BOARD MEMBERS:

J. PAUL OXER, Chairman
LESLIE BINGHAM ESCAREÑO
TOLBERT CHISUM
TOM GANN
J.B. GOODWIN
JUAN MUÑOZ

TIMOTHY K. IRVINE, Executive Director
AGENDA ITEM

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

LEGAL

a) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Gateway Apartments (HTC 94093 / CMTS 1246)

b) Presentation, Discussion, and Possible Action regarding a Report to Board concerning administrative penalties and initiation of a consolidated contested case hearing for:
   Amistad Apartments (HTC 0008 / CMTS 0026)
   Padre de Vida Apartments (HTC 03002 / CMTS 3314)
   Rio de Vida Apartments (HTC 03035 / CMTS 3341)
   Vida Que Canta Apartments (HTC 05092 / CMTS 4257)

RULES

c) Presentation, Discussion, and Possible Action regarding an order adopting the Amendments to TAC Chapter 10, Subchapter F, 10.601(b) concerning Compliance Monitoring Objectives and Applicability; 10.607 concerning Reporting Requirements; 10.609(5) concerning Notices to the Department; 10.612 concerning Tenant File Requirements; 10.613 concerning Lease Requirements; 10.614 concerning Utility Allowances; 10.618 concerning Onsite Monitoring; 10.620(b) concerning Monitoring for Non-Profit Participation or HUB Participation; and, 10.624 concerning Events of Noncompliance, and adoption of the repeal of 10 TAC 10.610 concerning Tenant Selection Criteria; and, 10.617 concerning Affirmative Marketing Requirements, and directing their publication in the Texas Register

d) Presentation, Discussion, and Possible Action regarding proposed amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures 1.23 concerning State of Texas Los Income

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Housing Plan and Annual Report and directing their publication for public comment in the Texas Register.

e) Presentation, Discussion, and Possible Action regarding an order adopting the repeat of 10 TAC Chapter 12, Multifamily Housing Revenue Bond Rules, and an order adopting the new 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules and directing their publication in the Texas Register

ASSET MANAGEMENT

f) Presentation, Discussion and Possible Action regarding Housing Tax Credit Application Amendments
   11406 Chatham Green Village Arlington

e) Presentation, Discussion, and Possible Action to approve Material Amendments to Land Use Restriction Agreements

OFFICE OF COLONIA INITIATIVES

g) Presentation, Discussion, and Possible Approval of a Memorandum of Understanding (AMOU@) between the Texas Department of Housing and Community Affairs and the Texas Department of Agriculture regarding the management of Community Development Block Grant (ACDBG@) funds for the Colonia Self-Help Center (ACSHC@) Program

HOUSING RESOURCE CENTER

h) Presentation, Discussion, and Possible Action regarding the 2015-2019 State of Texas Consolidated Plan

I) Presentation, Discussion, and Possible Action regarding approving the draft 2015 State of Texas Low Income Housing Plan and Annual Report, to be Published in the Texas Register for public comment

SECTION 811 PRA PROGRAM

j) Presentation, Discussion, and Possible Action regarding Authority to Award a contract to one or more responsive hidden generated from a previously authorized Request for Proposal that provides assistance for the Section 811 Project Rental Assistance (APRA@) Program=s responsibilities related to the HUD required Tenant Rental Assistance Certification System

ON THE RECORD REPORTING
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SECTION 8 HOUSING PROGRAM

k) Presentation, Discussion, and Possible Action regarding the 2015 Section 8 Payment Standards for Housing Choice Voucher Program (AHCVP®)

HOME Program

l) Presentation, Discussion, and Possible Action regarding authorization of the issuance of a 2014 HOME Program Notice of Funding Availability (ANOF®A) for the Single Family Development Program and publication of the NOFA in the Texas Register

BOND FINANCE

m) Presentation, Discussion, and Possible Action regarding Resolution No. 15-006 authorizing a Mortgage Credit Certificate Program (AMCC®) for first-time homebuyers (AProgram 83") along with related program documents to be administered by the Texas Department of Housing and Community Affairs

n) Presentation, Discussion, and Possible Action regarding Resolution No. 15-007 authorizing application to the Texas Bond Review Board for reservation of the 2014 single family private activity bond authority carry forward from the Unencumbered State Ceiling

TEXAS HOMEOWNERSHIP PROGRAM

o) Presentation, Discussion, and Possible Action regarding Resolution No. 15-008 authorizing programmatic changes to the To Be Announced (ATBA®) Single Family Taxable Mortgage Program (ATMP-79)

COMMUNITY AFFAIRS

p) Presentation, Discussion, and Possible Action regarding Program Year 2014 Department of Energy Weatherization Assistance Program Awards

q) Presentation, Discussion, and Possible Action regarding Program Year 2015 Low-Income Home Energy Assistance Program Awards

r) Presentation, Discussion, and Possible Action regarding Program Year 2015 Community Services Block Grant Awards

s) Presentation, Discussion, and Possible Action regarding Award of Recaptured State Fiscal Year (ASFY®) 2014

ON THE RECORD REPORTING
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Homeless Housing and Services Program Funds

t) Presentation, Discussion, and Possible Action regarding State Fiscal Year (ASFY) 2015 Homeless Housing and Services Program Awards

MULTIFAMILY FINANCE
u) Presentation, Discussion, and Possible Action regarding Determination Notices for Housing Tax Credits with other Issuers withdrawn
   14404 Park at Cliff Creek Dallas
   14408 Fairmount Crossing Dallas
   14415 THF Palladium Midland Midland

v) Presentation, Discussion, and Possible Action regarding Inducement Resolution No. 15-009 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Bond Authority - 2015 Waiting List
   14608 Chisolm Trace Apts San Antonio
   14609 Cheyenne Village Apts San Antonio

REPORT ITEMS
The Board accepts the following reports:
1. TDHCA Outreach Activities for November
2. Executive Report of Multifamily Program Amendments, Extensions, and Ownership Transfers
3. Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

ACTION ITEMS
ITEM 2: MULTIFAMILY FINANCE
a) Presentation, Discussion, and Possible Action regarding the issuance of Multifamily Housing Revenue Bonds with TDHCA as the Issuer, Resolution No. 15-010 and a Determination Notice of Housing Tax Credits for Patriot=s Crossing Apartments

b) Presentation, Discussion, and Possible Action regarding the Sufficiency of a Letter Submitted to meet a Condition Of a Housing Tax Credit Award for Application #14130, Tays, El Paso

ITEM 3: WAIVERS
Presentation, Discussion, and Possible

ON THE RECORD REPORTING
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Action regarding Waiver of 11.8(a)(2) of the Qualified Allocation Plan related to Pre-Application Requirements (Competitive HTC Only) in order to comply with statutory requirements

PUBLIC COMMENT

EXECUTIVE SESSION

OPEN SESSION

ADJOURN
MR. OXER: Good morning, everyone. I’d like to welcome everyone to the December 18 meeting of the governing board for the Texas Department of Housing and Community Affairs.

We have a special treat today that we’ll actually begin with. So I appreciate everybody being here and ready. Any comments to start, Tim, or shall I jump right into it?

MR. IRVINE: Jump right in.

MR. OXER: All right. Well, those of you will notice we have with us Justice Jeff Rose, who sits on and will soon preside over the Third Court of Appeals, which has been branded as the most interesting court in Texas.

His resume is replete with accomplishment and service on the bench in state government and in the private sector and has included work as a state district judge here in Travis County, serving as Chief of General Litigation for the State of Texas and as deputy first assistant attorney general -- that’s how to get out all at once, Jeff -- that’s a long -- that’s worse than what I have. Judge -- you know, Justice.

He was the first assistant attorney general under Attorney General and now Governor-elect Greg Abbott and as an attorney in private practice representing a
broad cross-section of clients in litigation matters as a partner in a major Texas law firm. He=s been recognized four times as a Texas Super Lawyer, and his care and commitment have extended beyond legal work to leadership roles in a variety of organizations including Big Brothers and Big Sisters, the Rise School of Austin, and the Sportsman Club of Austin. Everyone who encounters Jeff comes away deeply impressed. We=re honored to have him here at J.B. Goodwin=s request to administer the oath of office to our new -- two newest members of our Governing Board who are here to my left -- and I=ll introduce each of them as we go.

First is -- and, Justice Rose, would you care to join us up front please?

JUSTICE ROSE: Mr. Chairman, are you going to have them take the oath from their seats?

MR. OXER: No, we=re actually -- I=m going to ask them come around --

JUSTICE ROSE: Okay. Very good.

MR. OXER: -- and stand next to you. Here=s what we=re going to do for a process. I=m the ringleader in this circus. I wear the big hat in the middle. I get to tell everybody where to go basically. So you guys have got to learn -- figure this out. I get to tell you where
to stand when he does the office. So, Tolbert, I’d like you to go down and stand with the Justice.

And while he’s getting there, I’ll give you a few words on Tolbert. Tolbert Chisum is a trustee of the Modern Group. He’s a member of the Southwest Benefits Association, the Rotary Club of Beaumont, founder of the Heartland Alliance President’s Council, a founding board member of the Institute for Truth in Accounting. He is a founder, vice chairman, and past chairman and CEO of the Abraham Lincoln Presidential Library Foundation board of directors and vice chairman and past chairman of Athletes Against Drugs.

He’s also past chairman of the Chicago Sunday Evening Club, the Illinois Business Roundtable, and the Metropolitan Club Board of Governors in Chicago. He’s a past village clerk and village president for the Village of Kenilworth, Illinois. He served in the U.S. Marine Corps Reserves.

Tolbert received a bachelor’s degree from Sam Houston State and a Chartered Life Underwriter designation from the American College of Financial Services. He has been appointed for term to end -- or for a term which will expires January 31 of 2019. So I wish everybody would join me welcoming Tolbert.

And as our vice chairman would say, Semper Fi,
Tolbert. We’re glad to have you here. So, Justice Rose, if you care?

JUSTICE ROSE: Okay. Yes, sir. If you would please raise your right hand and repeat after me.

(The oath was administered to Mr. Chisum.)

JUSTICE ROSE: Congratulations.

MR. OXER: We’ll -- after this is done we’re going to have a few minutes to have a couple of pictures. So we’d like to welcome Tolbert.

