TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD OF DIRECTORS MEETING

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

February 25, 2016
10:00 a.m.

BOARD MEMBERS PRESENT:

J. PAUL OXER, Chair
T. TOLBERT CHISUM, Member
TOM H. GANN, Member
J.B. GOODWIN, Member

TIMOTHY K. IRVINE, Executive Director

ON THE RECORD REPORTING
(512) 450-0342
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 Oakridge Apartments (HTC 93159 / CMTS 1189)

b) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Mill Run Apartments (HTC 91021 / CMTS 950)

c) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Ebenezer Senior Housing (HOME 532339 / CMTS 2681) and Medina Court Senior Housing (HOME 531103 / CMTS 2635)

d) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Quail Run (HTC 91049 / CMTS 964)

HOUSING RESOURCE CENTER

e) Presentation, Discussion, and Possible Action on Amendments to the 2016 State of Texas Consolidated Plan: One-Year Action Plan

COMMUNITY AFFAIRS

f) Presentation, Discussion, and Possible Action on Approval of the Draft Federal Fiscal Year (“FFY”) 2016 Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”) State Plan for Public Comment

g) Presentation, Discussion, and Possible Action on the Reprogramming of Certain Program Year (“PY”) 2015 Emergency
Solutions Grant Funds from the Coalition for the Homeless Houston/Harris County to Harris County Domestic Violence Coordinating Council

MULTIFAMILY FINANCE
h) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer

I) Presentation, Discussion, and Possible Action on Waivers Relating to Mandatory Development Amenities

ASSET MANAGEMENT
j) Presentation, Discussion and Possible Action on Material Amendments to the Housing Tax Credit Land Use Restriction Agreement (LURA)

k) Presentation, Discussion and Possible Action regarding Material Amendments to Housing Tax Credit Application

RULES
l) Presentation, Discussion, and Possible Action on adoption of the 2016 State of Texas Low Income Housing Plan and Annual Report, and an order adopting amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their publication in the Texas Register

CONSENT AGENDA REPORT ITEMS
ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) TDHCA Outreach Activities, January 2016

b) Report on the Department’s 1st Quarter Investment Report in accordance with the Public Funds Investment Act (”PFIA“)

c) Report on the Department’s 1st Quarter Investment Report relating to funds held under Bond Trust Indentures

d) 2017 Qualified Allocation Plan Project
ACTION ITEMS

ITEM 3: REPORTS
Report Regarding the Housing and Services Partnership Academy

ITEM 4: SINGLE FAMILY OPERATIONS AND SERVICES
Presentation, Discussion, and Possible Action to authorize staff to procure a statewide pool of housing industry professionals to assist on an as-needed basis with practical, ad hoc solutions for Department Single Family contracts, activities, and assets

ITEM 5: MULTIFAMILY FINANCE
a) Report regarding the effect of adding Elderly Preference funding to a previously approved Elderly Limitation Development
b) Presentation, Discussion, and Possible Action regarding Frequently Asked Questions for Multifamily Programs
c) Report regarding disclosure of Undesirable Site and Neighborhood Features for 4% Housing Tax Credit and Direct Loan Applications
d) Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer
e) Presentation, Discussion, and Possible Action Regarding the Issuance of Multifamily Housing Revenue Bonds (Chisolm Trace and Cheyenne Village Apartments) Series 2016 Resolution No. 16-011 and Determination Notices of Housing Tax Credits
f) Presentation, Discussion, and Possible Action Regarding Appeal of tax credit application amendment
g) Report and Possible Action to Address a State Representative Vacancy and its Impact on Obtaining a Scoring Letter Under §11.9(d)(5)
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MR. OXER: I'd like to welcome everybody to the February 25 Board meeting of the Texas Department of Housing and Community Affairs Governing Board, starting as we do, with roll call. Ms. Bingham is not with us today.

Mr. Chisum.

MR. CHISUM: Present.

MR. OXER: Mr. Gann.

MR. GANN: Present.

MR. OXER: Mr. Goodwin.

MR. GOODWIN: Here.

MR. OXER: Dr. Munoz is not here. I am here. That gives us four; we have a quorum. We are in business.

Tim, lead us in the pledge.

(Whereupon, the Pledge of Allegiance was recited.)

(Whereupon, a Pledge to the Texas Flag was recited.)

MR. OXER: All right. Do we have any guests to welcome here, Michael? We appreciate you all, the regulars.

MR. DEYOUNG: Other than the regulars? No, sir.

MR. OXER: I would like to think that they are guests of the process. All right. With respect to the
consent agenda, is there any item any member would like to pull. I would like to pull one on the Chair’s option to take the report on the QAP.

Marty, I would like you to give us a quick update on that here in a minute, once you get past the consent agenda. With the exception of 2(d) being pulled, is there any item any member would like to pull?

(No response.)

MR. OXER: After that, I’d entertain a motion to consider.

MR. GOODWIN: So moved.

MR. OXER: Okay. Motion by Mr. Goodwin to approve the consent agenda modified with the exception of Item 2D. Is there a second?

MR. GANN: Second.

MR. OXER: Second by Mr. Gann. No request for public comment? I assume that is not a request for that item, right?

MS. MCGUIRE: For one.

MR. OXER: For one?

MS. MCGUIRE: For the consent agenda.

MR. OXER: Okay. You wish to speak on the consent agenda?

MS. MCGUIRE: Okay. All right. Let’s speak.

MS. MCGUIRE: My name is Ginger McGuire, and I
am with Austin Stone. And I have a question. And I want
to be clear that I am not opposing this.

But I would like clarification on lj.1, 2, and
3, where the HUB is being eliminated. And I would like to
understand -- as a HUB, I am a HUB.

Under what conditions it is okay to eliminate
the HUB on the LURA, and what precedent we are setting
here by doing it. I am not -- it is not clear to me. And
I want to make sure I understand what the rules are, going
forward.

MR. OXER: I think that is an item that could
be -- Raquel, you could deal with that. Not necessary
here, just something that she needs -- do we need to bring
this up, Counselor, to clarify this for one individual?

MR. ECCLES: I have no idea.

MR. OXER: Okay. What I would suggest, and --
right.

VOICE: Are you asking in general?

MS. MCGUIRE: I am. Because there are two
reasons that are given for eliminating the HUB. One is
that they would not have gotten the points, I mean, that
they would have gotten the award anyway, even if they
didn’t have the HUB. And then the other is that the HUB
person has been involved all along. And so it is okay to
eliminate the HUB.
And so I want to understand, under what conditions that going forward, it is okay to eliminate the HUB. It is creating some confusion for me, and I would think for others as well. Because it does set a precedent.

MR. OXER: Okay. Raquel, can you clarify that quickly, or do you want to -- do we need to pull this one? We can pull this from consent and go through it if we need to.

MS. MCGUIRE: I want to be clear that I am not opposing it. I just want a clarification in understanding.

MR. OXER: Okay. Let’s clarify. I think we need to do that to clarify here. Raquel.

MS. MORALES: Raquel Morales, Director of Asset Management. Our rules have provisions under your ownership transfer sections for a HUB to be removed. And there are specific circumstances under which a HUB may be removed, and not replaced during its compliance period, or at any time.

And so you know, I guess that is the question I can kind of speak to; what those specific circumstances are. They have to be able to document, and the Board has to find that the HUB that is being removed is acting of its own volition, or is being removed as a result of a
default. That the participation by the HUB has been substantive and meaningful. And that otherwise, if there is a new purchaser coming in that is replacing the HUB that is not a HUB would meet our requirements under ownership transfer.

So in these particular three that she is asking about, and I don’t know if you are asking specifically, they gave their reasons for why they could not keep a HUB in the deal.

I think it had to do with they are not able to retain their HUB status and receive their certificate from the Texas Comptroller. I believe it is because --

MR. OXER: Are they graduating out, essentially?

MS. MORALES: Right. I think it is because they are either not a resident of Texas anymore, or not conducting most of its business in Texas. And based on the Comptroller’s rules for how to be certified as a HUB, they wouldn’t meet that criteria.

MR. OXER: Right.

MS. MORALES: And then these three properties, it is the same owner. They would still be involved. It is just they wouldn’t be able to present a HUB certificate when we go out to monitor.

MR. OXER: It would still be the same people.
They just have a different tag under their name.

MS. MORALES: Right.

MR. OXER: So essentially, on the first one, they can leave of their own volition, or they can leave because we asked them. But the managing partner can’t push them out.

MS. MORALES: Yes. I mean, if there was a reason for them being pushed out, that would be something that we would I think, consider. They could explain what the circumstances were for that.

MR. OXER: Right.

MS. MORALES: And we would --

MR. OXER: I think -- my impression is the idea is to -- once they are in as a HUB, and they get the points for being a HUB, then the partner can’t push them out, once they have scored the points.

MS. MORALES: Right.

MR. OXER: Is that clear to you, Ginger?

MS. MCGUIRE: That is clear to me. Thank you.

MR. OXER: Okay.

MR. IRVINE: I guess the way I would say it is, the fact that the deal would have been awarded anyway is not a reason for the HUB issue. It is simply a check box issue.

MS. MORALES: Right.
MR. IRVINE: And with regard to the HUB itself, we view the incentive to include a HUB as promoting opportunities for HUBs. We want them to have financial opportunities and development opportunities. And when a HUB itself has realized those benefits and had all the fun it wants to have, we don’t see any upside in forcing it to stay involved.

MS. MCGUIRE: Thank you.

MR. OXER: Okay. With that clarification, is there any more questions from the Board?

(No response.)

MR. OXER: Okay. I have a motion by Mr. Goodwin, second by Mr. Gann, to approve the consent agenda as modified. Those in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Unanimous. Okay. Well, it looks like we’re the first item on the report. Or actually, I want -- Marni can you come up and give us a quick update.

The purpose of this, on the development of the QAP, is there going to be -- Marni and the rest of the staff have been having regular workshops, roundtables, discussions, open discussions, which I didn’t participate.
I listened to it yesterday.

And rather than coming to the point of having a fully developed QAP that was developed within the staff and community, we wanted to make an opportunity to have -- create an opportunity for the Board to have policy input into the early drafts, so that staff sees and the Community Development community sees the direction that we are heading, in terms of the choices and policy selections that we are sorting as priorities. So with that, if you would explain what we did a month ago.

MS. HOLLOWAY: Absolutely.

MR. OXER: And then next month, we will take this report off of the consent and put it as a first action item and have you come explain what we talked about yesterday.

MS. HOLLOWAY: Okay. Good morning, Chairman Oxer, members of the Board. I am Marni Holloway. I am the Director of Multifamily Finance.

Report Item 2d is about our currently underway 2017 QAP project. You will remember that last year, getting to the final QAP was a fairly dramatic process. And we recognized very early that we needed to change the way we were coming to our ideas and scoring items and policies behind the QAP, and that that process really needed to involve the development community and
stakeholders.

So what we have created is the 2017 QAP project plan. It is available on our website. It is a nine-page document that has some overarching goals. But also includes schedules for monthly meetings and includes deliverables.

One of the deliverables is a regular report back to you, the Board, on what is going on with that process. And we started in December of 2015. We presented the initial plan at that meeting.

We introduced the concept of the project. We had a general discussion of policy priorities that the community would like to see us address in the coming year.

