saying that serves the same population type, whether it be elderly or general. So that's a change that she referenced statute, and our reasoned response certainly references statute. I think under this portion of statute, this is 2306.6725, it's also under part (b) of 2306.6725, and there's a little bit of flexibility there, most certainly, and we might be able to get there on that account.

And maybe I was getting tired by this time of the reasoned response, but there are some other issues that I'll kind of go ahead and put on the record now. And
those are that we wanted to be very deliberate about what changes we were requesting the court's approval for, given all the various timing issues of when we might hear back from the Court, and again, I tried to make sure that we limited -- because this is the first year that we're going to do this and we kind of want to figure out how it works. Maybe next year we might get comfortable making more changes based on kind of how we see the court weighing in this time around, but for this time we tried to limit it to those where we had a very strong affirmative reason to make this change, and in this instance, I can craft arguments that it both affirmatively furthers fair housing in some instances but in other instances it does the exact opposite.

MR. OXER: So the context then.

MR. DORSEY: Right. For example, you might encounter an area with an existing elderly deal that's high opportunity and it's in a city and that's the only one there, and so you would get points for doing a general population deal in that same city, and that makes some sense. But on the reverse end, if there's a general population deal already there, it may be the only one in the city and the only one in Lord knows how many miles, but the existence of that would prevent a general population deal but incentivize an elderly deal, so
there's counterpoint.

And we tried to limit those changes where e
needed the court's approval, given that this is the first
year where we're going through this process, we want to
kind of get an understanding of how it's going to work,
limit some of the uncertainty surrounding the upcoming tax
credit cycle, and have very strong cases that we can make
for the changes we do propose. So I that addresses, I
think, the majority of the issues that were raised.

Are there any questions?

MR. OXER: Are there any questions from the
Board? There's no other requests. We have the motion
here.

MR. DORSEY: I did want to -- I'm sorry, I
forgot. This one wasn't a public comment made today, and
I'm actually kind of shocked, but it's something that I
think we all need to be aware of and it might warrant kind
of backing off a little bit in the QAP this time. We have
a point incentive for serving persons with special needs
and setting aside a certain number of the units or this
year we built in this whole new option to create kind of a
carrot in our 811 Program.

As you all may recall, we received $12 million
from HUD to administer project-based rental assistance
under a program called the 811 Program, and that rental
assistance would, for example, provide a rent subsidy to, say, ten units in a hundred-unit deal and only persons with certain types of disabilities would be able to live in those units. That program doesn't have an apparent carrot in and of itself to kind of incentivize folks to apply, and so we think it's important to do our best to utilize those funds.

And so we were looking for a way to create a carrot and one of the great ways to create a carrot is to use the program that's oversubscribed four to one almost every year to create that carrot. And so we built in a point incentive for that 811 Program, and it requires that in certain areas of the state where this pilot program is going to be launched that if you wanted these points for serving persons with special needs, you had to agree to participate 811 Program.

And we've spent a lot of time talking to different development groups about it and what-have-you. The kind of bit overarching concern is we don't have a whole lot of guidance from HUD at this point in time on how all that's going to work together. We did, I believe yesterday, receive kind of our grant agreement that's going to lay out a lot of the program parameters but we have the ability to negotiate some of these parameters with HUD, et cetera, and certainly the development
community kind of hasn't wrapped their brain around it. So we thought perhaps removing that from the QAP at this point so as not to have a bunch of uncertainty surrounding that and confusion, but that perhaps the Board could put on the record their intent to consider a point item in a future QAP for those that had applied for or participated in the 811 Program and that would obviously allow us to have rolled the 811 Program out, see who applies for it, and because you all put kind of on the record that, hey, we may give a point for participating in this program, that that would be the carrot for folks to apply. But folks could apply with kind of the known universe of issues with the program and everything and not be kind of blindly electing to participate in something they don't understand.

So I think probably unless you all feel strongly about having it in, I would feel comfortable amending staff's recommendation to remove that option and leave in the remainder of that point item for setting aside 5 percent of your units for persons with special needs, but make that available statewide, just as it was last year.

MR. OXER: Okay. Any questions? Mr. Thomas.