Okay. Our newest member, Mr. Goodwin. J.B. Goodwin is the CEO of J.B. Goodwin Realtors. And anybody who’s been in this town for any length of time in real estate has seen his name and face on a billboard all over the place.

He’s a member of the national, Texas, and the Austin Association of Realtors, a certified relocation professional through the Worldwide Employer Relocation Council, and the past president of the Lending Real Estate Companies of the World.

He’s also past co-chair of the Greater Austin Chamber of Commerce Economic Development Council and a past board member of the Austin Symphony.

J.B. received a bachelor’s degree from The University of Texas at Austin -- sorry, buddy. He is appointed for a term to expire January 31, 2015, which is
taking up one of the terms that we have. But I have
certainty in my heart that he will be serving with us far
beyond that. So, J.B.

JUSTICE ROSE: Mr. Goodwin, if you raise your
right hand and repeat after me.

(The oath was administered to Mr. Goodwin.)

JUSTICE ROSE: Thank you. Congratulations.

MR. OXER: All right. If there are any
pictures that the two of you would like with Justice or
any of the rest of us we'll take those right quick.

JUSTICE ROSE: Nobody ever wants their picture
with me. It was nice meeting you. Thank you very much.

MR. OXER: Certainly. Thank you very much for
joining us today, Justice Rose. We certainly appreciate
the Justice.

All right. With that, now we'll take the
formal roll call since we have formally added new members.

So Ms. Bingham is absent today.

Mr. Chisum.

MR. CHISUM: Present.

MR. OXER: Mr. Gann.

MR. GANN: Here.

MR. OXER: Mr. Goodwin.

MR. GOODWIN: Present.

MR. OXER: Dr. Muñoz.

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DR. MUÑOZ: Present.

MR. OXER: And I am here. I would also add that, including Juan Muñoz, which would be J. Sanchez Muñoz, J.B. Goodwin and J. Paul Oxer got the hooks on the left side of the wall.

All right. With that, we’ve got five present. We’re in business. We’ve got a quorum.

So, Tim, lead us in the salute.

(Pledges of allegiance were recited.)

MR. IRVINE: Just an informational note, the tradition of the Texas salute is something that I obtained from my brief service at the Real Estate Commission and for which I thank realtors such as Mr. Goodwin and Mr. Gann.

MR. OXER: Okay. Well, Mr. Goodwin and Mr. Chisum are actually replacing our former board members, Mr. Mark McWatters -- Professor McWatters -- and Robert Thomas. So I think we’ve got a little recognition for these guys. So, Mark, I think you’re up, buddy.

MR. IRVINE: If I might read this first from the Governor of the State of Texas. To all to whom these presence shall come, greetings. Know ye that this official recognition is presented to J. Mark McWatters in recognition of and appreciation for his years of meritorious service to the State of Texas as a member of
the Texas Department of Housing and Community Affairs
Governing Board 2012 to 2014. Signed, Rick Perry, Governor.

And we have with it a flag that is presented to you that it was flown over the Texas Capitol and --

MR. McWATTERS: Thank you.

MR. OXER: It’s not like I never had to ask you if you wanted to say something. But if you have something you want to say now would be a good time. Your typical acerbic wit was something that we will all miss. So anything you have to say have at it.

MR. McWATTERS: I do not have an acerbic wit.

Hey, folks, this was a great pleasure to do this job for however long I did it, which I can’t remember because I’m getting to be a certain age. But a great pleasure.

I remember the first time I talked to J. Paul. He called me when I was vetted for the job and I said, You know, I really don’t know much about this business.

And he said, You know, you’ll learn; just be patient. And through his leadership and the phenomenal staff of TDHCA I was able to learn.

I tell you, I spent a fair amount of time in D.C. -- in the bureaucracy of D.C. over the last few years and I have seen nothing like the TDHCA staff. It is simply extraordinary.
MALE VOICE: Hear, hear.

MR. MCWATTERS: If I could clone these folks and bring them to D.C. we would have a much better federal government. So thank you very much.

MR. IRVINE: And I’d like to read another certificate, also from the Governor. To all to whom these presence shall come, greetings. Know ye that this official recognition is presented to Robert D. Thomas in recognition of and appreciation for his meritorious service to the State of Texas as a member of the Texas Department of Housing and Community Affairs Governing Board 2013/2014. Signed, Rick Perry, Governor. And a flag flown over our beloved State Capitol.

MR. OXER: Same courtesy.

MR. THOMAS: I’d just like to say thank you. I -- truly. I want to start with you, the constituency that makes up -- everything makes affordable housing and community affairs in the State of Texas so successful. The passion to that you bring to our community and to this board to make sure that we do God=s work for our community is unbelievable.

To our staff, I cannot begin to tell -- I echo Mark=s comments. Your brilliance, your passion, your willingness to answer the tough questions, your willingness to deal with the tough issues, your
willingness to make a difference for all of us.

To the board, you guys are just simply amazing.
This has been an amazing experience. Unfortunately, the
voters of Austin did not get the memo, but I’ll forever appreciate this opportunity. Thank you all for being so supportive of me this whole time.

MR. IRVINE: Got a moment for a testimonial?

MR. OXER: Sure.

MR. IRVINE: I’d just like to offer a testimonial. These two guys ready embody servant leadership. They gave tirelessly and unstintingly, not only of the energy to read our books and digest our laws but to really wrestle with hard problems and to provide policy guidance and insight that was well thought out and firmly grounded and to share it in a really open and productive way. You guys are what I really look for in government leadership, and I appreciate you leading this agency. Thank you.

MR. OXER: Okay. Well, with the formalities out of the way to our new members, let’s get to work.

All right. With respect to the consent agenda, is there anything?

MR. IRVINE: Mr. Chairman, we have three items we’d like to pull -- Item 1(l), (q), and (r).

MR. THOMAS: Mr. Chairman, with all due
respect --

MR. OXER: We understand you have now -- that our former members have commitments they have to manage, so we’ll allow them to escape through the hatch here if they’d like.

MR. IRVINE: Please come back.

We’ll present the consent agenda first, and then we’ll take those items as --

MR. OXER: Right.

MS. LATSHA: Jean Latsha, Director of Multifamily Finance. One item on the consent agenda, 1(u), Fairmount Crossing --

MR. IRVINE: Okay.

MS. LATSHA: -- that application was withdrawn.

MR. OXER: So that’s no longer a part of the consent. Is that correct, Jean?

MS. LATSHA: Correct.

MR. OXER: Okay. So 1(u) is out. Do any member wish to pull any other items besides Item 1(l), 1(q), and 1(r)?

MS. LATSHA: I’m sorry. I was -- not all of 1(u) has pulled. Only one of those applications, the Fairmount application.

MR. OXER: Let’s make sure we’ve got that right. So we still want to take -- so 1(u) -- but --

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MS. LATSHA: There were --

MR. OXER: Park at Cliff and the THF Palladium are still active on the --

MS. LATSHA: Yes, sir.

MR. OXER: Okay. So Fairmount=s the only one that=s being pulled out of that.

MS. LATSHA: Yes, sir.

MR. OXER: Okay. All right. Any member care to pull anything from the consent agenda?

(No response.)

MR. OXER: Okay. Then entertain a motion to consider.

MR. GANN: I=ll so move with the exceptions noted.

DR. MUÑOZ: Second.

MR. OXER: Okay. Motion by Mr. Gann to approve consent agenda with exceptions noted, second by Dr. Muñoz. No public comment. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. It=s unanimous.

All right. Let=s take 1(l) first.

MR. DORSEY: Good morning. Cameron Dorsey, Chief of Staff.
MR. OXER: No longer interim -- just like Chief of Staff. Huh?

MR. DORSEY: Well, I don't know actually. I just cut the interim off because I've had --

MR. OXER: That's all right.

MR. DORSEY: -- more titles and it's a pain.

MR. OXER: Hey, put the stars up there and take it.

MR. DORSEY: One --

MR. OXER: Hey, the way I usually introduce myself, Cameron, is deputy assistant, junior vice assistant technician. So that usually catches more of it. So go for it, pal.

MR. DORSEY: All right. Item 1(l) is staff is seeking the authorization to issue 2014 Notice of Funding Availability for the HOME Single Family Development Program. It's a $1 million amount of funding for single family development -- so development of single family homes by community housing development organizations.

Really, all we wanted to do with this item -- we have -- just in the event that for whatever reason there's an under-subscription to this particular NOFA we would like to add to our recommendation that staff has the ability in the event of an under-subscription to make any changes necessary to improve the subscription rate.

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So I'll give you a quick example. The NOFA comes attached with some CHODA operating funds, and CHODA operating funds can help the organization that the community housing development organization that=s administering the program just with their operational costs.

Right now it reads that you can only access those funds if you get three reservations for single family development -- that would be three individual single family homes. There may be some instances in which they only have the desire to do two single family home development and we may, in the event that there=s an under-subscription, allow some CHODA operating expenses in that kind of instance.

There could be some other types of changes that would kind of fall into that, you know, category that staff wants -- would want to be able to make only in the event that we put this out and we=re not getting the response we expect. So staff recommends approval of -- with the addition of staff having the ability in the event of an under-subscription to make changes -- necessary changes.

MR. IRVINE: And this is because of the importance of meeting our CHODA set aside requirement.

MR. DORSEY: That=s correct, yes.
MR. OXER: So the implication is you need to be able to get that money out and rolling. So whatever is necessary you need the latitude to do it to implement that.

MR. DORSEY: That’s right. There’s a specific requirement that we spend a certain amount of funding on CHODA eligible activities. And to the extent we do not spend that funding it can result in our overall amount of non-CHODA funding also being capped and reduced. So it’s a really important thing that we’re able to facilitate the use of these CHODA funds.

MR. OXER: So we don’t -- we want to reduce the amount of self-imposed limitations certainly.

MR. DORSEY: That’s right.

MR. OXER: Yeah. Okay. Any questions?

(No response.)

MR. OXER: Okay. Motion to consider?

DR. MUÑOZ: So moved.

MR. OXER: Okay. Motion by Dr. Muñoz to approve staff recommendation on 1(l).

MR. CHISUM: Second.

MR. OXER: Second by Mr. Chisum. Okay. No public comment. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

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MR. OXER: There are none. Thanks, Cameron.

Okay. Michael?