We also set the schedule for future meeting topics based, at that point, it was based on the volume of comments received from the 2016 QAP, through the public comment process. In January, we had our first meeting under the project plan. And we discussed concerted revitalization plans.

We were presented with a report from the University of Texas Austin student on the results of CRP scoring over the past several years, and that was very interesting. We discussed CRP scoring in general, and the difficulties in finding locations that are suitable for development to fall under an acceptable plan. So that,
you know, having a definition of a plan and having a
location that fits into that has created some difficulty
in the community.

Despite that, there is general agreement that
pending the results of the 2016 cycle, like seeing where
we wind up with what we are going into right now, that the
current scoring criteria is generally acceptable. It
allows the flexibility for local communities to create
plans that suit their needs without us being so
proscriptive that they get kicked out just because their
plan doesn’t look the way we think it should.

But out of that conversation, the group
requested that staff look into a scoring item for
gentrifying neighborhoods. So a gentrifying neighborhood
isn’t necessarily going to score well under a concerted
revitalization plan, and it is not necessarily ready to
score well under an opportunity index scoring item. So
that is something that we are going to be looking at
moving forward, is, how could we create an item that
considers gentrification.

We met yesterday afternoon. All of the
meetings are the afternoon before a Board meeting. And
discussed elderly development and aging in place as much
as we could.

It veered off a few times. We brought it back.
But there was some very thoughtful conversation in that
meeting. And I will be bringing that back to you next
week, or next month in a little more detail.

And then next month, our March meeting is going
to be about location issues tied to the opportunity index.
It seems that all of our conversations thus far have led
back to that opportunity index. I am anticipating that
next month’s meeting will be very well attended. And we
hopefully will have some --

MR. OXER: You have a gift for understatement.

MS. HOLLOWAY: Yes. Hopefully, we will have
some good things to bring back to you. I would really
like for us as a group to be able to bring back to you the
Board, you know, these are the things we discussed.

This is the direction we are headed. Do you
agree with this. Should we -- or even, should we go this
way or that way, and have the ability to gather your input
on that process early on would be tremendous.

MR. OXER: Any questions from the Board?

MS. HOLLOWAY: Or even, come to the meetings,
just like Mr. Oxer did, as long as it’s not a quorum. And
everybody got the ex parte warning at the beginning of the
meeting.

MR. OXER: I wasn’t actually radioactive, the
way they were treating me.
MS. HOLLOWAY: You were way off in the corner. Any questions?

MR. OXER: Right. That is a report only?

Report item only?

MS. HOLLOWAY: Yes. That is a report item only. Any questions at all?

MR. IRVINE: I have a couple of comments.

MS. HOLLOWAY: Okay.

MR. IRVINE: First of all, as you identify any of the issues that are covered in any of the reports that you would like to see brought forward for, you know, a more robust presentation or discussion, this is the green light to request they be placed on a future agenda. Because I mean really, this is where you will be doing the groundwork that will create policy in the 2017 QAP.

And I think there needs to be a really well developed record of the basis for those policy decisions.

I also think that you know, it is not just the fact that you were foolish enough to let me attend.

But these are really kind of open ended meetings, where all good ideas are welcome. And apparently, some bad ideas that I provided were even kicked around. We really want to approach this with just an unfettered view to what would make for the best possible QAP.
What would be efficient? What would really help address the communities' needs, help address communities' concerns. How do we make this the best possible program.

And it is not exactly a negotiated rulemaking, because we have a whole bunch of different points of view that come to the table. And often, they are in conflict. That is inevitable. Because people have their different business models that they want to pursue.

And ultimately, what this is going to come down to is developing rules that say, all right, this is our highest priority. This is where we want to go.

And people that don’t necessarily want to go there, that is sometimes going to be a hard thing to assimilate. But this is the process where that happens.

MR. GOODWIN: What time, and where does it meet? When does it start?

MS. HOLLOWAY: The meetings start at 1:30 on the Wednesday before. I actually had scheduled a room over in the Stephen F. Austin building that is not going to be big enough for next month, would be my guess. So we need to find a much larger space.

That will be announced in an email notice. We can make sure that all of the Board members know where it is. But as I said, every meeting is the Wednesday before...
the Board meeting, so that folks who are traveling in have
an opportunity to come in just a little bit early, and
attend that meeting, and then come to the Board meeting.

We will also be holding some separate meetings
for some smaller groups; supportive housing, rural
development, preservation and historic rehabilitation are
some groups that have a more focused set of input on the
QAP. And so we will be engaging with those folks also,
over the coming year.

MR. GOODWIN: Can you make sure we could be
notified?

MS. HOLLOWAY: Absolutely.

MR. GOODWIN: I don’t think I knew about the
meeting yesterday.

MS. HOLLOWAY: Okay. Absolutely. We will do
it.

MR. GOODWIN: If some of you want to come to
the meeting -- it's easy for me, being here, to kind of go
to some of these other meetings.

MS. HOLLOWAY: I would appreciate that.

MR. OXER: Good.

MS. HOLLOWAY: Okay.

MR. OXER: Thanks, Marni. That is all.

MS. HOLLOWAY: Thank you

MR. OXER: That is all we have. Any other
questions?

    (No response.)

    MR. OXER: No. Good. Thanks. Okay. Let’s take number 4. I'm sorry. That was 2d. My mistake. My mistake. Hold your fire there. We are getting ahead of this. I am in too much of a hurry. Elizabeth, it looks like you're up. Thank you.

    MS. YEVICH: Good morning, Chairman Oxer, Board. I am Elizabeth Yevich, Director of the Housing Resource Center.

    And I am here on Action Item 3, which is a report item on the Housing and Services Partnership Academy. And this is something other than a dry plan or report.

    So I would like to tell you about our recently held academy. And it came about due to what is known as the Texas Housing and Health Services Coordination Council. It is known as the Council.

    And the Council came about back in 2009 due to legislation. And coordination of the Council fell under my area, which is the Housing Resource Center, HRC.

    And specifically, Council was developed, is to develop policies to coordinate increased state efforts to offer what is known as service-enriched housing. And that is defined as integrated, affordable and accessible
housing that provides residents with the opportunity to receive onsite or offsite health-related and other services and supports that foster independence in living and decision making for individuals with disabilities and persons who are elderly.

So perhaps some of you recall back in 2011. I came before you at that point, because TDHCA developed a successful application to the Centers for Medicare and Medicaid, known as CMS. Out of that came the real choice systems change grant. And that was awarded successfully for 300,000.

Out of that, one of the activities was to apply for Section 811. Obviously, that was very successful. We now have that program. Another of the activities out of that small 330,000 was to do an Academy.

So we did a first two-day Academy, back in 2013. It was held in Dallas. It was very successful. We had several staff. I know Tom Gouris participated, as did Cameron Dorsey at that time. And that was for 16 local community teams providing them the tools and education to create housing for people with disabilities.

So that 2013 Academy was so successful, that there were several recommendations to replicate and offer a second Academy. And to that end, last June, I came before you for your approval for an RFP to negotiate and
approve a contract for the second Academy. And this, of course, at this point, would be under the guidance of Council.

And by this time, the Academy, this time the Academy was going to have follow up training and technical assistance. That is one of the things that came out of the last Academy. It was great.

It was wonderful. But continue on with it. So make sure that all of the wonderful plans and ideas that came out of that would actually be put out and perhaps on the ground.

So we awarded a contract to who is known as Corporation for Supportive Housing, or they go by the acronym now, CSH. CSH then released a request for applications back in November. And for those, throughout the enter State of Texas who wanted to participate.

So at this point, I am going to turn it over to one of my staff, Terri Richard. And she is going to give you more details about what actually happened two weeks ago, at the Academy.

And I want to add, without Terri Richard’s effort, there would not have been an Academy, or a successful one. There wouldn’t have been an Academy at all. So with that, I am going to turn it over to Ms. Richard.
MS. RICHARD: Good morning. Thank you, Elizabeth. Good morning.

MR. OXER: Good morning.

MS. RICHARDS: How are you? Mr. Chairman, Board members. I am Terri Richard. And I am in the Housing Resource Center. I am the Council Coordinator. So I support our Housing and Health Services Coordination Council.

I am really pleased to report that CSH, our contractor, as Elizabeth mentioned began work immediately on putting together the Academy. So in November 15, they released a request for applications to solicit teams throughout Texas who wanted to participate in the Academy, and receive the post-Academy technical assistance. So we were thrilled that nine teams were approved to participate.

And I was just going to share with you the names of those teams. We had Alamo Affordable Accessing Housing Cooperative. We had Coastal Bend Housing Solutions Services Committee, Dallas County Housing Alliance. We had East Texas Housing Coalition. They actually participated in the 2013 one as well.

We had greater Houston Area Housing and Services Partnership Team, Heart and Home Communities. They are out of Central Texas. We had Housing and
Services Roundtable of Tarrant County. Lubbock Housing Team. And we had San Benito Housing and Services Group. So as part of the technical assistance, we worked with CSH. And we provided two webinars prior to the Academy in December. We actually gave them a little bit of homework. And we wanted them to come prepared to participate in the Academy.

Then, we held the Academy just a few weeks ago; February 9th and 10th. And it started out with a tenant and consumer panel, which was very impactful for the participants. Really talking about their experiences. Some not such good experiences with housing and services.

We went on to talk about development processes, identifying and securing existing units that could be used for service-enriched housing. And then we had roundtables. And these roundtables were service folks and housing folks, where they could have a much more in depth small roundtable discussion and get, it was mostly question and answer, not lecture.

So we really got some positive feedback on those roundtables. Then we had some peer presentations. And then the last day of the Academy were the teams really putting their heads together, having technical assistance right there with them. And putting together a plan of
what they are going to do when they go back to their communities, to be able to expand service-enriched housing.

One of the things that we were thrilled about the 2016 Academy was that we had more disparate participation. So we had aging and disability resource centers represented there. We had centers for independent living.

We also had developers. And we were really excited that we had two managed care organizations in this state that sent representatives and actually participated on the teams.

And then last, but not least, we had public authority representatives. We also had seven of our Council members who attended some or all of the two-day Academy, including three that were Governor appointees.

One of the Governor appointees shared with me that she thoroughly enjoyed it and really believes it is a very worthwhile activity in furthering the goals and objectives of the Council. The member also commented that as a contractor for relocation services, she was gratified to hear that several of the public housing authorities who were, because of participating on these teams, were planning to go back and establish preferences for people who are leaving institutions, which is a direct benefit to
these individuals as they try to relocate back into the
community.

So overall it was a success, and CSH has
already begun doing follow-up onsite and offsite TA,
technical assistance with the nine teams.

I think one thing I really wanted to share,
that I think was a takeaway from both of these Academies,
and that is looking at the bigger picture. It helps
people look at the bigger picture. Realizing that true
change, more often than not, happens at the local level,
not necessarily at the state level.

That is one thing I really try. Is I go, and
represent TDHCA. That it is not just state agencies that
can make change happen in the State. It really takes a
group and a team working together towards the same goals.

So I would like to also give some special
thanks for participation in the Academy. Which, it
wouldn’t have been successful without first and foremost,
Mr. Tim Irvine. Thank you. I appreciate you coming to
the Academy.

I would like to thank Abby Versyp and Frances
Acosta, in our Home Division. Mark Leonard and Diana
Velez, they provided technical assistance for the teams.
From our Housing Trust Fund, we had Spencer Duran, our
Manager for Section 811 project rental assistance. Kate Trace [phonetic], Housing Resource Center.