MR. THOMAS: Could we proceed with the two items hat Cameron has discussed with us that might be
appropriate for consideration separately from the rest?  
In other words, can we take this last position -- let me 
clarify. I'd like to make a motion, I'd like to take 
these separately and I'd like to address the last thing 
Cameron said.

MR. OXER: Can we do that? Because I think 
have to consider the QAP in total, do we not, or do we? 
Counselor?

MS. DEANE: Well, ultimately, of course, the 
decision has to be made on the total. If you wanted to 
take the two changes separately, then you could do that, 
of course, but then you'd have to, in the end, roll it all 
up in a vote approving the whole.

MR. THOMAS: Just looking for clarity because 
it looks like there's very specific language, Mr. Chair, 
and however you want to manage it, I'm happy to do it.

MR. OXER: The great button hunt again.

MR. IRVINE: I realize we just had a long break 
for executive session, but perhaps we could have another 
break and staff and counsel could confer and come back.

MR. OXER: Well, what I was going to do give 
everybody a break, we've been pushing you pretty hard, go 
take a break, get some lunch as best you can, staff can 
put together the specific language for those two 
components. Cameron, you and Barbara can put something
together. And we'll come back and the motion will be to consider the entire QAP, as modified, with these two components. And we're also expecting a guest here in a little while.

MS. DEANE: Before we break to do that, if the Board, though, has any guidance that you would like to give us in terms of language that you would like to see, that would certainly be helpful in drafting.

MR. OXER: Right. So if you have language, comment on that, Mr. Thomas, please.

MR. THOMAS: I have comment. Number one, I'd like to make a general comment about that since this the first QAP process I've been through, how amazingly impressed I am with our staff and their sensitivity to our many different and varied constituents. It is very, very clear to me that these types of issues are the exact types of issues in any body that can be exceedingly contentious and difficult, and I think by the level of respect that staff and our constituent communities have communicated with each other and worked together, while things may not be perfect, it is very obvious to me that there is a high level of respect with our staff and our staff for those that are going to be affected by these rules. So very first thing is to say thank you.

The second thing I'd like to say is I thought
that the two suggestions that were made first by the City of Houston relating to permanent supportive housing have great merit and I appreciate staff's willingness to even on the fly make sure that they are communicating and understanding that it is in the best interest to work together to craft those solutions. And then the last piece I'd also like to support, and again it's very specific language related to -- and say it for me again because I got lost in all my lengthy words.

MR. DORSEY: The 811 Program and removal of that.

MR. THOMAS: Thank you. And the recommendation that we do consider removing that and then having the Board have the flexibility and availability in the next QAP cycle to have the option to award points for people or groups that try to participate in that.

MR. OXER: I think that's good commentary, and of course, you know my feeling, what the staff does, you guys do a great job and we get to take credit for it, so I'm all in favor of you doing as much of this as you can. But thanks to all of you for all the things you've done on this.

So with that, is there any more commentary from the Board?

(No response.)

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MR. OXER: All right. Here's what we'll do, we're going to take some language drafting break here for Cameron and Barbara and the others will be involved. I can hear your stomachs growling up here, so it's 1:34, we'll take a break, be back in our chairs at 2:15, that gives you 40 minutes to go out and have something to eat. See you in 40 minutes.

(Whereupon, at 1:34 p.m., the meeting was recessed, to reconvene this same day, Thursday, November 7, 2013, at 2:15 p.m.)

MR. OXER: All right, let's get on it. We are considering item 3(c). Staff has taken the time out to draft some language to modify its current recommendation on the QAP. Do you want to go through those, Cameron? And I would suggest only those parts that would be changed you had a reasonably articulate response to all the comments that came up, and I personally am satisfied with that. Does any of the rest of the Board of questions or comments or thoughts?

(No response.)

MR. OXER: Tell us the changes you made.

MR. DORSEY: Real quick, I did want to clarify, Donna Rickenbacker came up to me and mentioned that I got one thing wrong in one of my examples. A qualified elderly development can't technically qualify for points
under the underserved area points item, and in one of my examples I gave an example of a qualified elderly development qualifying. I think in our staff discussion in the back room there we still didn't feel comfortable adding that to the recommendation still, though. It would still require the court's approval and all that kind of stuff.