MR. DEYOUNG: Good morning. Michael DeYoung, Community Affairs Division Director. Mr. Chairman, members of the Board, both new and old, Items 1(q) and 1(r) have been provided copies to each of you on your computer.

And we are revising the Board items in order to accommodate a meeting that went on yesterday afternoon. The members of the ERAC committee met with the subrecipient and reached consensus on a potential decision which is now reflected in these revised items.

Item 1(q) is the LIHEAP awards; item 1(r) is the CSBG awards. The entity we met with yesterday would be affected by those awards.

Additionally, the item in -- the funding table in Item 1(r) has been modified to reflect current census, as there was an error in that spreadsheet. So you have been provided the revised writeups. There are copies available out at the front table for anybody in the general public who=s interested.

Staff now is of the opinion that an agreement can be reached so that no gap in services would result from the decision reached yesterday. So this approach is
now reflected in this revised writeup and we recommend -- staff recommends your approval.

MR. OXER: What was the principal change in it again. Michael?

MR. DEYOUNG: The writeup as posted in the Board book originally reflected one of the entities, Northeast Texas Opportunities, as having issues with their compliance and monitoring findings which resulted in staff recommending an award to another agency.

After the meeting yesterday staff feels like the path forward is to continue with Northeast Texas Opportunities and try and work on an agreement that can provide services. We are not bringing that as a recommended funding -- or funding recommendation at this meeting. We would -- we may come back in January with a revised funding recommendation --

MR. OXER: Okay.

MR. DEYOUNG: -- for Northeast Texas Opportunities. But we feel like over the next 15 to 20 days we can work on an agreement which will continue services in the area with the same service provider and not reach a gap in services. Our concern was that we could possibly have a time period where there would be no --

MR. OXER: Be a gap.
MR. DEYOUNG: -- services provided.

MR. OXER: Okay.

MR. DEYOUNG: And this is the cold part of the year.

MR. OXER: Okay. All right. Any questions from the Board?

(No response.)

MR. OXER: Motion to --

MR. IRVINE: For the benefit of the new Board members, although you went through this in your training, I'll reiterate it. We have a statewide event of entities that administer certain formula-funded programs, and those include CSBG and LIHEAP. And it's not like a typical competitive award situation where people choose if they will or will not compete for these funds.

And because this is an established structure and this particular organization is the established provider in that area, we think it's incumbent that whenever it's at all possible, that we work with them to facilitate continuity and stability, because it's all, frankly, about providing passthrough services to low-income households.

MR. OXER: Okay. Any other questions from the Board?

(No response.)
MR. OXER: Motion to consider?

MR. GANN: I’ll make a motion to approve 1(q) and 1(r) as revised in printed form.

MR. OXER: Okay. We’ll take these two together. All right? Okay.

MR. GOODWIN: Second the motion.

MR. OXER: Okay. Motion and second by -- let’s see -- Gann and Goodwin. Motion by Mr. Gann and second by Mr. Goodwin. No public comment. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Thank you, sir.

Okay. To the action agenda -- got a little circus here. Michael, do we have anybody we’d like to recognize here today?

MR. LYTTLE: Not that I’m aware of.

MR. OXER: Okay. Thank you. Jean?

MS. LATSHA: Good morning.

MR. OXER: Good morning.

MS. LATSHA: Jean Latsha, Director of Multifamily Finance. Item 2(a) is actually -- this is a recommendation for the issuance of $13 million in tax exempt bonds, as well as the issuance under a determination notice of 888,752 in overspent housing tax

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This would typically be on the consent agenda. I think ERAC just -- it didn’t quite make it to an ERAC meeting early enough to get it to a consent agenda, but a pretty typical, straight up 4 percent bond development, 160 units in south Dallas, that is actually general population but catering to veterans. So staff recommends approval.

MR. OXER: Good. Any questions of the Board?
(No response.)

MR. OXER: I like the idea of the veterans getting taken care of. And I believe the vice chairman would have a comment on that too, would they not? And Mr. Chisum as well.

DR. MUÑOZ: So moved.

MR. OXER: Okay. Motion by Dr. Muñoz to approve staff recommendation. Second?

MR. CHISUM: Second.

MR. OXER: Second by Mr. Goodwin. Okay.

MR. CHISUM: Mr. Chisum.

MR. OXER: Oh, okay. Mr. Chisum, second. Our two veterans that I know of for sure.

Is there any public comment?
(No response.)

MR. OXER: Appears to be none. All in favor?
(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Okay. 2(b).

What’s you got, Jean?

MS. LATSHA: I think Cameron’s going to take this one.

MR. DORSEY: Pinch hitter. All right. That’s right; pinch hitter. Jean only understands sports or gambling analogies.

(General laughter.)

MR. OXER: Or, as it turns out, racing.

MR. DORSEY: That’s right. Now add racing to that.

MR. OXER: All right.

MR. DORSEY: Okay. This particular item concerns the sufficiency of a letter that was submitted by an applicant for a 9 percent housing tax credit award for -- it was -- the letter to submitted to meet a condition placed on this award.

I’m going to give a brief history before I give a little bit more specifics about the letter that was provided.

We -- on July 31, 2014, the application in question, to a development calls Tays, was awarded 9

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percent tax credits with a particular condition. Staff had terminated the application based on the site not meeting the required neighborhood characteristics. In other words, there were some adverse kind of characteristics that staff observed related to crime and blights and things like that.

They presented some revitalization efforts that were going on in the area to improve the area, and staff wasn’t certain that those efforts were sufficiently substantive to warrant not terminating that, allowing it to continue moving forward. So it was terminated. It was appealed to the Board at the July 31 Board meeting.

The Board chose to reinstate that application; ultimately it got an award, but the reinstatement came with a condition, and the condition is as follows.

Its award is conditioned upon the applicant obtaining a letter from the appropriate officials at HUD with authority to speak for fair housing and equal opportunity -- that’s a division within HUD -- stating that this specific proposed transaction fully complies with the Fair Housing Act. Okay? So that’s a really key statement that I’m going to come back to here in a moment.

That letter was due at the time of carryover, which happens on November 1. That’s generally when carryover must be met. However, we brought this item back
to the November Board meeting, and the Board chose to give
them an extension into December, and they met that by
getting the letter in.

The question that remains is whether or not the
letter is sufficient to meet this condition. The letter
wasn’t quite as straightforward as we had seen in another
instance in which the Board placed this type of condition
on a transaction, the Galveston situation. It’s not quite
as straightforward. There’s more backup documentation to
kind of support the conclusion.

The specific letter itself reads -- there’s a
statement -- I’m going to read just a piece of the letter:

"There does not appear to be any indication
that the proposed redevelopment of the Tays property poses
a violation of Title 6, Title 8, or Executive Order
11063."

I’ll just tell you real quick that Title 8 is
the Fair Housing Act, Title 6 is a provision -- or is a
portion of the Civil Rights Act of 1964 that deals
specifically with nondiscrimination in HUD programs, as
does Executive Order 11063, which was a Kennedy executive
order prior to the 1964 Civil Rights Act.

So it covers a little bit more broadly than the
Fair Housing Act itself and deals with Title 6 HUD
nondiscrimination HUD programs.
That does not say complies fully. But if --
you know, Jean and I were talking about this before we
came. If I had a question from a developer that said, Is
this red?, and I wrote, Yes, this is red, and then routed
that through legal, this is what would come back.

(General laughter.)

MR. OXER: So it doesn't say --

MR. DORSEY: Right. So --

MR. OXER: There's a word -- there's a couch

that all the words live on over there.

MR. DORSEY: Right. Initially the letter

caused a bit of concern on our part. The underlying kind
of path that got -- that led them to this conclusion was a
little perplexing for staff initially, because we're
familiar with the site and neighborhood process.

The site and neighborhood evaluation process

was understood by our staff to be a more limited in scope
kind of review that relates to fair housing but does not
generally lead to a broad conclusion that something is
compliant with the Fair Housing Act.

It seems that this may be a bit of an instance

of do as we say not as we do kind of thing, because I
think the agency is generally held to a standard that
exceeds that which was applied by HUD. Nonetheless, it
includes that kind of required statement with the slight
legal hedge --

MR. OXER: Slight? Slight?

MR. DORSEY: -- noted previously.

MR. OXER: Sounds like they didn’t -- sounds like it said -- that they did not say it fully complies; they just said it doesn’t violate.

MR. DORSEY: That’s right. That’s right.

MR. OXER: Okay.

MR. DORSEY: Yeah. Which is -- I mean, I've learned not to even route it through it legal. I just write it that way nowadays. So there was some opposition that arose --

DR. MUÑOZ: Cameron --

MR. DORSEY: Yes.

DR. MUÑOZ: -- can I stop you --

MR. DORSEY: Sure.

DR. MUÑOZ: -- before you go too far and I lose my train of thought?

MR. DORSEY: Sure.

DR. MUÑOZ: So you describe some of the statutes in the Civil Rights Act and what have you that may not, you know, sort of laser-target this specific question. But does it necessarily not encompass addressing our purpose?

I mean, because, you know, if it, in terms of
spirit and approximate letter, accomplishes what we need -- I mean --

MR. OXER: Do you suppose there=s anything better that we have gotten out of HUD?

MR. DORSEY: I=m not sure we could have gotten anything --

DR. MUÑOZ: And -- okay.

MR. DORSEY: -- better.

DR. MUÑOZ: Okay. Well, that=s my -- okay. And then, secondly, I mean, did you -- did our staff provide very explicit guidance to say, This is exactly what the letter has to say? Because if it mostly says what we want it to say and we didn=t provide very explicit, direct, unequivocal guidance --

MR. DORSEY: Yeah. We -- I was provided a draft letter, revised that draft -- it was provided by the applicant themselves. It hadn=t been run by HUD at that point -- provided that draft. I looked at it, revised it, ran it by Barbara, got comfortable with it, and sent it back to them. That is not what HUD signed.

Now, I will tell you I=ve been sent letters from developers asking me to sign them, and I=ve never signed one without pretty significant modifications to it. So, I mean, it=s not unusual to have that kind of modifications. We did provide more explicit language. It
didn’t come back with that same explicit language.

DR. MUÑOZ: All right.