And then last but not least, we had Marni, Andrew, and Sharon Gamble who really supported and answered a lot of questions about multifamily activities.

That is all I have. Thank you very much.

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

(No response.)

MR. OXER: No.

MR. IRVINE: I am very appreciative of everything that Terri and the Housing Resource Center do for the Council. We call it Council. I pronounce the acronym and call it Husky.

MS. RICHARD: Husky.

MR. IRVINE: You know --

MR. OXER: Careful. Could be misinterpreted.

MR. IRVINE: You think that the programs we administer are a vast alphabet soup. It is nothing in comparison to the health services programs.

And you just embody so much the common sense approach that ultimately, it is a person talking to a person about how do we pool resources together to address your needs. This kind of coordination is just so incredibly valuable. On behalf of the people who have those meetings and get good responses, thanks.
MS. RICHARD: Well, thank you. And I am excited. It is a great project. And hopefully, I will be seeing you again, and maybe reporting on another one. Thank you.

MR. OXER: Thank you very much.

MR. GOODWIN: Thank you.

(Applause.)


MR. CABELLO: Good morning. My name is Homero Cabello. I am the Director for the Single Family Operations and Services Division.

Today, we are requesting authorization to procure a statewide poll of housing industry professionals such as construction project managers, license inspectors, surveyors, architects, engineers, that could provide the Department on an as-needed basis with the services and information needed to carry out our mission in compliance with federal regulations, state statutes, rules and funding limitations.

However, despite our efforts to manage risk through technical assistance to our single-family programs, single-family administrators through thoughtful policy creation, the Department has time from time needed the opinion or the services of third party professionals to investigate program issues, provide construction
oversight and address emergent obstacles.

During recent months, several instances have arisen in which the Department has been faced with unforeseen issues on specific contracted single-family projects such as construction delays, contractors walking off jobs, and in some cases, lack of capacity of contractors and subcontractors. Which means in some cases, households have been displaced; their houses have been torn down. They are living somewhere else.

And we need an immediate resolution for these types of situations. When these situations arise, staff may determine that contracting directly with qualified professional third parties will result in most expeditious resolution to get the household back into their homes.

The funding source to procure a statewide pool of housing industry professionals will come for the single-family program utilized for that particular household. And so if it is the HOME program or the Housing Trust Fund program, those funding sources will be utilized, but if necessary, come in whole or in part from the 250,000 of excess General Revenue repayments for the Housing Trust Fund that was approved by the Board last month may be able to address some of these obstacles.

If this item is approved, then we will work with staff to establish objective criteria and standards
that respondents to an RFQ must meet or exceed. So we are requesting your approval to procure statewide professionals, housing professionals.

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

(No response.)

MR. OXER: Okay. So these are essentially going to be precontracting, and the funding would come through the other --

MR. CABELLO: Well, the funding source --

MR. OXER: The area of need that this would be providing --

MR. CABELLO: Correct.

MR. OXER: It looks like an internal resource pool to make available technical services to the rest of the Agency. Is that right?

MR. CABELLO: Right.

MR. OXER: More or less?

MR. CABELLO: Right. So if it is -- say it is a Housing Trust Fund project. And the contractor walks off the job, if there are program dollars available, we will use the Housing Trust Fund dollars.

And the same thing for HOME or the NSP program, the other programs that we administer. If we can’t utilize those dollars because funds have been expended, or
for whatever reason, we can always tap into the $250,000 of Housing Trust Fund to finish up the house, for the house.

MR. OXER: But the program funds would be the first going, the first tap to open.

MR. CABELLO: Correct.

MR. OXER: Okay. This is the last -- it is a last resort, to go to the 250,000 we have got.

MR. CABELLO: Right. Yes.

MR. OXER: So it is essentially, each of these contracts would be under MSA, Master Services Agreement, or what the military call IDIQs. Indefinite delivery, indefinite quantity. They are there to be called on as needed with preexisting, preestablished rates.

MR. CABELLO: Correct. And then depending on the situation, what we were thinking is, have a master contract. And depending on the situation, doing an amendment to that contract detailing the specific, you know, the issues for that house as to what needs to be done.

MR. OXER: I would offer up, and Council can do this in whatever way its contractor, whether it is called Master Services Agreement, with a task assignment under it.

MR. CABELLO: Correct.
MR. OXER: But it is not an amendment to the contract, just so much as the contract says, the tasks will be given as needed.

MR. CABALLO: Correct.

MR. OXER: Okay. Does that look good to you gentlemen? Counsel, there was a question on your face, I could tell.

MR. ECCLES: I just want to be clear, this wouldn’t completely get rid of procurement requirements or any --

MR. OXER: No.

MS. ECCLES: Or any ethic. And it would just kind of shorten the time frame and truncate starting from zero and going out on a procurement. We just kind of know that there are folks who are waiting in the wings that, if we send out a funds availability or a Request for Proposal, that these are folks that we could go to. Is that essentially --

MR. OXER: It doesn’t short-circuit the procurement. Come on up, Brooke. It doesn’t short-circuit the procurement process. It gets it out of the way early.

MS. BOSTON: Well, and if I could clarify; Brooke Boston. So the premise of this is not to be a pool through which to do a Notice of Funding Availability for
instance.

So for hypothetically, we will establish this pool. So let’s say we will work with our procurement staff in the Department. Release a Request for Qualifications, a Request for Information, what have you. And establish these just preexisting lists.

So then, let’s say six months down the road, we have an unfortunate circumstance where an administrator has to walk off an Annie Young project. And you say, oh my gosh, we need to hurry and finish this. Instead of going through a long procurement to try and identify a replacement administrator who can go to this list and actually work with a contractor directly, just to finish so the household isn't displaced.

So it is meant to be very stopgap, very on an as needed basis. And it is not necessarily to find replacement administrators. It is to be able to do direct work with an actual professional.

MR. OXER: You are not actually making a Notice of Funding Available. Because the funds were already available doing the work in the first place.

MS. BOSTON: Correct.

MR. OXER: It is a matter of managing the funds.

MS. BOSTON: Correct.
MR. OXER: Okay.

MS. BOSTON: Correct. Yes.

MR. CABELLO: It is put in the resolution for the household.

MR. OXER: Right. Everybody clear on that? Okay. All right. So I assume you want us to let you do this.

MR. CABELLO: Today.

MR. OXER: Yes.

MR. GOODWIN: Do you really want to do that.

MR. OXER: All right. No other questions of Homero, we will have a motion to consider.

MR. CHISUM: So moved.

MR. GOODWIN: Second.

MR. OXER: Okay. Motion by Mr. Chisum first, and Mr. Goodwin is second. Any other questions?

(No response.)

MR. OXER: No request for public comment?

(No response.)

MR. OXER: Motion by Mr. Chisum to approve staff recommendation on Item 4. Second by Mr. Goodwin. Those in favor?

(A chorus of ayes.)

MR. OXER: Those opposed?

(No response.)
MR. OXER: There are none.

MR. CABELLO: Thank you.

MR. OXER: Good job, Homero.

Okay, Tom. Get in the bucket.

MR. GOURIS: Get in the bucket.

MR. OXER: I am going to get a big spot and put it over there, just on the other side of that, so you are on the spot.

MR. GOURIS: Tom Gouris, Deputy Executive Director. I just want to give you a brief update on an issue that we brought to you back in September at the September 3rd meeting, in fact. We reported on an expanded terminology for elderly developments, or relating to elderly developments.

While all types of developments that claim an elderly, that are lawfully eligible to restrict to elderly households continue to be considered elderly, we have expanded that into two subgroups. Those that have a federal funding source which allows them to have an elderly preference, but makes it ineligible for that, for older people’s exemption to the Fair Housing Act.

And then the other -- that group is called the elderly preference group. And then the second group, elderly limitation groups, are those that continue to be able to use the HOPA, the Housing for Older Peoples Act,
exemption.

The reason we are bringing this to you again is because we have had a couple of examples of activity that I wanted to share with you. And I want to make sure that the public had this opportunity to hear this distinction once again.

Just by matter of reference, we also modified our rules in 2016 to specifically identify these two groups. Again, they are both considered elderly, but they are these two subgroups.

And just as a reminder, the Department’s current understanding from HUD is that elderly preference developments cannot operate under a HOPA exception, unless the federal program rules or the HUD Secretary specifically allows that HOPA exception. There are still a lot of questions about this. And we get a lot of questions.

We mentioned in September that we are going to be doing a survey of all the existing properties. And that survey is underway now through the annual owner financial certification process that we get. We have added some questions that we can get a better handle on what the existing portfolio looks like, with regard to preference versus limitation transactions.

As far as what our current preapps pool looks
like, we did a little evaluation of that. And of the 300
or so applications, 44 percent of those preapps that came
in are an elderly designated transaction, which is roughly
consistent with the maximum elderly caps that were put
into statute this last year. The maximum cap for -- the
highest cap for a particular region is 42 percent.

So we are getting applications that are roughly
consistent with what those caps look like. And those caps
are based on what the existing elderly populations of
developments are. So when I say populations of
developments, I mean the developments that we have done,
and the need for elderly developments. Those percentages
are roughly consistent.

As far as the distinction between limitation
preference of those 44 percent, 139, or 38 percent of the
total are indicating that they are elderly limitation
transactions. About 23 or 6 percent of the total are
identified, self-identified as preference transactions.
And what that means is that there is some good awareness
of this preference issue, this distinction.

My guess is that the actual number of
preference transactions are going to be a little bit
higher than what has been reported so far. But at least
the word is getting out, and that is a good thing.

Why this is important, and why I wanted to
bring this to you all’s attention today again, is because we have had some experience with how to reconcile these two specific types of elderly designation. We have had at least one, actually two instances where an applicant has come in and constructed the project or been in the construction project.

And in one case, prior to issuing the LURA, or assigned the LURA with us, they were anticipating bringing in some vouchers that were elderly specific vouchers. And after we looked at those, and investigated a little bit, we had concern that that would change this transaction from an elderly limitation deal to an elderly preference deal.

And in this case, it was going to be a more significant impact in that project was nearly complete. It was clearly designed from a structural standpoint as an elderly development with mostly one-bedroom units, a few two-bedroom units, some efficiencies and elevator-served and what have you.

It was, you know, what we would consider an elderly development for all practical intents and purposes, I guess. But the problem is the limited number of vouchers was going to convert that project or provide for the elderly limitation with a HOPA exception to go away.
And so the property now would be -- have less than 20 percent of the units would be elderly, and the rest of the units would have to be serving families. Which isn’t a bad thing. It is just, it wasn’t what it was designed to do. And so before they signed that agreement, we worked together and first tried to find the theory, an exception to that particular source of funding.

When they couldn’t find a specific exception, they realized that what they needed to do was not sign that agreement, and maintain the property as an elderly limitation transaction. So and we have another transaction that is a little bit further along in the process. And we are having to look to ways to either unwind the agreement that they signed or modify our LURA to represent what the property is now.

Another option would be for them to go to the Secretary of HUD and ask for an exception. So those are the kinds of things that we are working with. It is going to be a long process.