So staff recommends approval as outlined in your Board materials with the following amended language.

Section 11.9(c)(2)(A) to read as follows: At least 20 percent of all low income units at 30 percent or less of AMGI for supportive housing developments qualifying under the non-profit set-aside, or for developments participating in the City of Houston's Supportive Housing Program, also known as PSH. A development participating in the PSH Program and electing points under this subparagraph must have applied for PSH funds by the full application delivery date, must have a commitment of PSH funds by commitment, must qualify for five or seven points on the opportunity index, and must not have more than 18 percent of the total units restricted for persons with special needs as defined in Section 11.9(c)(7)(C) related to tenant populations with special housing needs. Thereafter, everything remains the same in that item.
11.9(c)(3) be amended to read as follows:

Tenant services. A supportive housing development qualifying under the non-profit set-aside or developments participating the city of Houston's Permanent Supportive Housing Program may qualify to receive up to eleven points and all other developments may receive up to ten points. A development participating in the PSH Program and electing eleven points under this paragraph must have applied for PSH funds by the full application delivery date, must have a commitment of PSH funds by commitment, must qualify for five or seven points on the opportunity index, and must not have more than 18 percent of the total units restricted for persons with special needs, as that term is defined in Section 11.9(c)(7)(C) related to tenant populations with special housing needs. With all other language in that portion of the rule remaining as is.

And that Section 11.9(c)(7) be deleted, the entire first portion of the rule be deleted with the following language being the only language remaining in Section 11.9(c)(7): Tenant populations with special housing needs. An application will receive two points for developments for which at least 5 percent of the units are set aside for persons with special needs. For the purposes of this scoring item, persons with special needs is defined as households where one individual has drug
and/or alcohol addictions, Colonia residents, persons with disabilities, Violence Against Women Act protections (domestic violence, dating violence, sexual assault and stalking), persons with HIV/AIDS, homeless persons, veterans, Wounded Warriors, as defined by the Caring for Wounded Warriors Act of 2008, and migrant farm workers. Throughout the compliance period, unless otherwise permitted by the Department, the development owner agrees to affirmatively market units to persons with special needs. In addition, the Department will require an initial minimum twelve-month period during which units must be either occupied by persons with special needs or held vacant. After the initial twelve-month period, the development owner will no longer be required to hold units vacant for persons with special needs but will be required to continue to affirmatively market units to persons with special needs. End.

MR. OXER: Okay. We have on the original motion, there was a motion by Ms. Bingham and a second by Mr. Thomas, as I recall, to accept staff recommendation on item 3(c). Would you like to entertain an opportunity to amend that motion, Ms. Bingham, to consider those changes?

MS. BINGHAM ESCAREÑO: Yes. I'll amend my own motion.

MR. OXER: Yes, move to amend.
MS. BINGHAM ESCAREÑO: I'll move to amend my original motion approve staff's recommendation to accommodate the language in staff's recommendation as just made by Cameron.

MR. OXER: Is there a second?

MR. THOMAS: Second.

MR. OXER: And second by Mr. Thomas which was the original second. So this is for the amended motion to bring it forward. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. So now we have item 3(c) which is the QAP, as amended with changes identified in red by Cameron under staff draft in here recently. There's a motion to consider by Ms. Bingham, second by Mr. Thomas. There's no public comment. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. There's your QAP. Item 3(d), Cameron.

MR. DORSEY: This particular item deals with repeals of certain subchapters of Chapter 10 and approving the adoption of new subchapters in Chapter 10, as
reflected in your Board materials. Those would include
Subchapter A concerning General Information and
Definitions, Subchapter B concerning Site and Development
Requirements and Restrictions, Subchapter C concerning
Application Submission Requirements and Eligibility
Criteria, Board Decisions and Waiver of Rules, and
Subchapter D concerning Fee Schedule, Appeals and other
Provisions.