MR. DORSEY: There was some opposition. The Housing Authority of the City of Laredo is the next transaction in line. So to the extent that the Board determines that this letter did not meet -- was not sufficient to meet the condition and doesn’t address their concerns fully, the credit would be returned and we would go to the next 2014 deal in line.

The next one in line is Laredo’s deal. They weighed in in opposition. They also had their legal counsel weigh in with their belief that it does not meet the requirements of the Fair Housing Act. So just want to make sure that’s clear.

I’m not sure I’ve seen any of them here to speak. Oh, okay. We do have one of them here to speak. You might want to come on up to the front, or J. Paul will get onto you.

MR. OXER: If you don’t get up to the front, you don’t get a chance to speak. That’s all.

DR. MUÑOZ: So, Cameron -- so, you know, what’s our -- you know, what’s your general interpretation? I mean, does this -- you know, does this satisfy, you know, our requirements for fair housing? I mean --

MR. DORSEY: I think it includes the statement

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that the Board was looking for with a slight modification.

DR. MUÑOZ: Right.

MR. DORSEY: It remains a bit perplexing as to how the site and neighborhood standard as the primary tool gets them there. But HUD is -- regardless of that, HUD is the authorized entity to enforce the Fair Housing Act. And there -- you know, Gary Sweeney has -- is authorized to speak on behalf of fair housing --

DR. MUÑOZ: Are they saying that it --

MR. DORSEY: -- and equal opportunity --

DR. MUÑOZ: Are they saying that it doesn’t, you know --

MR. DORSEY: No.

DR. MUÑOZ: Okay.

MR. OXER: So HUD is essentially saying that it doesn’t violate fair housing. Laredo basically saying it does violate fair housing.

DR. MUÑOZ: I mean, but that --

MR. OXER: That’s -- which is a predictable case. But essentially -- well, finish your presentation on the information then we’ll go from there.

DR. MUÑOZ: Let me ask a question --

MR. DORSEY: Uh-huh.

DR. MUÑOZ: -- Cameron. So -- but we asked for a letter from HUD -- okay -- saying that, you know, fair
housing was being, you know, not violated, being protected. And they essentially said it=s not.

MR. DORSEY: Right.

DR. MUÑOZ: We asked for a letter --

MR. DORSEY: Uh-huh.

DR. MUÑOZ: -- by a date in December.

MR. DORSEY: Uh-huh.

DR. MUÑOZ: They procured a letter --

MR. DORSEY: Uh-huh.

DR. MUÑOZ: -- that essentially stated what we asked for.

MR. DORSEY: It includes that statement, yes.

MR. OXER: Anything else?

MR. DORSEY: At that -- I mean, we didn=t have a staff recommendation. Like I said, it was just -- it was a little bit short, I think, of getting us fully comfortable. We wanted to make sure you all were comfortable since you all made the condition. That=s why we brought it here.

Tim, did you have something you wanted to ask?

MR. IRVINE: No. I would say that when we imposed a similar condition on another transaction, we obviously got a custom-drawn letter signed by three assistant secretaries.

In this particular case the way that the issue
was addressed was through the site and neighborhood clearance process. And in that process Gary Sweeney in the Fort Worth office has delegated authority to sign off on fair housing issues, because it’s a clearance involving HUD funding under public community housing.

MR. DORSEY: That’s right.

MR. OXER: So essentially we got what we asked for and on time.

MR. DORSEY: Yes.

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

(No response.)

MR. OXER: Okay. We’ll need a motion to consider on this. And it will be not a staff recommendation but an origination by us.

DR. MUÑOZ: Motion to consider.

MR. OXER: Okay. Motion by Dr. Muñoz to approve --

DR. MUÑOZ: To accept.

MR. OXER: -- to accept the letter from HUD on behalf of this particular applicant.

MR. DORSEY: As meeting the conditions.

MR. OXER: As meeting the conditions imposed by the last meeting. Is that correct?

MR. DORSEY: The July 31 meeting.

MR. OXER: Is that good enough, Barbara?
MS. DEANE: Yes.

MR. OXER: Okay. All right. Motion by Dr. Muñoz.

MR. GOODWIN: Second.

MR. OXER: Okay. Second by Mr. Goodwin. This is going in a direction you probably are looking for, Representative Gonzalez. If you'd like to say anything we'll offer you the courtesy. I'm happy to have you say, anything you'd like.

REPRESENTATIVE GONZALEZ: I just really couldn't --

MR. OXER: Okay. Please come.

REPRESENTATIVE GONZALEZ: I'm all the way in town from El Paso, might as well

MR. OXER: Came on over here. Come on up and say something. We're happy to have you.

REPRESENTATIVE GONZALEZ: I just want to say first and foremost I've been working with your agency a lot the last couple of months as we prepare for legislative session. Your staff is amazing. I mean, I -- we work with lots of agencies. This is probably the agency we enjoy working with the most. I'm in town; we're changing offices.

And when I heard this was on the agenda -- myself and the entire delegation is very supportive of
this project. We believe this is great for our people, great for El Paso. And I just wanted to physically be here and watch it, make sure everything -- all your questions were answered. And staff, again, has done a great job, and I=m just here on behalf of the delegation to show our support.

MR. OXER: Okay. We=re happy to have you, and we=ll always offer you that courtesy to speak.

REPRESENTATIVE GONZALEZ: I appreciate it. And your meetings are very interesting, more interesting than our committee hearings.

MALE VOICE: Stick around.

MR. OXER: We actually try to get them to be pretty boring where we come in and do it and leave pretty quick, but sometimes that doesn=t happen. All right. Then I assume correctly that everybody over here is in favor of where this -- you can tell this is going? Okay. Do you have a comment from Laredo?

MR. VOELKER: Good morning, Mr. Chairman and Board, and happy holidays to you all. My name is Bob Voelker. I am an attorney out of Dallas. I=ve been involved in affordable housing for 25 years and in fair housing for 20 years as an attorney, a developer, and again as an attorney.

I testified before the Texas Legislature back
in 2002 on concentration in fair housing issues. The last four years I’ve served as special counsel to the Texas General Land Office on fair housing issues associated with distribution of federal disaster recovery funds from the hurricanes.

In that role I’ve reviewed over a hundred applications for funding to the Texas GLO, including by local housing authorities and including several that had received HUD site and neighborhood standards clearance.

There’s no way to really kind of sugarcoat the El Paso site. Along with a housing authority project that I looked at in Beaumont on behalf of the Texas GLO earlier this year that had both site and neighborhood clearance and TDHCA tax credits and that ultimately the GLO rejected for fair housing concerns, this is the worst site I’ve seen in ten years from a fair housing standpoint.

Simply stated, this is the lowest income area in El Paso. There are 650 public housing units directly adjacent to this site, 1941 and 1973 construction. That’s 11 percent of all the public housing units in the City of El Paso that are directly adjacent to the property.

There’s very high poverty, some of the highest poverty in El Paso, some of the highest poverty ratios in the state of Texas in a small area; very high unemployment, high vacancy in the area, high crime,
including drug- and gang-related crime.

My conclusion as a fair housing attorney -- and Mr. Dorsey pointed out, the TDHCA has their own obligations from a fair housing standpoint to consider, not just whatever HUD says -- this site does not pass any level of federal fair housing scrutiny.

HUD=s clearance for site and neighborhood standards, which is what they -- their letter says that they cleared it based on that -- just simply indicates that it can move forward with the HUD process and that HUD won=t take them to task for having done this project.

And that really has to do with demolishing some units, moving some units out of the area, and then reconstructing some units in that particular area. So they=re just saying based on those evaluations that they do that this isn't violative of their process.

It=s not really a clearance from a fair housing standpoint. That=s why they state it in the negative and they didn=t give you a positive statement. If we=re really serious about affirmatively furthering fair housing, the El Paso application should be rejected. And I thank you for your time. If you have any questions --

MR. OXER: Thank you, Mr. Voelker. Is there any questions from the Board?

(No response.)

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MR. OXER: Don’t forget to sign in here so we can record it for Penny.

The -- all right. We have a -- I=’d like -- I=’m going to pull the Chair=’s privilege here because there=’s a motion by Dr. Muñoz, a second by Mr. Goodwin to approve the acceptance of this letter.

For purposes of receiving some legal guidance from our fair housing attorney, Megan Sylvester, I want to wait until we=’re into executive session. So we=’re going to hold this -- we=’re going to table this until after we have an opportunity to meet in executive session and then come back and vote on that. So for those of you who are in a hurry to get out, you=’ll have to sit tight for a few minutes. Okay?

With that, we=’re going to move to the next item, Number 3. Am I still between the lines, Barbara?

MS. DEANE: Yeah.

MR. OXER: Okay. I try to keep us --

MS. LATSHA: Jean Latsha --

MR. OXER: I try to keep us between the ditches on this road.

MS. LATSHA: Yes -- Director of Multifamily Finance. I=’m actually going to have Kathryn Saar present this item, but I wanted to come up here really quickly just to say that I think she did a pretty phenomenal job
on this. I basically took that role of director and I
directed and I said, Go do this, and I didn’t do any of
it. So thank you to Kathryn, and I’ll let her have it.

MS. SAAR: All right. Good morning. Kathryn
Saar. I run the 9 Percent Housing Tax Credit Program.
The last item on your agenda -- although we've skipped
over one now -- is a request to waive a specific paragraph
with a QAP related to the method by which the 9 percent
pre-application are delivered to the Department.

So the QAP Section 11.8(a)(2) reads, The pre-
application shall consist of one CD-R containing a PDF
copy and an Excel copy submitted to the Department in the
form of single files, as required in the multifamily
programs procedures manual. So this is the specific
paragraph that we’re asking to be waived. And this waiver
is needed because of a conflict with a statutory
requirement.

In 2001 the Texas Legislature revised statute
to require the Department to evaluate the feasibility of
an online application system. And it further requires
that once an online application system is operational,
that it be required for use in the following application
year.

So we now have an operational online
application for our pre-apps for the 9 percent program.
And over the last six months staff has evaluated multiple options for having this online pre-application. And after extensive research and spec testing, a decision was made to go with a third-party service called JotForm. JotForm is an online tool that allows users to create a form that can be seamlessly integrated into your online architecture.

Staff set about testing this service and designing a pre-app. We also performed an agency-wide stress of the system after the design was complete. The system performed exactly as anticipated. And that was to simulate the volume of traffic we anticipate receiving on January 8, which is the date pre-apps are due.