And we hope to update you again in the coming months as we determine what self-reporting results of our existing portfolio reveal. But it is going to be -- it is going to likely require a concerted effort of amending some LURAs and possibly seeking some more -- allowing the development community to seek some more direct guidance.
from HUD on the subject. So it is just a precursor to some things that we need to -- we are going to need to be working on this summer.

MR. OXER: It sounds like you are slicing things a little thin there in places.

MR. GOURIS: This is a challenging issue for us, I think. It is going to take some constructive solutions, I think, to get through these things.

I think it is really important to realize that the intent of the development community was, you know, in many cases was do an elderly deal. But this clarification that we received from HUD gives us the need to, you know, clarify what these transactions really are.

Slicing it differently. I am not sure if that is -- but it is going to be a singular challenge.

MR. OXER: Yes. Okay. So this is a report item?

MR. GOURIS: That is all it is.

MR. OXER: Okay.

MR. GOURIS: Next time, it will have cheerier -- I will have a cheerier report. But it is something that we are very -- you know, we are taking seriously. And we want to make sure that we address it appropriately.
MR. OXER: Well, I think issues like this, we have to take all of them seriously.

MR. GOURIS: Of course.

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

MR. GOODWIN: Just a couple of questions.

MR. OXER: Sure.

MR. GOODWIN: You mentioned the preliminary applications. I was just curious what the number of preliminary applications we have in this year, and how that compares to last year.

MR. GOURIS: 366. It is probably up slightly, maybe. But not by a lot. You know, 300, 350, that area is where we have done. Yes.

MR. GOODWIN: The same rate.

MR. GOURIS: We had, I mean, it is up from a couple --

MR. OXER: More or less the same as last year.

MR. GOURIS: Yes. More or less. It is up from a couple of years ago.

But I was personally surprised that the mix between elderly and non-elderly is as -- is not as overwhelming as I thought it would be. I thought we had a lot more elderly transactions, because that is what we heard we would have, fortunately.
MR. GOODWIN: What you have seen so far, any thought of process, about special situations that you see coming up? Anticipated?

MR. GOURIS: There will be some. But that is not from looking at any of them to see. At this stage, we are -- it is very preliminary. We get self-scores. And we don’t do a lot of evaluation at this point. We just are laying out those logs, so that folks can see where they rank according to the self-scoring. And a lot of them can make a decision if they want to participate and fill out an application.

MR. IRVINE: And I think that the real purpose of this meeting is to speak to all of you people out there, who are watching this on television or all of you people who are hearing about it from your friends or organizations or whatever. Please, please read all of your assistance documents carefully, whether they are loan documents, a voucher, arrangements, whatever.

And have a good in depth understanding of how those particular documents may obligate you to provide housing that you thought was going to be elderly housing to make it available under certain situations to non-elderly households. And, you know, I understand completely that in many situations, those are theoretical possibilities, and are unlikely.
But still the fact that they are legally possible is important. And we need to deal with them and understand them, and keep yourselves out of trouble when they are not only the LURA but also in the Fair Housing Act.

MR. GOURIS: Great. And we are looking to try to make sure that that occurs proactively, instead of waiting for, you know, an event of disconnect between our LURA and their existing regulations. So we want to make sure we rectify that and move forward.

MR. OXER: Staying ahead of the damage.

MR. GOURIS: Yes.

MR. OXER: Okay. Good. Thanks, Tom.

MR. GOURIS: Thank you.

MS. HOLLOWAY: Marni Holloway, Director of Multifamily Finance. Item 5B is presentation, discussion and possible action regarding frequently asked questions for multifamily programs.

You will remember that last month, we discussed a set of frequently asked questions. And there were a couple of comments that we talked through to get to our FAQ document.

Since then, we have received some more questions. And we are adding those to the list, and bringing them to you for your review.
I would like to, though, share with you first some language that our General Counsel has added to the bar, so that everyone is really clear on what an FAQ is. These frequently asked questions do not constitute a complete statement of Texas law or administrative rules. And they are not themselves new rules. Accordingly, they are for guidance and informational purposes only. If there is any conflict between these FAQs and Texas laws or administrative rules, the laws and administrative rules shall prevail. I just want to make that perfectly clear.

The other thing I wanted to point out to you with this updated FAQ; there are a number of questions about qualified census tracts and small development -- small difficult to develop areas, which apply across programs. So rather than calling this our 9 percent FAQs, we are now calling them the multifamily FAQs, so that they are more inclusive.

MR. OXER: Good. So this is a report item?
MS. HOLLOWAY: This is an action item.
MR. OXER: Present them.
MS. HOLLOWAY: Staff is recommending approval of the frequently asked questions.
MR. OXER: Of that list that you --
MS. HOLLOWAY: Yes.
MR. OXER: Good.

MS. HOLLOWAY: They are attached to your Board materials.

MR. OXER: All right. Any questions of the Board?

(No response.)

MR. OXER: All right. We need a motion to consider on Item 5b.

MR. GANN: I will make a motion to consider.

MR. OXER: Motion by Mr. Gann to approve staff recommendation on Item 5b.

MR. GOODWIN: Second.

MR. OXER: Second by Mr. Goodwin.

MS. HOLLOWAY: I believe we have --

MR. OXER: Do we have some comment? Public comment? Robbye, you're up.

MS. MORALES: Robbye Meyer, Board, Chairman. I appreciate the opportunity to speak to you. I hate standing up here in front of you, but -- and I apologize for not being here last month. I had a city meeting that I had to be at.

I represent my company, Arx Advantage, and I really don’t have a dog in the fight. But I might have a dog in the fight, so I need to speak now.

I am actually going to speak to this item and
the item that follows this. I don’t really have a dog in that fight, either, but as I said, I need to speak, in case my clients going forward have a dog in the fight.

The language presented in this item -- and I am very glad that Marni made the clarification that she did, that the FAQs are not gold; they are not a new rule; that they are guidance for applicants.

But the FAQs and the writeup in the following agenda item has a concern that I have. And in the following agenda item, one of the statements in there, it says, "a failure to disclose by an applicant." And specifically, it says, "applicants have not disclosed one or more of the schools in attendance zone of the development have failed to have met standard tests."

And in the FAQs, there was a question that says, all of the schools, elementary, middle and high school have to have met the standard. And the question and answer was, all three schools have to have met -- have a met standard rating from TEA.

However, in the rules, in 10.101(a)(4), under Undesirable Neighborhood Characteristics, it states, an applicant must disclose if a development site is located within attendance zones of the elementary school, middle school, and a high school that does not have a met standard rating by the Texas Education Agency. The rule
doesn’t state an elementary, middle or high school.

It doesn’t say elementary, middle and/or high school. It doesn’t say one or more of the schools. The rule says, elementary, middle and high school, therefore implying that all of the schools need to have not met the standard in order to have to disclose.

Developers sign, in all the documents that we sign, that they have read the rules. And I am going to assume that in the case following this agenda item, that talk about applicants have not disclosed, that they had read the rules, and that is the reason why they didn’t disclose.

If my clients had asked me, do we have to disclose and they had one or two schools, I would say no, because you don’t have all the schools haven’t met that standard. So again, you don’t have to disclose.

I understand that that might not be what staff wanted, or that is what they didn’t intend. But we can’t change the rules after they are already out. And that might be the guidance that you want. But that is not what is in the rule.

And I think we need to go back and change it for next year, if that is what we want. But we don’t change it in the middle of the process.

One last question. Since my departure from the
Department, I have sat in this audience for the past four and a half years, and I have listened to this Board time and time again that says, we are going to follow our rules.

And I ask you now to follow your rules. Okay. That is what the rule says. I appreciate you -- thank you for your time.

MR. OXER: Thanks, Robbye. Appreciate your input.

Do you have any thoughts on that Tim, or Marni? Are we -- Joy, do you want to speak to that item? Okay. You are for the next one. Okay. All right. Any questions from the Board?

(No response.)

MR. OXER: Marni, do you have a response or anything to add -- summarize.

MS. HOLLOWAY: Well, and we did discuss this item in some depth last month. You will remember that Sarah Anderson brought some very similar concerns. We went back to the language that was originally proposed under mandatory community assets. That was an and.

In the course of everything that happened with the 2016 rules, which I alluded to earlier, that moved from mandatory community assets to undesirable neighborhood characteristics. And the language didn’t
translate clearly. It didn’t translate well.

As Robbye read the rule, as it says, that is in fact what it says. The conversation last month, when we brought this FAQ for a discussion was that we were going to in fact call it elementary school, middle school and high school must have met standard, or the applicant has to disclose.

So the other important thing to keep in mind is that disclosure that a school has not met standard does not mean that the applicant, the site, the development is ineligible. It means that this is an application that we will be taking a closer look at. We are going to be going a little bit deeper and looking at mitigation efforts and what is going on in that school district to improve the conditions in that school.

MR. OXER: Okay. Any thoughts from the legal side?

MR. IRVINE: I think that legal advice would probably best be covered in an executive session with counsel.

MR. OXER: The question is, is there any> And should we have a session on it before? Okay. All right. Okay.

The Chair is going to take the prerogative. We are going to table this motion until, or table this item
with the motion as it stands until we have met in
Executive Session and come back out. I am going to hold
this item in abeyance until we have completed the rest of
the agenda.

We are going to take a break here in a little
while. Take a break here, go into Executive Session here
in just a little while. So okay. That is Item 5b.

MS. HOLLOWAY: That was 5b.

MR. OXER: With respect to the others, can you
get a couple of those out of the way right quick here?
And then we will take a break about a quarter after?

MS. HOLLOWAY: I believe so. How much time is
that?

MR. OXER: About 15 minutes.

MS. HOLLOWAY: It depends on how long Joy is
going to talk.

MR. OXER: Joy is so succinct and direct.

MS. HOLLOWAY: She is.

MR. OXER: I just know it will be quick. Start
with number C.

MS. HOLLOWAY: 5c is a report item. This is a
report. We are not requesting action at this time.
Regarding disclosure of undesirable site and neighborhood
features for 4 percent tax credit and direct loan
applications.
So several of the applications that have recently been submitted for 4 percent Housing Tax Credits and direct loan financing have not included disclosure of undesirable neighborhood features as required by the rule. So the applicants have not disclosed.

In this instance, they were identified as applicants have not disclosed that one or more of the schools in the attendance zone of the development has failed to meet the standard test. So that the rule item that we were just discussing, that you will take up in Exec, this is -- they have not met that test.

So it has triggered us going back and taking a little bit deeper look at some of these applications. Should staff determine that the development site has any of the characteristics described in the undesirable site and neighborhood features rule items, and that such characteristics were not disclosed to the applicant may be subject to termination.

Because the 4 percent Housing Tax Credit program is not competitive, so the 4 percent applicants aren’t policing each other like they do on the 9 percent side; applicants may not feel the same pressure.

MR. OXER: Is that what you call it? Policing?

MS. HOLLOWAY: That is what I call it.

MR. OXER: Yes. We have a different term for
it. But go ahead.

MS. HOLLOWAY: That is okay. Applicants may not feel the same pressure, or they are -- because of the nature of the 4 percent, they may be concentrating on bond applications with other issuers, those kinds of things, and not paying as close of attention. Or it may just be simple oversight, and they may not be disclosing all of those undesirable characteristics.

Direct loan applicants who are not layering with 9 percent credits may be in the same place. So in order to ensure that submitted applications are providing proper disclosures, staff is going to be performing an in depth review of a random sample of the applications that we receive.