So I think this one is a little bit more
straightforward. We received substantially less comment
than we did to Chapter 11. These portions of Chapter 10
lay out, like I said, the definitions that apply to the
compliance rule and to underwriting, to all of the
programs that the Multifamily Division administers. It
also includes some of the basic application requirements,
commonly known as eligibility or threshold requirements
that an applicant must adhere to. So for example, it's
what you have to submit to document the correct zoning,
what you have to submit in terms of financing term sheets
so that we can effectively underwrite the transaction, et

cetera.

So staff recommends approval as outlined in the
Board materials.

MR. OXER: Is there any questions from the
Board? Any other detail?
MR. OXER: Okay. Motion to consider?

MR. THOMAS: Mr. Chair, I move to accept staff recommendations in toto on 3(d).

MR. OXER: Okay. Is there a second?

MR. GANN: Second.

MR. OXER: Second by Mr. Gann. Motion by Mr. Thomas, second by Mr. Gann to approve staff recommendation on item 3(d). Is there any public comment? There appears to be none. That said, all in favor of the motion?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

So 4(a).

MR. DORSEY: 4(a) has been pulled. They no longer need the waiver.

MR. OXER: Then 4(c).

MR. DORSEY: 4(c) is to carry out the recommendation that we had provided in our reasoned response to Chapter 11 to request an AG opinion related to whether or not the RAD Program could allow an application to qualify under the at-risk set-aside, and Meagan did a good job drafting that request -- which is great because I didn't have to draft it, and totally impromptu, as well.
So staff recommends as outlined in the Board materials, as well.

MR. OXER: Any questions from the Board? Any other details? This is procedural mostly, it seems.

MR. DORSEY: Yes. The Board item simply provides a short description of what we're looking to accomplish, and then the draft of the actual request lays out some of the basic elements of the program and specifically what we're seeking the AG to opine on, so it's pretty straightforward.

MR. OXER: Motion to consider?

MS. BINGHAM ESCAREÑO: So moved.

MR. OXER: Motion by Ms. Bingham to accept staff recommendation on item 4(c). Second?

MR. McWATTERS: Second.

MR. OXER: Second by Professor McWatters.

There's no public comment requests. All in favor of the motion?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

So it seems we are at the bottom of this. We have reached the part of the meeting where we invite public comment for items to be added to future agendas.
Does anybody care to speak?

(No response.)

MR. OXER: Any of the staff care to speak, including staff on the dais? Mr. Lyttle.

MR. LYTTLE: Representative Clardy's office just contacted me and unfortunately he's still running real late, and so I've notified them that the Board meeting would be over shortly, so just to give you an update on that issue.

MR. OXER: Great. His interest was in commenting on?

MR. LYTTLE: On the QAP. I believe it as actually on historic tax credit issues. I've advised his office of the Board's action on that today, the amended motions.

MR. OXER: Okay. Thanks, Michael.

All right. Is there any additional comment by members of the Board?

(No response.)

MR. OXER: I'd like to congratulate everybody in the effort that we put in, smoothness by which our deliberations process, I appreciate that and I think everybody in the community that we serve appreciates that. I get the last comment. It's evident that there's a lot of work put in on this on both sides, by staff, by the
people that are out there, and the people in this
community and our state that need this help I'm sure that
they appreciate the effort that you put in.

So with that, I'll entertain a motion to
consider for an adjournment.

MS. BINGHAM ESCAREÑO: Move to adjourn.
MR. OXER: Ms. Bingham moves to adjourn.
MR. McWATTERS: Second.
MR. OXER: Second by Professor McWatters. No
deliberation required. All in favor?
(A chorus of ayes.)
MR. OXER: Opposed?
(No response.)
MR. OXER: There are none. See you in
December, folks.
MR. THOMAS: Wait, Mr. Chair. I'd like to
reconsider that motion to adjourn.
(General laughter.)
MR. OXER: See you in December. Wear some
holiday colors.
(Whereupon, at 2:31 p.m., the meeting was
concluded.)
CERTIFICATE

MEETING OF:     TDHCA Board
LOCATION:      Austin, Texas
DATE:      November 7, 2013

I do hereby certify that the foregoing pages, numbers 1 through 135, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

11/13/2013
(Transcriber)         (Date)

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