So the development community has been largely supportive of this effort. They were trained at the application workshops earlier this month on the new system. And the multifamily programs procedures manual has been updated with this new information. We’re also going to be publishing a webinar and some FAQs on the system as well.

So I know we just went through our rulemaking process, and you probably want to know why we didn’t ask for this change at that time. And the simple answer is we simply weren’t sure that the system would be ready. So out of an abundance of caution we left the requirement in
place -- the existing requirement. And now that we know that the system is up and running, we are asking for the waiver.

So staff recommends a blanket waiver of 11.8(a)(2), and it’s just that one paragraph. And, with that, I’m happy to answer any questions you might have.

MR. OXER: And that applies, Kathryn, exclusively to the pre-applications.

MS. SAAR: To the 9 percent pre-app --

MR. OXER: Pre-application -- not to the --

MS. SAAR: Correct.

MR. OXER: -- full application, just for the pre-application.

MS. SAAR: Correct.

MR. OXER: Okay.

MS. SAAR: The procedures for the full application are in 11.9.

MR. OXER: Right. Okay. Any questions from the Board? Sounds like we’re getting -- being dragged kicking and screaming into the 21st century here. Right?

MS. SAAR: That’s right.

MR. OXER: I love it. I love it. Any questions from our new members?

(No response.)

MR. OXER: Okay. Well, in that case, motion to
consider.

MR. GANN: I'll move staff recommendation.

MR. OXER: Okay. Motion by Mr. Gann to approve staff recommendation on Item 3.

MR. GOODWIN: Second.

MR. OXER: I hear a second from Mr. Goodwin. Is there any public comment?

(No response.)

MR. OXER: I should think that all the developers here would think this is going to be an improvement over our prior system. Is that correct?

(No response.)

MR. OXER: Okay. No public comment.

Motion by Mr. Gann, second by Mr. Goodwin to approve staff recommendation Item 3. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Congrats, Kathryn. All right. We're down to the bottom of the agenda here. We're going to take a brief break for some -- for an exec staff. You guys out there can think of it as our typical mid-morning break. But everybody sit still, because we've got to do this officially.

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 under Section 551.071 of the Act, to receive legal advice from its attorney under Section 551.071 of the Act, to discuss certain personnel matters under Section 551.074 of the Act, to discuss certain real estate matters under Section 551.072 of the Act, and to discuss issues related to fraud, waste, or abuse under Section 2306.039(c) of the Texas Government Code.

Closed session will be held in the anteroom immediately behind us. The date is December 18 and the time is 10:22.

I expect this will be fairly quick. We= re going to take some issues on this, and I= d like have Megan join us. And we= ll be back here -- let= s be back in our seats at 10:45.

(Whereupon, at 10:22 a.m., the Board went into Executive Session.)

MR. OXER: Okay. The Board has now reconvened in open session at 10:52. We heard advice form our legal counsel on a couple of issues and are back in the saddle. We made no decisions.

All right. Regarding Item 2(b), which has been held until now, I understand there are some folks here
that would like to make another comment. Is that correct?

Okay. And I will remind -- to advise the Board that we have a motion by Dr. Muñoz and a second by Mr. Goodwin to accept a letter that was being recommended that we had requested. And the motion is to accept that letter as satisfying our requirements.

MR. MARKS: Good morning. My name is Scott Marks. I’m with the Coats Rose law firm. I’ve been practicing law for 20 years with an emphasis on fair housing throughout my career.

I’ve served as counsel in four public housing desegregation cases, including the Gautreaux case in Chicago, where I was part of a team that negotiated civil rights approvals for the redevelopment of Cabrini-Green and sites in Chicago for redeveloped public housing.

I’ve represented plaintiffs in public housing desegregation cases at HUD in the nineties in a civil rights position. And I’ve served for five years as a board member of the Austin Tenants Council, which is our local fair housing organization. I have worn a lot of hats in this rodeo and have a few battle scars from that.

You know, fair housing obligations are confusing. I know you get a lot of different advice, depending on who you turn to. This is a time of real uncertainty. You have a case going to the highest court.
in the land next month because of that uncertainty. And, you know, it’s kind of -- HUD had issues a lot of regulatory guidance. The courts have pushed back on HUD. And so it is a confusing time in the fair housing arena.

Let me just talk about a few definitions, though, and some of the cases that are out there to give you my perspective on it.

First of all, what does this term of affirmatively furthering housing mean? It’s actually in the Fair Housing Act, and the Fair Housing Act says, The Secretary of HUD shall administer the programs and activities related to HUD in a manner affirmatively to further the policies of the Fair Housing Act.

Courts have wrestled with that. There was a case in 1970, two years after the Fair Housing Act was passed, called the Shannon case, wherein the Third Circuit said that HUD needs some standards, they need some regulations for looking at sites.

And, you know, HUD had defended the Chicago case, the Gautreaux case, by saying that when they sent hundreds of millions of dollars to Chicago, they had no idea that it was being used to build segregated public housing on the south side and the west side of Chicago.

And so what -- you know, what these courts have said is this affirmative duty requires HUD to take a look
at the racial data, take a look at the socioeconomic data. That idea, you know, as Judge Justice said in an East Texas case, you know, you were given eyes so that you can see, you were given ears so that you can hear, and cited the Bible, cited Job in terms of, you know, what this obligation is.

And that’s what site and neighborhood standards are. The site and neighborhood standards came from those cases. Site and neighborhood standards say, You have to provide this racial data on your site. You have to provide socioeconomic data and give HUD a chance to review it and determine whether or not it affirmatively furthers fair housing, whether it complies with fair housing.

The way those site and neighborhood standards work -- of course, if the rule was that you can’t go into a neighborhood which is an area of minority concentration, which HUD defines as more than 50 percent minority -- the entire Texas border would be redlined. Okay? So that’s not the rule.

The rule is that you can certainly go into areas of minority concentration if you fit within an exception. And those exceptions are in the HUD regulations on site and neighborhood standards. There are two exceptions that apply here, and HUD has determined that those two exceptions apply here.
The first exception is if you’re in a revitalizing area that appears that the area has an economic activity and is revitalizing, and it’s consistent with the city’s plans, then you fit within an exception to the site and neighborhood standards.

HUD has determined that we fit within that exception here. It’s called overriding housing need. And there’s overriding housing need in this area, and the person who is responsible for making that determination is Gary Sweeney at HUD, and he’s made that determination.

A second exception is, in the nineties, when I was working in Chicago, there were a lot of questions. Well, you know, if we’re knocking down housing -- 3,500 units at Cabrini-Green -- and this is an area of minority concentration -- is the fair housing obligation not to build any housing back there because it’s an area of minority concentration?

And Congress weighed in and said, No, we want you to knock down legacy public housing. That is a good fair housing thing because, of course, there’s a terrible history associated with the public housing program. And so the very fact that you’re knocking down legacy public housing is a -- that is something we want to encourage as long as you’re only building enough housing back to house the people who want to return. So, again, you know, HUD
mentions that in this letter.

And I want to talk about the specific language of the letter because we were -- when we were asked to get a letter from HUD, it says that we are consist with the Fair Housing Act or we comply with the Fair Housing Act.

The first page of the memo says that -- this is from Gary Sweeney to Sue Wilson, and she says, I=ve reviewed available information pertaining to Tays and have concluded that the proposal satisfactorily meets the subject site and neighborhood standards as provided below.

The site and neighborhood is suitable to facilitating and furthering full compliance with the Fair Housing Act.

That= s on the first page of the memo. And then, of course, on the last page, as Cameron pointed out, it says that there is no indication that there is any violation of the Fair Housing Act.

There= s another case that I want to mention, which I sent to the Department this week, which is a case that reviewed HUD= s approval under site and neighborhood standards for a site in west Philadelphia. And HUD was sued because advocates felt that HUD didn=t make the right determination.

The court said, No, HUD is the agency that was charged with making these decisions, and HUD made that decision that the west Philadelphia site complies with
site and neighborhood standards, and that affirmatively furthers fair housing. They made that clear in that case. And the only way that that decision would be overturned is if it was an abuse of discretion -- if it was, you know, an abuse of discretion by HUD. And that=s -- you know, whether it was arbitrary, capricious, and abuse of discretion. That=s a very, very high standard.

So HUD has -- you know, in terms of do you believe Scott Marks, do you believe Bob Voelker? You know, HUD is the agency that has been charged by Congress with making these determinations. So we have that approval from HUD.

I think, you know, I=’d just like to also point out that the fair housing obligations are confusing. They=re probably most confusing along the Texas border. You know, that definition of more than 50 percent minority; that probably covers all the way from Brownsville to El Paso along the Texas border. So, you know, we -- there=s a reason why there are exceptions in the site and neighborhood standards. And, again, HUD has found that we fit within that standard.

And it=s very different from a situation like Galveston, for example, where there appeared to be some racial dimension to people who are opposed to public
housing on the island and just saying, You know, we don't want any public housing on the island.

And that's a very different situation from what we have in the redevelopment of Tays. And, you know, the Fair Housing Act does not mean that you redline areas because they're areas of minority concentration.

So we think HUD has given us the letter that you asked us to get. It satisfies the condition. And I'd be happy to answer any questions.

MR. OXER: Thanks, Scott. Any questions from the Board?

(No response.)


Barry, did you have a comment or did you want to --

MR. PALMER: Well, I guess I'd just like to say --

MR. OXER: Time out, time out.

MR. PALMER: This is Barry Palmer --

MR. OXER: That's the first thing you have to say.

MR. PALMER: -- with Coats Rose. That's what I wanted to say.

MR. OXER: There you go. Nice recovery.

MR. PALMER: But, you know, really the only
issue before the Board today is the satisfaction of a condition that you imposed on us getting a letter from HUD.

The whole issue of reexamining the site and talking about there=s -- you know, there=s too many poor people there, there are too many minorities there, you know, that=s already been gone through.

You know, the staff spent a lot of time back in June and July looking at the site and went through all of the issues related to this site -- blight, crime, everything -- and came to the conclusion then, and this Board approved the site subject only to getting this letter from HUD, which we have now received and, as Cameron pointed out, was not exactly what the agency may have wanted, but it=s pretty darn close.

And it certainly says that the project does not violate fair housing, and so we would ask you to approve the motion on the floor.