So yes, we will accept those disclosures. And I probably will request the assistance of our Internal Audit staff to determine what that valid sample will be. And we will go deeper into those applications and make sure that those disclosures are appropriate.

As the results of that review, we will be bringing any actions, of course, back to you. And so 4 percent applicants were terminated as a result of staff review. We don’t anticipate that they would be appealing. We anticipate that they will just submit a new application with the disclosure. Direct loan applicants
probably --

   MR. OXER:  They are not under a time schedule.

   MS. HOLLOWAY:  Right. And it is not competitive. And they can do that. Direct loan applicants that don’t disclose, and we terminate, may or may not go through an appeal process with you.

   I would assume that 9 percent applicants will, if we happen on any of those. That is just a report item, letting you know what is happening out there, what we are seeing, and what our intended action is.

   MR. OXER:  Okay. Any questions of the Board?

   (No response.)

   MR. OXER:  Good. Let’s go to the next one.

   MS. HOLLOWAY:  Okay. Item 5d. Did you want to comment on the other one?

   MR. OXER:  Barry did you want to comment on that item?

   MR. PALMER:  Yes.

   MR. OXER:  Okay. I'm sorry. This is with respect to Item 5c.

   MR. PALMER:  Yes. Barry Palmer, with Coats, Rose. And I just would like to point out, you know, one of our greatest underutilized resources for affordable housing is the 4 percent tax credit program.

   Each year, we turn back hundreds of millions of

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dollars to the Treasury that have been allocated for
affordable housing because we don’t do enough 4 percent
deals. And so I would like to see an initiative to try to
get more 4 percent deals done. And this seems to be
heading in the other direction.

That we are going to look to try to terminate 4
percent deals because they didn’t put in their application
that there was an underperforming school in the area. You
know, I guess, I question why we are applying the
undesirable neighborhood features to 4 percent deals.

But even beyond that, you heard earlier, you
know, there is some unclarity in the rule as to whether it
has to be just one school or all three of them. So I
think we ought to look at whether this is the right way to
be heading on dealing with a 4 percent tax credit bond
program.

MR. OXER: Good. Thanks for your comment.
That is a question too, Marni, that I have. So for 4
percent deal, rather than terminate the application and
they come back, can you just request an amendment, or do
we --

MS. HOLLOWAY: We can.

MR. OXER: It sounds like we are using the same
rule set to apply to the 4 percent that we do the 9
percent.
MS. HOLLOWAY: Okay. So undesirable site characteristics and undesirable neighborhood characteristics are in Chapter 10 -- they are not in Chapter 11 -- so they apply to all of our multifamily transactions across the board.

I tried to emphasize -- and maybe I should have said it in bigger capital letters -- it's a "may" terminate. It is not a "will" terminate. It's a "may" terminate.

The decision to terminate rather than to treat it as a deficiency or to treat it as, Okay, you know, we spotted this, and we looked at it ourselves, and we cleared it. And it's all right.

It is -- I think, it’s going to be a matter of degree. And then of course, you know, whatever the Board’s ultimate decision is on the schools item.

MR. OXER: Yes. Because I concur with Barry. We could leave a lot on the table for 4 percent program. If we had any way to continue to optimize or encourage that, I think as a policy we ought to be able to look at that. We ought to consider that.

MS. HOLLOWAY: Absolutely.

MR. OXER: That is a resource that we have that we're not taking advantage of.

MS. HOLLOWAY: Absolutely. But again, it is --
MR. OXER: Okay. All right. Well, that will be related to the "and/or" the schools.

MS. HOLLOWAY: Yes. So that is one of the undesirable neighborhood characteristics.

MR. OXER: Okay. So that's 5c. All right. So this is a report item?

MS. HOLLOWAY: That is a report item.

MR. OXER: Okay.

MS. HOLLOWAY: 5c is a report.

MR. OXER: Okay. Let's take 5d.

MS. HOLLOWAY: 5d is presentation, discussion and possible action on a determination notice for Housing Tax Credit with another issuer, and an award of direct loan funds.

This is application 16405, New Hope at Harrisburg, in Houston, Texas. The applicant has submitted an application for 4 percent Housing Tax Credit and direct loan funds. They also have a certification of reservation from the Texas Bond Review Board which was issued on November 13, 2015, and will expire on April 11, 2016.

The issuer of the bonds is the Houston Housing Finance Corporation. And there are multifamily direct loan funding available -- or there is -- to award the subject application under the deferred forgivable loan
set-aside.

The application has been reviewed. Just a side note that I wanted to make you aware of: Because there are tax credits involved in this transaction, it will not actually be a deferred forgivable loan. That structure negatively impacts the tax credits that the applicant is able to access. So we are working through a payable loan structure that will work for the needs of this particular transaction.

With their application, the applicant disclosed that the development site is located in a census tract that has a 46.5 percent poverty rate and that it is located in an urban area where the Part 1 violent crime rate is 26.7 per 1,000 persons annually. So those are both neighborhood characteristics that they did disclose.

They also provided us with additional information which shows that there has been a steady increase in incomes in this particular area over the last several years, and also provided us with data from the City of Houston Police Department indicating that within this police beat, over the past 21 months, the average violent crime was at 4.5, which is far below our threshold of 18 percent. So they disclosed and they provided that mitigating information.
So we went and did site inspections, drove around last week, and realized that the applicant did not disclose one of the undesirable neighborhood characteristics.

And that is multiple vacant structures within 1,000 feet of the proposed development that could commonly be regarded as blighted or abandoned. Specifically, there are two boarded houses and another house that is clearly abandoned and uninhabitable on the northern boundary of the site.

One of these properties is currently listed for sale as a teardown for the lot value only. And Harris County records indicate that the property taxes are current for these properties, which would seem to indicate that they are being held for investment purposes.

This is a neighborhood that is in a redevelopment process. There are some single-family homes that are physically deteriorating, but there is a lot of new development.

There is a new rail stop right in front of the site. And I think that Joy is going to tell you about some of the other really exciting things that are going on in this area, which indicates that these properties on the north side of the development site will be redeveloped, and will not be continue to be a negative
impact on the site.

MR. OXER: A timing issue with the neighborhood.

MS. HOLLOWAY: Exactly. This is a neighborhood that is in transition. There has been significant both private and public investment in the area. So we have conducted that further review of the proposed development site and the surrounding neighborhood.

And we recommend that the proposed site be found eligible under the 10 TAC 10.01(a)(4) of the Uniform Multifamily Rules. That is the undesirable neighborhood characteristics rule. Further, staff is recommending the issuance of a determination notice of $759,164 in 4 percent Housing Tax Credits and an award of $607,698 in direct loan funds, subject to underwriting conditions that may be applicable in the Real Estate Analysis report for the New Hope Housing at Harrisburg development application.

MR. OXER: Good. All right. Any questions of Marni, of the Board?

(No response.)

MR. OXER: Okay. After that, a motion to consider?

MR. CHISUM: I move.

MR. OXER: Okay. Motion by Mr. Chisum.
MR. GANN: Second.

MR. OXER: Second by Mr. Gann to approve staff recommendation on Item 5d.

Joy, you are up. But recognize that you're getting what you want to get.

MS. BROWN: Oh, and I do recognize that. And under ordinary circumstances --

MR. OXER: Brevity is going to be really --

MS. BROWN: Absolutely, under ordinary circumstances, I would simply sit and smile. The reason I am speaking to you today -- Joy Horak Brown, CEO of New Hope Housing -- is that I want to be certain you understand that there is little that is more important to New Hope’s business model or to me personally than the reputation we worked very hard to establish with you and staff. And that is for quality work, for transparency and for integrity.

And I can assure you that if I had seen the site with the eyes Marni did, I would have disclosed. I have spoken to Marni about it, and I agree with her. I see her point. And I certainly apologize for any oversight on my part.

And I want also to assure you how exciting this site is. We own a city block with a view of downtown Houston right across the street from a transit stop. We
can’t even believe this is ours, in less than a mile from the BBVA Compass Soccer Stadium. Between half a mile and three-quarters of a mile are three luxury apartment complexes, 1,300 to $2,100 a month.

MR. OXER: You woke up one morning and a sunbeam hit you right between the eyes, didn't it?

MS. BROWN: Average -- I'm telling you, average home price is almost $400,000. Makerspaces, restaurants, coffee shops; this is a really exciting neighborhood. And I want to very respectfully ask you to approve staff’s recommendation.

MR. OXER: Thank you for your comments.

MS. BROWN: Yes, sir.

MR. OXER: Any other public comment?

(No response.)

MR. OXER: There appears to be none. Okay.

With respect to Item 5d, motion by Mr. Chisum.

MS. HOLLOWAY: If I may, excuse me. I was just informed that as a result of additional evaluation after the Board book was published, the determination notice amount is actually $847,339. I just wanted to make sure that you are aware that that amount has gone up.

MR. OXER: So another $98,000.

MS. HOLLOWAY: Yes.

MR. CHISUM: I’ll amend my motion.
MR. OXER: Okay.

MR. GANN: Same.

MR. OXER: Okay. Motion by Mr. Chisum, second by Mr. Gann as amended on Item 5d. Those in favor?

(A chorus of ayes.)

MR. OXER: Those opposed?

(No response.)

MR. OXER: There are none. Good job. That sounds like a really good site, by the way.

MS. HOLLOWAY: Oh, it is. It is a great neighborhood.

MR. OXER: Well, you know, our policy provisions and pronouncements on these things are intended to look at these for a site that we are working on these programs, the Tax Credit program particularly, they are there for 30 years.

If this site has got something, a shed that somebody is going to tear down inside of 18 months, I don’t think that's going to be something that we should -- that's a proper utilization of the latitude the Board has, in that respect, in my estimation.

All right. We have got a couple of items to take on with respect to an Executive Session. It is right now, a quarter of --

MS. ECCLES: Mr. Chairman, if I could just ask
one quick question.

MS. HOLLOWAY: Yes.

MR. OXER: Certainly.

MS. ECCLES: Back on the issue of 5B, the interpretation of all three levels of schools meeting the rating, and disclosure.

MS. HOLLOWAY: Uh-huh.

MS. ECCLES: Are there any -- what is the result of the 4 percent application not disclosing? And their interpretation is --

MR. OXER: Is the application terminated, or what is the story. Is that what you are asking?

MS. ECCLES: Yes.

MS. HOLLOWAY: Yes. So the -- it is going to depend on the fund source. And probably Teresa or Tom could speak better on the 4 percent side than I can.

Keep in mind that this is not an ineligibility. This is a disclosure, so that we are taking it a little deeper, looking a little further into the transaction, and looking at plans for improvements in the schools, those kinds of things.

MS. ECCLES: But these FAQs are addressing 9 percent preapps.

MS. HOLLOWAY: Yes. But keep in mind that the -- it is a 9 percent FAQ. It is a Chapter 10
requirement.

MS. ECCLES: Yes.

MS. HOLLOWAY: I would propose that we are going to apply the same standard under Chapter 10.

Teresa, would you --

MR. OXER: Teresa, have you got a contribution to this?

MS. MORALES: Teresa Morales. I would just clarify that while the FAQ has historically been a document that is geared towards the 9 percent applications and primarily how we view certain scoring items and stuff, that FAQ doesn’t include a lot of questions as it relates to Chapter 10 that is applicable to both 4 percent and 9 percent applications.

And then there are also some things in the QAP that Marni alluded to earlier, with respect to QCTs and SADDAs, that would also be applicable to 4 percent deals.

With respect to your other question on the termination aspect of it, the language in the rule does say that an application may be terminated. That action on a 4 percent deal is a little bit different in that we could go ahead and terminate the application.

But assuming that there is a lot of volume cap that remains, which has historically been the case, we could terminate the application and then the applicant
could just turn right around and reapply.

So from staff’s perspective, I think that we were just pointing out that while the rule says we could terminate, a different approach that we could take would be just to have them amend their application or submit a revised development owner certification that discloses whatever characteristic is applicable and then provide the supporting documentation.

MR. OXER: This sounds like a fairly subtle differentiation between the 4 percent and the 9 percent deals that sounds like there may be amenable to having an FAQ for the 9 percent deals and a 4 percent just to make sure that clarification is evident in that. That is a passing comment from my observation.

MR. IRVINE: On the deal that Joy just had before us, I mean basically, wouldn’t you identify that and fix that?

MS. HOLLOWAY: Yes.

MR. IRVINE: Boom, boom? So I think it's going to take some cooperation and some discretion and some good judgment. If we identify something that was a technical requirement that was missed, and we can wrap our head around it, and come quickly to an appropriate conclusion. That is the thing to do.

MR. OXER: Okay. Any other questions?
(No response.)

MR. OXER: Counsel?

MS. ECCLES: No.

MR. OXER: All right. Here is what we are going to do. Since we have a couple of items, and I also want to have some input, so that everybody knows there is going to be input, I am going to ask for some legal input on Item 6 here, which is coming in next.

We are going to a short Executive Session. So everybody sit down and be still for a second. Be quiet.

The Governing Board of the Texas Department of Housing and Community Affairs will go into closed or Executive Session at this time. The Board may go into Executive Session pursuant to Texas Government Code 551.074 for the purpose of discussing personnel matters.

Pursuant to Texas Government Code 551.071 to seek and receive legal advice from its attorney. Pursuant to Texas Government Code 551.072 to deliberate the possible purchase, sale, exchange or lease of real estate and/or pursuant to Texas Government Code 2306.039(c) to discuss issues related to fraud, waste or abuse with the Department’s Internal Audit or Fraud Prevention Coordinator or Ethics Advisor.

Closed session will be held in the anteroom of this room, which is the John H. Reagan Building, 140. The
date is February 25, 2016. The time is on the official watch, 11:17.

I am going to ask Marni to join us for the first part of this Executive Session. We will be back to vote in about 20 minutes.

(Whereupon, the Board recessed into Executive Session at 11:17 a.m.)

MR. OXER: Okay. The Board is now reconvened in Open Session at 12:03. During the Executive Session, the Board did not adopt any policy, produce a resolution or a regulation, or take any formal action or vote on any item. We received counsel from our General Counsel.

Okay. With respect to --

MR. IRVINE: Marni was not present --

MR. OXER: That is correct. Marni was not present, not being an attorney. I was incorrect in assuming that we could have input from her. We did not take that. She was not present. So let that be reflected on the record.

Okay. We have an open motion on the table on Item 5B. It’s a motion by Mr. Gann, and a second by Mr. Goodwin to approve staff recommendation on 5B.

I would like to add that in the discussion, it is the general policy bias of the Board for us to want to have disclosure. And the disclosure of the issue on the
schools is not for the purposes of disqualifying any particular application, so much as it is to raise a flag to see if there is other opportunities to mitigate that insufficiency for any of those schools.

A general reading of -- what was the section again, code section 2, part B. Is that correct? Let’s make sure we are clear on the citation there. The substance of the -- with respect to the FAQs that have been made and that were presented by Marni, the substance of them are essentially correct in that the intent is to expect disclosure if any of the three would be insufficient as opposed to only disclosing if all three were insufficient.

Let’s see. Whereof the Board is interpreting policy. In reading that particular component that applies to the three schools within those two sections.

MS. ECCLES: That would be within Subchapter B, Section 10.101(b). I'm sorry, 10.101(a)(4)(B), and you said those two sections. I presume that you mean, within Section 11 of the QAP relating to educational access.

MR. OXER: Right. Okay. So reading those rules are interpreted in concert. That's one of the reasons we have all these cross-references on them.

So in an effort to read these in concert and make sense of it all, the -- essentially, the FAQ is
correct in that it requires disclosure of any of the three or subpart. So to reiterate, it is the general policy bias of the Board to request this disclosure simply to create, especially in the 4 percent rule opportunity to provide mitigation for any insufficiency in schools.

So with that clarification, the motion still stands by Mr. Gann, second by Mr. Goodwin to approve staff recommendation as presented. Is that clear? Is that a clear presentation of the discussion?

MS. ECCLES: Yes.

MR. OXER: Okay. That being the case, on Item 5B, motion by Mr. Gann, second by Mr. Goodwin. We have had public input. Those all in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. It is unanimous.

Okay. I think with respect to -- did we take care of 5d? Because we were waiting on this one also. Did we finish 5d? Okay. Joy is a joy.

So okay. Let’s go ahead and work through the rest of those three items on Section 5, on item 5.

Teresa, you are going to handle those? Okay.

Let’s go ahead and go through those. And then we’ll -- we’ll take them in this direct order. Go for 5e
right now, Teresa.

MS. MORALES: Teresa Morales. Item 5e involves the issuance of multifamily revenue bonds by the Department for the acquisition and rehabilitation of two properties in San Antonio; Chisolm Trace Apartments with 126 units, and Cheyenne Village Apartments with 60 units.

Prior Board action with respect to these developments include the inducement resolution in December of 2014, and an updated inducement resolution in September of 2015, which was also when the Board considered undesirable neighborhood characteristics associated with both sites, and deemed them both to be eligible. The financing structure is one that we have done before.

It involves an FHA 221(d)(4) loan whereby the Department will issue a single series of short term tax-exempt fixed rate bonds that will be collateralized with the proceeds of the taxable FHA mortgage loan for each property. The bond proceeds will be utilized for project costs. And as bond proceeds are drawn down, the proceeds from the FHA loan are simultaneously drawn and placed in an escrow account for the benefit of the bondholders.

Given the cash collateralization, the transaction minimizes risk to the Department. The bonds will remain outstanding through the rehab period, which is
estimated between ten and twelve months, and will then be paid off, leaving only the FHA mortgage loan. While there will be one master trust indenture, there will be separate loan agreements on regulatory and the unused restriction agreements and deeds of trust specific to each property.

Staff did hold a TEFRA public hearing for both properties, and there was no one in attendance at those hearings, and we have not received any public comment for either property.

Staff recommends approval of Bond Resolution 16-011 in an amount not to exceed $13,500,000. And determination notices of 4 percent Housing Tax Credits in the amount of $605,251 for Chisholm Trace and $297,346 for Cheyenne Village Apartments.

MR. OXER: Questions from the Board?

MR. GOODWIN: Move approval.

MR. OXER: Motion by Mr. Goodwin to approve staff recommendation on 5e. Is there a second?

MR. CHISUM: Second.

MR. OXER: Okay. Second by Mr. Chisum. No request for public comment. Okay. Regarding 5e, motion by Mr. Goodwin, second by Mr. Chisum to approve staff recommendation. Those in favor?

(A chorus of ayes.)

MR. OXER: Opposed?
(No response.)

MR. OXER: There are none. Okay. 5f.

MS. HOLLOWAY: 5f, Marni Holloway, Director of Multifamily Finance. We are requesting 5f be pulled from the agenda.

The applicant has requested that they have an opportunity to appeal to Mr. Irvine before they take the step of coming to you, so we may be bringing this item back to you next month.

MR. OXER: But you are going to pull it, and thus we don’t require action.

MS. HOLLOWAY: Fine. It does not require action at this time.

MR. OXER: Okay. All right, 5g.

MS. HOLLOWAY: 5g is report and possible action to address a State Representative vacancy and its impact on obtaining a scoring letter under Chapter 11.9(d)(5).

So scoring criteria for community support from a State Representative is provided in the QAP.

An application may receive up to eight points or have deducted up to eight points for letters submitted as part of the full application. This year, those letters are due on the full application deadline of March 1, 2016.

It is going to be a busy week next week. State Representative Ruth Jones McClendon has resigned her
office for House District 120, effective January 31, 2016. Governor Abbott has called a special election for May 7 of 2016 in order to fill a vacancy. So that seat is currently vacant.

Staff has received a question from applicants who have submitted a preapp for a potential development in House District 120 regarding their inability to get a letter of support prior to the full application deadline. If the full application is submitted without a letter of support, it is unlikely that it will be competitive in that region.

If the full application submitted for a proposed development in House District 120, any application, that appears it would be competitive but for the lack of a representative support letter, the applicant may request relief from the Board, such as a waiver extending the deadline for submission of the representative’s letter. We are just providing you information that this may be coming up in the future.

MR. OXER: So this is District 120. Where is that?

MS. HOLLOWAY: San Antonio.

MR. OXER: Yes. That's right. And you said applicants. There are plural?

MS. HOLLOWAY: We have received -- we received
the question from one applicant. I would anticipate that if action is taken in the future regarding the representative letter for this district, it would apply to all applicants within that district.

MR. OXER: So how many -- this is a point of inquiry. Are there applications in that district, District 120, that by virtue of being -- assuming we said since there is no one to ask for it, we can say they get the points, because if they don’t get the points, we take the points off, they are essentially non-competitive.

MS. HOLLOWAY: Uh-huh.

MR. OXER: But if we give them the points, how many other applications have been filed in that region outside of that district? Follow what I mean?

MS. HOLLOWAY: Yeah. I understand the question. I don’t have that information available to me right now. And because this is really a scoring item at full application, we are not going to know for a couple of weeks what the potential impact would be of allowing that extension.

MR. OXER: Mr. Chisum, you have a question.

MR. CHISUM: Yes. Do we have a precedent here? This is obviously not the first time this has ever happened.

MS. HOLLOWAY: Actually we are not able to find
a precedent, and there isn’t anything that we are able to identify in our rule. This is clearly something that we need to address for next year, but we have not been able to find precedent.

MR. CHISUM: Then it would appear to me, Mr. Chairman, we have to stay with our rules.

MR. OXER: Well, we have to stick with our rule, and the sad thing is that's true. There is nobody there to ask.

MR. CHISUM: Right.

MR. OXER: So they either get plus eight or minus eight, or zero.

MS. HOLLOWAY: So it would be plus eight for a positive letter, zero for a neutral letter, minus eight for a negative letter.

MR. GOODWIN: Am I hearing you say that no one has asked us to waive the deadline?

MS. HOLLOWAY: We have not received a formal request at this time. We have a question that has been presented to us. And we --

MR. OXER: And the staff request for action on this is what?

MS. HOLLOWAY: We do not have a request for action.

MR. OXER: It is just to say, here is one of
those things coming. Get ready for it.

MR. CHISUM: But this will affect the Wheatley project that is in this district --

MS. HOLLOWAY: Potentially, yes.

MR. CHISUM: -- we talked about a couple of months ago?

MS. HOLLOWAY: Yes. Potentially.

MR. OXER: We have been talking about that one for a couple of years.

MS. HOLLOWAY: Yes.