MR. OXER: Okay. Thanks, Barry.

Any questions from the Board?

(No response.)

MR. OXER: Okay.

MR. CICHON: Good morning. Gerry Cichon, Housing Authority for the City of El Paso. Just want to let you know that when you all asked us for this, we
didn’t know how hard it was going to be. You know, with our relation with HUD with the chance to go down and meet with the secretaries when I got to D.C. all the time, I thought it was going to be an easy ask just to get a simple letter.

Unfortunately, you=’re dealing with a massive bureaucracy that, like any government bureaucracy, being one of them, it=’s difficult to have anybody try to alleviate any obligation -- or give you some complete immunity.

Getting this letter satisfied a lot of -- basically everything that we could ask for. I mean, it was a yeoman=’s effort to get to this point. The conversations I had were at the highest levels. I mentioned this to the Secretary when I met with him approximately two months ago at the -- assistant secretaries that were there -- with the changeovers that were going on, with the issues that we had with HUD staff, with issues that happened with their families when they were out for months at a time.

And we are very satisfied with this letter and we think that it takes that obligation that you put upon us, and only upon us, to the level that you asked for us. And so from the Housing Authority=’s perspective, we respectfully ask for this. I will say
that when everything started, we had three awards. We=re now down to two. We are in the middle of an $800 million reconstruction that has to be done in the next 36 months. We are going to move 20,000 people once, if not twice. 4 percent tax credits are coming before you at a rapid pace as we start the process with the bonds and everything else.

I cannot impart upon you the need for this award. I can=t impart upon you the need for this award within this particular area of El Paso as we revitalize 100 percent of our housing stock in the next 36 months. And I know, being from public housing, it=s easy to talk about from perspective of an administrator. But we also have Ms. Leona Vasquez, who=s the president of the jurisdiction-wide resident council. She does represent all 20,000 public housing residents in El Paso. She has taken her time to fly out today to let you also know, as well as many of the representatives who have written letters or have shown up to speak today, about the significance of this decision.

And so I=d like to introduce Ms. Vasquez. She=s a Spanish speaker. I believe we do have a translator.

MS. VASQUEZ: Good morning, Board members.

Buenos días a todos.
MR. OXER: Buenos días.

MS. VASQUEZ (through interpreter): My name is Liliana Vasquez. She lives very proudly with great pride in the El Paso housing authority. I represent more than 30 public housing communities.

I’m here filled with emotion asking you about the decision that you have in your hands that is so very important, the ability you have in your hands to change the lives of more than 350 families. They’re under a conversion. They’ve had many meetings with the residents. You can imagine the happy faces of the children and residents in the housing authority of El Paso when they think of a completely remodeled community.

You can imagine us, the public housing authority residents, walking down the street with the police every week. They have after-school programs. They have day care, the GED program for Mission High School, citizenship class for the seniors.

So we are already working hard in every community. So please, Commissioners, please, Board members, we need your help greatly. Our communities are poor, but we’re very hard-working residents. And our director and staff are working hard to change the quality of life for more than 600 families living in the public housing authority in El Paso.
The decision=s in your hand and, we hope that you make the decision that is best for our families. All we want to do is improve our quality of life and that of our children. Thank you.

MR. OXER: Thanks, Leona.

DR. MUÑOZ: (Speaking Spanish with Ms. Vasquez.)

MR. OXER: Penny=s having a heart attack over here.

(General laughter.)

DR. MUÑOZ: I just asked the question, Well, how do you respond to those that might say it would be better for you to live somewhere else, that the condition of your homes are in such disrepair, really what=s in your best interest is to be somewhere else. How would you respond and how would the people that were there respond to that?

MS. VASQUEZ (through interpreter): I would say this is our community. This is where our day care is, our elementary school, our high school, the police station, our jobs, our lives. So we want this area remodeled. This is our community. We want it to be remodeled. And when you see the worry on some folks when there=s some concern regarding the movement to the remodeling, they have meetings where they have asked the youth and asked
them what they want, and they want to stay there. There  
is also some units for the elderly, and it=s a concern for  
them to have to move.

    MR. OXER: Gracias.

    DR. MUÑOZ: (Speaking Spanish.) Let me  
   translate for the Chairman. What he said --

    MR. OXER: Okay. Have at it, Juan. (Speaking  
   Spanish.) I asked if there was anybody else -- tell them  
   what I said, Juan, since you= re the --

    DR. MUÑOZ: He just asked if there was anybody  
   else that wanted to comment related to what was said  
   already.

    MR. OXER: That we would need to translate.

Okay. All right.

Mr. Voelker, I understand you want to make a --
60 seconds, please. You= ve had your shot at it.

    MR. VOELKER: I want to be short. First of  
   all, this is a fascinating discussion and one that the --

    MR. OXER: The part that you understood anyway.

   Right?

    MR. VOELKER: You know, I actually speak  
   Spanish --

    MR. OXER: Good.

    MR. VOELKER: -- so it=s helpful too. But I  
   won=t try and speak it; I won't do it very well.
This is the kind of discussion the agency needs to have about fair housing issues. I’ve been around this circus for a long time and I have seen a lot of issues.

HUD -- we wish they were a good arbiter of this issue. They’re actually a horrible arbiter of this issue, unfortunately. We’ve had to take HUD to task. As you all know they’ve been taken to task since the mid-1980s over fair housing issues in the state of Texas.

They make decisions that don’t necessarily follow fair housing laws, and the courts ultimately tell them that, and they have to kind of back up and go a different direction.

On a very, very similar site in Beaumont, Beaumont Housing Authority had the tax credit allocation. They had HUD site and neighborhood approval. We looked at that site on behalf of the Texas General Land Office, which is another state housing agency. We did our duty separately and apart from HUD and determined that that particular project did not qualify as affirmatively furthering fair housing.

So the difficult part is that you have HUD kind of going in one direction looking at what they’re doing for their purposes -- and they have their reasons for doing it. And I do appreciate the fact that people have their neighborhoods they want to live in and that we need
to continue to provide affordable housing opportunities in those areas.

Unfortunately, where you have this much concentration of public housing, I would suggest to you that one of the reasons this neighborhood is so poor and so -- in such dire straights, from looking at all the statistics that I provided in my letter, is because HUD made some really bad decisions a long time ago and allowed 600 units of public housing to be put in one middle school and one high school.

And so sometimes the duty goes beyond the desires of the housing authorities. It goes beyond the desires of the neighbors. It=s an overarching thought process that we ultimately want to desegregate neighborhoods and provide better opportunities.

It=s what the opportunity indexes are all about and the educational opportunity indexes are all about that are now in the QAP. QAP still doesn=t go far enough, really, to ultimately address these issues and I=m sure there are going to be more tweaks to it going forward to try to address these issues.

I can just tell you that if this particular application came before us at the Texas General Land Office, which I even think maybe it did when I was looking at -- because I went down and spent some time in El Paso

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and looked at some of the sites down there. We saw too much overconcentration of public housing in El Paso.

And to put any amount back until you’ve really taken a lot of it out really doesn’t help that neighborhood in the short term or the long term. And so I continue to think there are better housing concerns with this particular -- and I know we could sit and have, you know, discussions about this probably all day long, but you guys ultimately need to make a decision. But I’m just telling you I think there are still some fair housing concerns with this deal.

MR. OXER: Thanks for your comments, Mr. Voelker. So if -- and this is a reconstruction. Barry?

MR. PALMER: This is a --

MR. OXER: Barry Palmer, Coats Rose.

MR. PALMER: This is Barry Palmer from Coats Rose again. And the housing authority is tearing down 300 -- 81 units of public housing and is building back fewer units in a mixed-income community. 25 percent of the new units will be public housing, and the rest will be workforce housing. So we’re actually deconcentrating poverty by building back in a mixed-income context with fewer subsidized units.

MR. OXER: Okay. Thanks. Any questions from the Board?
MR. OXER: All right. Just in process of thinking through this, if you have a neighborhood and somebody there -- a member of the minority community or an economic strata that we're concerned with, and they tear down one house and rebuild their house, that's one thing. If you tear down 300 houses and build back 300 more, did we add to that concentration or do we simply replace what was there and upgraded the quality of life that those people had?

That's the -- Gerry, you don't have to answer. It's a question I already know the answer to. I'm making -- I understand what your position is. I'm just talking through the thought process here which, you know, is mine and mine alone.

I represent my thought process. The other members of the Board can weigh in if they would care to. But there is a revitalization effort that's ongoing there apparently.

Cameron, do you have a comment?

MR. DORSEY: I just wanted to clarify really --

MR. OXER: And you are?

MR. DORSEY: Cameron Dorsey, Chief of Staff.

The -- Barry started to say 300 and then corrected to -81 and it came off sounding like 381. There's actually --
currently the Tays development is 359 units. This
redevelopment piece is just a piece of the Tays site.
They= re going to demolish 81 units, and they= re going to
build back 189 units.

Not all of those will be your classic more
public housing style subsidized units. They all will be
affordable units, and the non-public housing units will
have another type of HUD subsidy associated with them.

That= s not to detract from anything anyone
said. I just want to make sure that it= s clear.

MR. OXER: Gets the numbers right.
MR. DORSEY: That right.
MR. OXER: Gerry, did you want to add to that?
MR. DORSEY: I believe that Gerry can probably
elaborate a little bit, and it would be helpful because it
is tearing down 81 and building 189 back on this 5.5 --
MR. OXER: That= s in their application.
MR. DORSEY: -- piece of Tays.
MR. OXER: Let= s hear it.
MR. DORSEY: That= s right. Gerry can speak to
the rest of the development plan. I think that may help
clarify what the overarching kind of -- is there an
increase, is there a decrease -- what the deal is.

MR. OXER: Give us numbers, Gerry, please.
MR. CICHON: Okay. So what you= re looking
MR. OXER: And you are?

MR. CICHON: I'm sorry. Gerry Cichon, Housing Authority, City of El Paso. We're tearing down 89, we're building back about 185 units, more or less. It's -- one aspect of the site is probably going to be two more developments on that to revitalize that particular area.

It is in a unique development zone, as we talked about before, in that it's a section that used to be right on the border with Mexico before Kennedy pushed it back. It's an immigrant population.

The section that we're tearing down is predominantly elderly only. The -- when you look at public housing, it's 30 percent or less of adjusted median income. We're actually increasing the adjusted median income, but the numbers that we're bringing back would now be 60 percent. So it will actually be increasing the socio-demographic in the area and not decreasing it.

So --

MR. OXER: Okay. So -- to qualify on the earlier ones, it was 30 percent of AMI.

MR. CICHON: With -- as public housing.

MR. OXER: As public housing. So this one's qualified as a 60 percent.

MR. CICHON: That's right. There's -- I mean,
I think there=s a strata, but predominantly it=s coming in at a higher AMI than what we=re going to be demolishing and rebuilding. So it=s actually not increasing -- we=re going to have to use --

MR. OXER: You=re not concentrating. You=re actually offering up housing to folks in a --

MR. CICHON: Correct. So you=re --

MR. OXER: You=re adding.

MR. CICHON: You=re actually going to be bringing families in that are actually making more money in that area than are currently making.

MR. OXER: Or at least make it available to them.

MR. CICHON: That=s correct.

MR. OXER: Right. Because it=s a not a limitation. It=s not -- it=s a limitation, not a requirement.

MR. CICHON: Correct.

MR. OXER: Okay. Any questions? Juan?

DR. MUÑOZ: Well, I just -- you know, I=d like to amplify some of your observations. I appreciate the discussion, too, and providing the broader context. I think it=s important. I think Mr. Voelker said about the importance of having this conversation. It=s important to also have it in this kind of transparent way.
I think it's important to note that this is, you know, existing -- these are existing properties; that this letter -- I mean, we asked for a letter that indicated that we weren't in violation of our responsibilities of furthering affordable housing and fair housing specifically.

And the letter states that there is evidence -- or that there is, you know, evidence that we are not violating it. In some areas apparently more strongly full compliance. That's what we wanted to ask. It seems to me that that's what was provided, as well as an observation by HUD that there was evidence of the revitalization.

So, you know, these things are part of our calculus in carrying out our responsibility to affirmatively further fair housing, you know, as part of this agency.

So I just wanted that to be also part of the final deliberations on the matter.

MR. OXER: Any other questions from the Board?

(No response.)

Michael, do you have a letter to add?

MR. LYTTLE: Yes. We actually have received three letters from state-elected officials about this matter. The first is from -- and all three have asked to have letters read into the record.
The first is from Senator Jose Rodriquez. It reads, "I hope this letter finds you well, Chairman Oxer. I write to you today regarding the allocation of the 9 percent tax credit for the Tays community.

"As you may recall, Tays is a public housing community constructed in 1941 in one of El Paso=s most culturally important, yet economically challenged zip codes. Located at 2174 Magoffin, El Paso, Texas 79901, Tays is in the middle of Chamizal neighborhood revitalization strategy area.

"It is critically important for my constituents that the housing authority for the City of El Paso obtain full authorization to utilize this tax credit and help the City of El Paso accomplish Section 6 of its Plan El Paso 2012 relating to infill housing redevelopment.

"I understand that TDHCA approved Application 14130 on July 31, 2014, on the condition that HACEP obtain a letter from the appropriate officials in the U.S. Department of Housing and Urban Development with authority to speak for fair housing and equal opportunity, stating that this specific proposed transaction complies fully with the Fair Housing Act.

"In a letter dated December 9, 2014, Gary L. Sweeney, director of the Fort Worth Regional Office of Fair Housing and Equal Opportunity for Region 6 of the
U.S. Department of Housing and Urban Development, stated that this application 'satisfactorily meets the subject site and neighborhood standards.'

"Investing 9 percent tax credits to rebuild the Tays community in the heart of El Paso will provide upward economic opportunities to the Chamizal neighborhood that is now possible pending a form of financing. I strongly urge you and your Board to move forward with this allocation. Please feel free to contact me or my staff any time. Sincerely, Jose Rodriguez."

The next letter is from State Representative Marisa Marquez. It reads, "As State Representative for the 77th District in the Texas House of Representatives, I want to express my admiration for you and your fellow Board members of the Texas Department of Housing and Community Affairs for diligently overseeing the allocation of our state=s low income housing tax credits.

"These tax credits are the only funding mechanism by which developers, both private and public, can construct new affordable housing developments as the Congressional appetite to fund affordable housing agencies like the Housing Authority of the City of El Paso dwindles.

"As you may know, the City of El Paso, in which my district entirely resides, is a proud hard-working and
growing city that consistently earns the reputation as the
safest large city in the United States by CQ Press. Each
year more than 500 billion in trade flows through our four
ports of entry with Ciudad Juarez in Chihuahua, Mexico.

"A new Triple A minor league baseball stadium,
a voter-approved $470 million quality-of-life bond in
2012, and an expanding university medical center with a
standalone Texas Tech University Health Sciences Center
and a new children=s hospital are just some of the major
initiatives underway in the Sun City.

"As you may also know, El Paso falls in the
lower end of the per-capita income spectrum among other
cities in Texas. The 2010 U.S. Census states that 24.1
percent of our population lives at or below the poverty
line. The population of 650,000 is 81 percent Latino. El
Paso is one of the largest cities with a minority
population in the United States.

As the elected representative of House District
77, in which the 359 families of Tay are my constituents,
I find it dispiriting that today=s hearing is centered on
a unique request by TDHCA for HACEP to furnish a fair
housing letter from the U.S. Department of Housing and
Urban Development, in which no other applicant in the
calendar year 2014 funding cycle was required.

"Nevertheless, HACEP and HUD provided this
requested letter in good faith. It clearly states that Application 14130 for the Tays community satisfactorily meets the subject site and neighborhood standards.

"Even in the cover letter from Sue Wilson of HUD it states that, The attached FHEO approval of site and neighborhood standards is all that is necessary from FHEO. Even with this letter, which is not, by the way, a requirement of the qualified allocation and may exceed the TDHCA Board=s purview by which it allocates tax credits to the highest-scoring applicants, we still find ourselves in a situation in which we must appeal to you today.

"After the TDHCA Board approved Application 14130 in July 2014 to tear down 81 old public housing units and construct 198 new units, El Paso was abuzz with excitement that we finally had the chance to execute an important part of the City's strategic plan known as Plan El Paso 2012 to renovate and rebuild our existing residential buildings in the the city=s urban core rather than constructing new units way out in the city=s fringe, where access to public transportation, health care, and gainful employment are more difficult.

The very first time public support by way of the 9 percent low income housing tax credit makes it possible for El Paso to increase the economic diversity of the Chamizal neighborhood, which is one of two
neighborhood revitalization strategy areas in El Paso, by creating mixed-income units in a neighborhood where there is currently only one type of income.

"If you ask me, investing the 9 percent tax credit at Tays will affirmatively further fair housing and, if I may borrow the catchphrase, rather than penalize these residents for being low income, many of whom are first-generation Americans, since today=s conversation is focused on fair housing I would like to say that the Fair Housing Act is not intended to steer federal financing away from areas such as the Texas border simply because the people who live there happen to be Latino or happen to be low income. The Fair Housing Act was intended to improve the housing chances of minorities, not punish them for their minority and low-income status.

"In conclusion, I am confident that the TDHCA Board will continue to view Application 14130 to rebuild the Tays community as the most competitive application you received based on all of the requirements of the QAP and that this project will provide economic mobility within the heart of El Paso, in the heart of the historical House District 77.

"It should be held with strong merit that HACEP has chosen to reinvest in their community rather than relocate to seemingly more appealing areas. My office is
more than happy to continue supporting this project, and we will continue to work on strengthening our community. It is a true honor to represent El Paso in Austin. If my office can be of further assistance, please don't hesitate to contact me.

And I have one more letter, which is short. This is from State Representative Joe Moody:

"I'm writing in support of Application 14130 covering the Tays Apartments in El Paso, which you'll be considering as agenda Item 2(b) at your December 18, 2014, meeting.

"Tays is the oldest public housing community in El Paso and a significant residential hub in its Chamizal neighborhood. The redevelopment of Tays is an important step in revitalizing historic part of our city.

"TDHCA has been given a lot of information after an initial challenge to the application. And in response to the concerns that were raised, TDHCA asked for a letter from officials at Housing and Urban Development certifying the applicant's compliance with fair housing standards. The applicants provided TDHCA with just such a letter within the December 10, 2014, deadline imposed by TDHCA.

"Beyond that, Application 14130 was the most competitive application when applying the points-based
criteria of the Qualified Allocation Plan that guides
decision making in low-income housing tax credit
proposals.

"I'm certain you agree that the objective QAP
metrics promote the fair, consistent approach to tax
credit awards I know that this Board is committed to. I'm
confident that because the applicants exceeded QAP
standards and responded promptly and completely to TDHCA=s
request, the Board will reach a favorable decision on the
application.

"However, if there are any lingering issues or
if you=d simply like to discuss the matter in more detail,
I urge you to reach out to my office. Thank you for your
attention and consideration."

MR. OXER: Okay. Any other comments?

(No response.)

MR. OXER: Any other questions from the Board?

(No response.)

MR. OXER: All right. Somewhere back in the
dark history we have a motion by Dr. Muñoz and a second by
Mr. Goodwin, I believe, to approve the acceptance of the
letter regarding the Tays application.

Is there any other public comment?

(No response.)

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

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Congratulations.

All right. (Speaking Spanish.)

All right. We seem to have come to the end of the written agenda today. Do we have anything else to add to this, Tim, that you can think of?

MR. IRVINE: Public comment.

MR. OXER: Okay. We have public comments.

We have some people who wish to make public comment. We're at the point in the agenda where we take public comment for those folks who want to add information to be added to future agendas.

We are not able -- we can only take comments. We can take your -- listen to you. We can't make any decisions on them today, but we'll be happy to accept any public comment.

Is there any other public comment?

(Pause.)

MR. OXER: If that's a yes, then you need to jump up. Okay?

MS. LAVALLE: Thank you.

MR. OXER: Okay.

MS. LAVALLE: My name is Tanya LaValle. I'm
with Easter Seals Central Texas.

MR. OXER: Okay. And we’re on the clock here, so you have three minutes’ time.

MS. LAVALLE: Absolutely. I wanted to briefly go over something that Easter Seals recently did in partnership with the Hogg Foundation for Mental Health at University of Texas as well as the Texas Center for Disabilities at UT.