MR. IRVINE: Since no one made a specific request, staff didn't have a recommendation on that request. But we did present the item in a way where, you know, if the Board feels that there is some appropriate action, we could certainly consider it.

MR. GOODWIN: Will it harm Wheatley if we don't take the action to waive the deadline? Or can they come back in -- at the next meeting, and we can say, okay, we are going to waive the deadline, and it won't harm anyone? From a timing perspective, is my question.

MR. CHISUM: I think we are setting a precedent if we go down that road.

MS. HOLLOWAY: Well, and I would point out, I don’t think that there's anyone in the room from that particular applicant. My concern would be --
MR. IRVINE: Tim is here.

MS. HOLLOWAY: Okay. You know, I am sure if you would like to discuss with Tim the potential implications there -- no, we have not received a formal request for action. And again, if the Board would like to take action at this point, if that's your choice, you have that option.

MR. IRVINE: Yes. I think that the objects are different to anticipate a situation and address it before it occurs, or to consider a situation after it has occurred and ask -- you know, consider a waiver for something that's already passed.

MR. OXER: So, Tim, what do you want?

MR. ALCOTT: Tim Alcott, San Antonio Housing Authority. I need some time --

MR. OXER: For the record, we are going to suspend protocol here. Before we have public comment, we have a motion to consider. Since this is a report item -- it's all right. Sit still.

MR. ALCOTT: All right.

MR. OXER: You're not getting spanked.

MR. ALCOTT: All right.

MR. OXER: I'm just saying hold on a second. This has got to go on the record so we've got our process done. Okay?
So this is a report item, if I am correct, Marni, that this is an existing condition. And so you presented that, and we are now looking for comment --

MS. HOLLOWAY: Yes.

MR. OXER: -- with respect to how results might unfold in the future.

MR. ALCOTT: Yes. And so --

MR. OXER: And so tell us who you are.

MR. ALCOTT: You know, I can start again. Tim Alcott, San Antonio Housing Authority. And I was listening to the comments, but I need more time. I didn’t know this would be coming up today.

So I had a little time with your staff to understand the implications. I don’t have a recommendation for what we should be doing at this very point. But if I spent time with staff, I could get back with you shortly, but I need more time.

MR. OXER: Yes. I think it is important that the record includes evidence that this is an issue. We are anticipating it.

I think that you rightfully recognized, Mr. Chisum, or were right to state that, you know, we need to stick with our rules, unless there has been a request not to stick with our rules. And so rather than taking a preemptive strike on this, you know, you need to figure
out what the implications are for you.

MR. ALCOTT: Absolutely.

MR. OXER: Okay. And we can fix things that break. We don’t go around breaking things and looking for ways to fix them.

MR. ALCOTT: Right.

MR. GOODWIN: I respectfully kind of disagree. I think we have been told the application, Wheatley Arms, which I'm assuming we have a preliminary application for --

MR. ALCOTT: Right. We do.

MR. GOODWIN: -- is not going to be competitive.

MR. OXER: Unless it has this --

MR. GOODWIN: -- unless it has this letter. And we are not going to have this letter, because we have no representative.

MR. ALCOTT: Right.

MR. GOODWIN: To me, this isn’t anticipating that she might resign before the deadline. She has resigned; she's gone.

MR. OXER: Yes. This is not guesswork.

MR. GOODWIN: This isn’t guesswork, and we're not going to have a new representative until May 17th.
MR. GOODWIN: And it would appear to me that --

MS. ECCLES: Well, and if I may interject just, we may not have one then either. If this is a special election, there's always the opportunity for a whole bunch of candidates, and a runoff that follows.

MR. GOODWIN: And so the runoff would be when? What deadline, what date would that be?

MS. ECCLES: That date has not been set.

MR. OXER: It hasn’t been set. They are often reasonably soon thereafter, like probably by no later than the end of June in that case. That is pure guesswork, pure speculation.

MS. ECCLES: Right.

MR. OXER: But, yes, we recognize that this is going to be an issue, Tim --

MR. ALCOTT: Yes. I definitely see it as a problem. And I've got to figure out --

MR. OXER: Like we said, we are coming. There is a bump in the road here. We just don’t have a way to get over it yet, and we don’t have any precedent to go from. I think it particularly -- at this point, this is enough of a significant issue, because you -- I don’t have to tell you how significant Wheatley has been.

MR. ALCOTT: Right. Absolutely.

MR. OXER: We have done a lot of work.
MR. ALCOTT: Thank you.

MR. OXER: We've made sure we -- you know. By the way, please give our regards to the Chief of Police there, since he was kind enough to come up and chat with us.

But before we get to the point of making policy pronouncements on an issue that is fairly rare, I think we would be better off saying, given no other input right now, that we see that there will be a problem; we are going to stick to the rule.

MR. ALCOTT: Right.

MR. OXER: We are recommending -- I am recommending as Chair, and the other members can make their own contribution. But I recommend as Chair that you spend as much time as you can with staff so you can wind some way through this --

MR. ALCOTT: Absolutely.

MR. OXER: -- and then come back to us with any request for change that you have.

MR. ALCOTT: Yes.

MR. OXER: Your point is well made, J.B., that this ain’t a guess that this is going to happen.

MR. GOODWIN: Right.

MR. OXER: This is going in the ditch. We are trying to figure out how to get it out.
MR. ALCOTT: Absolutely. Will it be too late by next Board meeting to bring it back? Do we have time by next Board meeting? I have got to make a recommendation?

MR. OXER: Marni, do we?

MS. HOLLOWAY: It would have to come in with the application.

Marni Holloway again. The waiver request would need to come in with the full application, which is due next week. And we -- and, yes, it would come to the Board next month.

There are a number of cascading impacts of allowing an extension of that deadline. And that would be the information that we would be bringing back to you, is if you do or if you don’t, these are the consequences down the road.

MR. OXER: Good. But there is a process; it’s outlined, and you are not to the point of getting to the Board yet, apart from you saying this is an issue you need to get ready for and theirs is no precedent.

MS. HOLLOWAY: Yes. Yes.

MR. OXER: Correct? A fair statement? Okay. Good point. Your position is recognized, J.B., as is yours, Mr. Chisum.

MR. CHISUM: Okay. Just one quick question and
probably for our counsel.

Since the State Representative McClendon has resigned and that is an open seat, is there anyone else that could sign in that behalf, or does it have to be the elected state representative? In other words, could the Speaker sign?

MR. IRVINE: The statute specifically designates the representative for the district in which the development is located.

MR. GOODWIN: That is the way I read it, but I wanted to see if there were other alternatives.

MS. ECCLES: Indeed. If the representative right now, who is now a former representative, wrote the letter, she couldn’t.

MR. GOODWIN: Right. Thank you.

MR. OXER: So it's got to be at the time of writing the letter.

MS. ECCLES: The current state representative.

MR. OXER: And there is simply not going to be one.

MS. ECCLES: Because the Governor has declared a special election for it, under our Texas Constitution, that can only be done in the case of a vacancy, which means, there is nobody who is representing that district.

MR. GOODWIN: Are there any other projects,
Tim, that you know -- Marni said she didn’t know -- in that representative’s district?

MR. ALCOTT: It is the only one that we have. I do not know if anyone else has any. I don't have that information. But it is definitely a problem. But we will see what we can do.

MR. OXER: Yes. It is an issue. And we can’t go around making policy pronouncements. We have got to have a reason to work on this. So get in there and work with Marni and get it straight for next month.

MR. ALCOTT: Absolutely.

MR. OXER: Okay.

MR. ALCOTT: Thank you.

MR. OXER: All right. Is that it, Marni?

MS. HOLLOWAY: Yes.


Well, thanks again, Marni; you got number 6 to play with.

MS. HOLLOWAY: Marni Holloway. This time I am wearing my Chair of the Enforcement Committee hat. Item 6 is presentation, discussion and possible action on an appeal of a recommendation to debar Charles Miller for a period of ten years.

Mr. Charles Miller is the president and
director of CBM Interests, Inc., which is the general partner of Southmore Park Apartments, located in Pasadena, Texas.

This property has a history of serious noncompliance, and that is the reason that we are coming to you, or the reason that we got to this point with it.

So a little bit of backstory and so you have some basic information, TDHCA has adopted HUD’s Uniform Physical Condition Standards to determine compliance with property condition standards. So all of our properties are inspected according to this set of standards.

UPCS uses a scoring system that is calculated according to the type of damage for the item inspected and the level of severity, with the perfect score being 100 and a failing score being 50 or below.

In addition, Texas Government Code at 2306.0504(c) indicates that the Department shall debar a person from participation in a department program if the person materially or repeatedly violates any condition imposed by the Department in connection with the administration of a Department program.

Further, under our enforcement rule, the material and repeated violation of a LURA that is described in statute includes a person is considered to have materially violated a LURA if they control a
development that has on more than one occasion scored 50 or less on a UPCS inspection.

So at least twice their property has failed on a UPCS inspection. Southmore Park Apartments scored a 46 during a UPCS inspection conducted on April 14 of 2009, and 42.23 during the UPCS inspection concluded on March 26 of 2015.

TDHCA and Southmore Park Apartments had a previous administrative penalty case that was agreed on February 19 of 2015. The administrative penalty was paid. But the UPCS violations that created that issue were not cleared, which constitutes a violation of the agreed final order from last year.

A subsequent administrative penalty referral was submitted to the Enforcement Committee after Southmore Park Apartments failed to fully correct violations identified during a physical inspection conducted on March 16 of 2015.

A notice to the Board was ultimately submitted on December 15 of 2015, recommending a maximum potential administrative penalty in the amount of $13,250. The recommendation from the Enforcement Committee additionally is that Mr. Miller be debarred for ten years, in consideration of the severity of these violations.

MR. OXER: Any questions from the Board?
MR. CHISUM: Mr. Chairman.

MR. OXER: Mr. Chisum.

MR. CHISUM: I move that we accept the staff recommendation with one change in the debarment from ten years to 20 years.

MR. OXER: Okay. Motion by Mr. Chisum to extend the debarment from ten to 20 years. Staff recommendation to debar with an extension to 20 years. And the impact of that would be -- I think ten years is going to essentially be, you are out of business in this Department.

MS. HOLLOWAY: Right. So debarment for ten years basically means that Mr. Miller would not be able to conduct any new business with the Department for a period of ten years, or for a period of 20 years, if that is ultimately the Board’s decision.

MR. CHISUM: Mr. Chairman, with egregious noncompliance and his record, I don’t think we ever want to consider doing business with this gentleman again.

MR. OXER: Well, I actually think you are right. So do I hear a second?

MS. HOLLOWAY: The Board does have the ability to determine the debarment period.

MR. GANN: I’ll second.
MR. OXER: Okay. Second by Mr. Gann. Do we have a citation of the -- counsel or Marni, do you have --

MS. HOLLOWAY: I'm sorry?

MR. OXER: Do you have the citation for the capacity for the Board to make that determination?

MS. HOLLOWAY: I'm sure Megan does. Or Jeff does.

VOICE: 10 TAC 2.401.

MS. HOLLOWAY: Is it 2.4?

MR. CHISUM: It is stated in this motion.

MR. OXER: It is?

MS. HOLLOWAY: Yes. 10 TAC 2.401. And then Texas Government Code 2306.0504.

MS. ECCLES: Is there an upper limit on that term of debarment?