It’s called the Mental Health and Housing Report. It was included in your Board book for this meeting. And I want to briefly go over it with you guys and to talk about some changes that the Board could make to some processes and programs within TDHCA to better serve this population.

So the report is called the Integrate Housing Project, and it was a project done in three phases. The first phase was the Texas Housing Survey, and that was conducted in partnership between Easter Seals Central Texas and the University of Texas Center for Disabilities Studies.

It was an online survey that was distributed widely across the state to individuals experiencing mental illness. It was done through local mental health authorities, agency representatives, and peer support groups.
Second, we had a round of in-person interviews that we did with individuals experiencing mental illness across the state so that we could learn more about their specific housing needs as well as barriers and challenges they face when trying to secure housing as an individual experiencing mental illness.

Finally, we came up with a list of policy recommendations that we could use to try and improve the outcomes for this vulnerable population when they’re trying to secure housing.

I’m just going to kind of jump straight to the end since I’m sure you guys did the reading. So just to highlight a couple of things we found through our survey -- and this, again, was as survey of individuals experiencing mental illness -- the online survey -- we got about 200 valid responses back from across the state, and there are couple of things I wanted to highlight.

First of all, a lot of the things that we looked over include things like affordability, housing satisfaction, perceived barriers, and possible discrimination that people felt when they were trying to find a place to live as an individual experiencing mental illness.

First off, affordability was a huge barrier. 68 percent of all survey respondents across income ranges
were living under the federal poverty line. And those who
were lucky enough to have secured some sort of housing
assistance still felt like their housing was unaffordable,
so they were unable to do things like afford food and
clothing and medication, which is a huge barrier for
individuals experiencing mental illness.

Other things, including housing satisfaction --
those who are most satisfied with their housing were the
individuals able to live on their own in their own
apartment, often receiving housing assistance so that they
could afford the other things that they needed to exist in
their lives, including food and clothing, as I mentioned.

And, finally, the last thing I wanted to
highlight from the survey data was ideal housing. The
ideal housing for the majority of the individuals that we
spoke to, both in person and as well as the data we
collected online, was being able to own their own home.

As grateful as people were to have housing
vouchers and be part of things like Section 8 and Section
11, they really didn’t want it. They wanted to be able to
live independently. They wanted to be off social services
and to be living independently and supporting themselves.

And so I wanted to highlight one thing that we
feel like the Board can make a recommendation for to help

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this population, and that=s to make a small change to the HBA program -- is that the end?

MR. OXER: That=s three minutes, but finish up if you could.

MS. LAVALLE: Okay. I=ll be quick. So currently the HBA program does not have a preapproval process, unlike the Tenant Based Rental Assistance program, which is funded in the same pot of money for individuals with disabilities.

There is a preapproval process for TBRA which allows a household to be approved and then we sort of stop there. They don=t have to go and find an apartment immediately.

With the HBA program, currently as it=s written, individuals have to go through the entire homebuying process before they can receive any sort of down payment assistance.

And if by chance the reservation system is empty at that time they are not able to secure housing, and they end up, you know, spending years of their lives saving money, going through a lot of housing finance courses, and working with our folks within the HBA program, and they end up losing thousands of dollars and not having a place to live.

And so a way to solve this would be a very
small change to the program. We request that the Board consider an action item of changing the project setup requirements for the HBA program to allow for a preliminary approval process that will prevent individuals with disabilities from being denied after investing years of time and energy as well as a lot of money into realizing their dream of homeownership.

I’m happy to take any questions.

MR. OXER: We can’t take questions today. We can only take your input.

MS. LAVALLE: Okay.

MR. OXER: But we’ll be happy to add that to the -- great. Thanks for your comments.

MS. LAVALLE: All right. I appreciate it.

Thank you.

MR. OXER: Uh-huh. Gerry, do you have a public comment?

MR. CICHON: I do. And I know you’re probably tired of hearing from me. I just wanted to let you know kind of some things that are coming down the pike. We have submitted approximately $125 million in 4 percent tax credits for the new construction that’s beginning in March in El Paso.

MR. OXER: So this is not the last time we’re going to see you here? Is that what you’re saying?
MR. CICHON: This is not the last time, no. And, in fact, it=s probably not the last time you=re going to seeing housing authorities. It looks like in the CRomnibus that was just passed, the cap for RAD units -- of which the housing authority had 10 percent of the 60,000 allocated for the whole United States -- has been now lifted to 185,000 units.

I know that many other housing authorities in Texas are working towards RAD, and so you=ll probably be seeing a lot more housing authorities applying.

I wanted to take a moment to thank you and your staff. These 4 percents are hitting right about now when the 9 percents are coming through. I know staff is working hard trying with the preapps and everything as everything starts to move forward. And they=ve been a joy to work with because, as you know, we have a finite burn time for us to do all our construction.

And so my hat is off to you and to your staff for all your hard work for the 4 percents. I just wanted to say thanks in advance.

MR. OXER: We always appreciate hearing good words about our staff. And I have to tell you, everything good that you say is only half of it, because they are so much better than anybody in this room really knows. So thanks -- my hat=s off to them. Thanks, guys, we
appreciate that.

Okay. Is there anything else that the -- any other public comment? Any other comment from the staff? Any other comment from the Board? Any other members of the staff here?

MALE VOICE: J. Paul, actually Elizabeth Yevich has something she wanted to say.

MS. YEVICH: Very brief.

MALE VOICE: Very brief.

MR. OXER: Come on up, Liz.

MS. YEVICH: You won't even notice the feedback.

MR. OXER: As long as it's positive feedback, we're okay with it.

MS. YEVICH: It is positive. Good morning, Board, members, and members who are left in the audience.

My name is Elizabeth Yevich, and I am Director of the Housing Resource Center, known as HRC.

And I have with me my four staff -- outstanding TDHCA staff members this morning, because as fate would have it two of the largest and lengthiest documents that my division ever puts out were both on the agenda this morning. And I am very happy to say both passed on consent, and I thank you all.

But on the subject of fate, as we were walking
here this morning -- and TDHCA offices, as most of you
know, are on the corner of 11th and San Jacinto -- my
staff and I -- all five of us -- were coming out of the
building on the side door.

And, as most of you also know, there is a bus
stop there, usually quite crowded. Bus was emptying and
gentleman got off, and he got off with a suitcase.

And you could see that he was in his finest,
with a older sport coat over a T-shirt. And he passed
right in front of us. And as he did he stopped, and he
had no idea who we were at all. And he looked east and he
looked up and he beamed. And he said, I am about to move
into my first home in seven years.

Now, for those of you who don=t know what is
directly east of the offices, it=s called Capital Studios,
and it=s getting ready to open. And it was brought by
Foundation Communities under the direction of Walter
Moreau receiving TDHCA housing tax credits.

And so we passed him, and once we got our
composure -- because he just stunned us -- and one of us
thought to look back and say, We actually work here, and
this happens to be the Department of Housing. We kept on
walking. We=re in the middle of the street heading north.
He=s going east. He stops and he calls back to us and he
says, Well, then, I need to thank y'all.
So that, my friends, is my story, and it’s why we are all here, I think we can agree.

MR. OXER: I think you’re right. So thanks for that.

MS. YEVICH: Okay.

MR. OXER: And those of you who haven’t had a chance to go by that facility there that Walter Moreau’s group has put together, I think it would be worth the time just to go through a walkthrough and do a tour on it if you could.

All right. Any other comments?

(No response.)

MR. OXER: To our new members -- hold on a second.

Tim's got -- I think you ought to say something about our success with HUD formally, please.

MR. IRVINE: Yeah. I’d like to talk about a happy ending to a long saga. Many, many years ago we had some home developments that were put on the books, and they didn’t work out the way that we had hoped that they would work out.

And, as is often the case, HUD said, Gee, these didn’t work out, and you need to do something about them. And we really did not have the tools to resolve them, so HUD said, You really need to repay us. And so that was
difficult because, although we are often compared to a 
bank, we don’t have a lot of capital.

And then you fast-forward to the American 
Recovery and Reinvestment Act, where we developed a tax 
credit assistance program that involved repayable loans. 
And Tom Gouris was instrumental in the development of that 
program, and, boy, were we glad he was, because these TCAP 
loans have been repaying.

And Tom took on responsibility for asset 
administration, and he persevered and persevered and 
persevered and got clearance from HUD to use the program 
income off the TCAP program to repay our HUD home 
liability.

So that means that the money basically moves 
out of the TCAP PI and over into the home local account. 
So that is win, win, win, and my hat is off to Mr. Gouris.

MR. OXER: Thank you, Tom.

(Applause.)

MR. OXER: Would the two new members of our 
Board care to say anything today? I would point out -- 
I’m just off of the subject -- don’t get used to getting 
finished before lunch. Okay?

We haven’t pounded enough into dust today to 
give you a real sense of what it’s like when we really get 
into the hard part of what we do. But I personally am
very glad to have you on board and offer you the opportunity to make any comments you'd like.

MR. GOODWIN: Well, it's very humbling to hear the business of this agency and the staff and the wonderful, wonderful results that come from it. So, thank you, and I consider it to be a blessing to be a part of this.

MR. OXER: We're glad you're here, too, J.B. Tolbert? Use his mic, will you?

MR. CHISUM: Yes, I am. Well, first of all, it's an honor and privilege to be sworn into this Board. Back in the 1970s my mother's first home was through HUD and this agency. My service as part of this organization, this agency will be in her honor and memory. And I look forward to working with you, and I'm so, so impressed with the mission of this organization and, of course, the staff and the leadership. Thank you.

MR. OXER: Great. Thanks very much. Any other comments?

(No response.)

MR. OXER: All right. Entertain a motion to adjourn.

DR. MUÑOZ: So move.

MR. GOODWIN: So move.

MR. OXER: Okay. Everybody's moving to get out
of here. So motion by Dr. Muñoz; second by Mr. Goodwin to adjourn. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There aren’t any.

See you next year, folks. Be safe.

(Whereupon, at 11:50 a.m., the meeting was concluded.)
CERTIFICATE

MEETING OF:     TDHCA Board of Trustees
LOCATION:      Austin, Texas
DATE:      December 18, 2014

I do hereby certify that the foregoing pages, numbers 1 through 87, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

12/20/2014
(Transcriber)         (Date)

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