MS. HOLLOWAY: No, there is not.

MS. ECCLES: Let me ask this question, just about the process that he has been given.

MS. HOLLOWAY: Uh-huh.

MS. ECCLES: There's discussion of an informal conference?

MS. HOLLOWAY: Yes.

MS. ECCLES: What sort of opportunity was Mr. Miller given to present evidence on his behalf, prior to today?
MS. HOLLOWAY: Mr. Miller was informed of the
date of the informal conference, had the opportunity to be
represented by counsel at that meeting, had the
opportunity to present any information that he felt would
provide a different perspective on the property.

The Enforcement Committee is an informal group.
We meet with entities that are referred to us in order to
determine the penalties and possible debarment actions,
enforcement actions against those groups.

Mr. Miller received notice, had that
opportunity; was represented by counsel and by his
property manager. Mr. Miller did not appear himself at
that meeting.

MR. ECCLES: And evidence was presented to the
Committee?

MS. HOLLOWAY: This is not an evidentiary
group; it's not an evidentiary hearing. Parties are able
to bring to us their perspective, talk to us about their
plans for the future, what they have done to correct
issues of noncompliance, those kinds of things.

MR. OXER: Information in the Board book
suggests that there are several insufficiencies and code
violations --

MS. HOLLOWAY: Yes.

MR. OXER: -- dating back as far as 2011, 2012,
that remain unresolved. Is that correct?

    MS. HOLLOWAY: Yes. That is true.
    MR. OXER: Okay. Giddy up.

    MS. HOLLOWAY: Actually, the history of noncompliance on this property goes back to -- earliest date I think, is --

    MR. OXER: >06.
    MR. OXER: Okay.

    MS. ECCLES: And he had a full opportunity to provide any sort of --

    MS. HOLLOWAY: Yes.
    MS. ECCLES: --- explanation or evidence that would suggest that that was inaccurate.

    MS. HOLLOWAY: Absolutely. He would have had an opportunity to discuss with the Compliance Division, with our Chief of Compliance, with the Compliance Committee before coming to Enforcement.

    MS. ECCLES: And he has had notice of today's proceeding?

    MS. HOLLOWAY: Yes.
    MS. ECCLES: Okay. Thank you.

    MR. CHISUM: And, Mr. Chairman, that is the genesis of my motion.

    MR. OXER: I gather. Okay. There has been a
motion by --

MS. HOLLOWAY: And I believe there’s --

MR. OXER: There’s a motion by Mr. Chisum and a
second by Mr. Gann to approve staff recommendation on Item
6.

Public comment? Would you like to speak, sir?

MR. BONE: Thank you for the time. My name is
Robert Bone. I'm counsel for Mr. Miller. And the first
thing to clarify is that Mr. Miller is here through his
counsel today to at least have the opportunity to address
the Board.

It is not Mr. Miller’s intention to show any
kind of disrespect or any kind of disregard for this
serious order. To the extent his actual physical absence
here today is construed as such, please take my word for
it that it is not.

We asked simply for the opportunity to address
the Board in order to get across the fact that Mr. Miller
takes this seriously; that he is working and continues to
work to make Southmore Park Apartments a better place and
to address these violations.

He is aware and he is acting upon the
conditions that led to the two low scores. He continues
to try to get staff in place that can address the other
violations and cure those violations and of course
continue to address the financial obligations in terms of paying penalties, of which he has stayed on top of, and will continue to.

On behalf of Mr. Miller, again, I want to stress, no disrespect has been meant to the Board in the past. He agrees that there is the recognition that problems exist at Southmore Park Apartments, and Mr. Miller continues to work hard to address them.

We will accept the determination of the Board.

We would respectfully and eagerly plead that if debarment is determined to be appropriate -- and it appears that way -- under the current laws, that with the language reading "shall," that it appears that it has to happen, we would respectfully ask -- we were here today to ask for the Board’s latitude and maybe having a shorter period of time than ten years. But certainly we would ask that it not be increased over ten years.

Ten years is sufficient to allow Mr. Miller to show that he continues to try to turn a new leaf and get this property in order very soon. And that was our point.

And I am here to answer any questions. If it is the determination of this Board that Mr. Miller be here before you to answer any questions, we would respectfully ask before increasing the penalty that this matter be

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tabled for perhaps next month.

Mr. Miller will be here to respond to questions if such is the determination of the Board. But if it is the determination of the Board that ten years remains an appropriate time, Mr. Miller stands ready to -- irrespective, Mr. Miller is going to work on this property, continue to work on this property, continue to try to get it back into compliance per instructions of TDHCA.

MR. OXER: Mr. Bone, you say that your client has made an effort over some time, has been turning over a new leaf. He has been turning over leaves here for over three years. It appears that he has been unable to do that.

The effective debarment -- and I solicit counsel on this -- solicit advice from counsel on this -- but in the event the debarment is imposed, it does not change the obligation to continue to manage that property appropriately. It only says you don’t get to come back and do anything new here for the period of the debarment.

MR. BONE: Very much agreed, sir.

MR. OXER: Okay. So with that, there seems to be a long history in the information we have been presented. And I assume you have seen that.

MR. BONE: Yes, sir.
MR. OXER: It has been published in the agenda and available to everybody who is able who wishes to see it, has a long history of insufficiencies on this property.

MR. BONE: Yes, sir.

MR. OXER: Okay. Any other questions?

MS. ECCLES: Just one.

MR. BONE: Yes, sir.

MS. ECCLES: Have you reviewed the materials as Item number 6 on this agenda?

MR. BONE: Yes, sir. I have. I printed the -- I did print -- I have been in receipt of prior materials of course as forwarded to us.

(Mechanical noise.)

MR. OXER: I didn’t touch anything. I swear I didn’t touch anything.

(General laughter.)

MR. OXER: It's not a guillotine, Peggy. Much as you all often want, it is not a guillotine.

MS. ECCLES: That sounded like a drum roll.

MR. BONE: In advance, I will also -- I believe we are about to be shown some images, I suppose?

MS. ECCLES: No. Actually --

MR. OXER: That was a mistake.

MR. BONE: Okay.
MS. ECCLES: No, I am not going to cross-examine you. You are not under oath.

MR. BONE: I was just going to point out that I don’t have my glasses on, and so it is --

MR. OXER: Peggy, did you hit anything over there.

MS. ECCLES: No. I am not going to spring anything on you. The only question that I was going to ask is actually to you.

MR. BONE: Yes, sir.

MS. ECCLES: Having reviewed those materials, on behalf of your client --

MR. BONE: Yes, sir.

MS. ECCLES: -- are there -- does it contain any inaccuracies or anything that you would think needs to be corrected?

MR. BONE: I would think -- coming here prepared today to talk about the fact that he had two low scores, the two low scores below 50 that led to this determination that a debarment shall be mandated and having read the Administrative Code in that respect, I reviewed those materials in that light.

And, sir, I am not in a position to where I can tell you at this point that those two low scores should not have happened, only that the factors leading to those
two low scores are being -- either have been addressed or are continuing to be addressed, including Mr. Miller’s efforts to get staff in place that could address them more capably or cure them. I hope that answers your question. That is what I have.

MS. ECCLES: Well, and you speak of efforts to address.

MR. BONE: Certainly.

MS. ECCLES: Has your client produced anything that would demonstrate that they actually have been addressed?

MR. BONE: He has not produced anything to me to bring here. Before, again, on the topic of, is this a -- I guess I was not prepared to present any new evidence, but I can certainly speak to my client and try to --

MR. OXER: Your purpose in being here is basically a request for clemency, for lenience.

MR. BONE: One would put it that way. Yes, sir, Your Honor. But also to point out that, with the Board’s decision, Mr. Miller intends to continue his efforts to get the property in shape.

MR. OXER: Well, we appreciate his intent, but we would also offer up that he has a contractual obligation to do so --
MR. BONE: Yes, sir.

MR. OXER: -- that has nothing to do with what we are going to do here.

MR. BONE: Yes, sir.

MR. CHISUM: Call for a vote, Mr. Chairman.

MR. OXER: Okay. I was just going to -- I assume our Compliance Chief is here. Ms. Murphy. Good morning. Good afternoon, now. All right.

With respect to item 6, motion by Mr. Chisum, second by Mr. Gann, to approve staff recommendation of debarment for Mr. Miller for a period of ten years, modified to 20 years. We have heard public comment. Those in favor?

(A chorus of ayes.)

MR. OXER: And opposed?

(No response.)

MR. OXER: There are none.

Michael, you're up.

MS. BOSTON: Surprise. Not Michael. Michael is actually at a conference this week. So Chairman Oxer and Board, I am Brooke Boston, one of our deputies. I am here to speak to you about Item 7a.

Item 7a relates to our Community Services Block Grant funds which we receive from the U.S. Department of Health and Human Services. Five percent of the amount we
receive annually from HHS is used for discretionary purposes. These funds can be used in a variety of ways. There are some ongoing uses of the funds that we consistently are committed to over the years; for instance, migrant seasonal farmworker outreach, Native American population educational efforts, and supporting our Section 8 Project Access program.

However, for the remainder of the funds, every two years, you the Board have identified a priority subject area for focusing the use of the funds for the biennium. The priority identified by the Board for 2013 and 2014 was homelessness.

Last year, in February 2015, the Board determined that the priority for 2015 and 2016 funds would be to invest those discretionary funds back into the Community Action Agency Network to support eligible entities in preparing to meet the requirements of the CSBG organizational standards developed by HHS.

The organizational standards of excellence for Community Action Agencies correlate to other system improvements that are needed relating to the new OMB Omnicircular, Texas Uniform Grant Management Standards, how review of single audits occurs in following what we call ROMA requirements, results-oriented management.

All of those together were kind of the purpose
for which we decided to program the funds that way. At
the same meeting in February 2015 is when that priority
decision was made, you actually decided on the actual
programming specifically of the 2015 CSBG discretionary
funds.

So we actually have two items today that relate
to CSBG discretionary. One, relating to the 2015, which
is the one we are discussing right now. And then 7c in a
moment, we’ll also discuss discretionary. So this item 7a
relates to the reprogramming of balances that are left
still from the 2015 CSBG discretionary as well as some
remaining 2015 CSBG administrative funds.

Since the programming of the 2015 CSBG
discretionary in February of 2015, not all of those funds
have been fully utilized. Some of the funds have been
used or will remain targeted or in contracts. For
instance, last month you approved items in January for
operational improvements that are now proceeding into
contracts. We also recently took action on some migrant
seasonal farmworker contracts.

However, of the 2015 CSBG discretionary,
$608,982 of those funds were not fully utilized and now
need reprogramming. Additionally, the administrative
funds I mentioned total $575,000. In total, those two
sources aggregate to just under $1.2 million that will
expire on September 30 of 2016 this year and therefore
needed us to promptly reprogram those funds.

Staff recommends in the Board action item
reprogramming that amount as $1,183,982 to provide funds
to CSBG-eligible entities that had expended 90 percent or
more of their contracted 2015 CSBG funds by the end of
their original contract date and had satisfied previous
participation review.

And those funds would go to them for the
provision of services to low-income individuals and
communities with the requirement that the funds be spent
in full by July 31st of 2016.

In the event that any funds remain after July
of 2016 out of this amount, the funds would again be
redistributed among this pool. There are 11 organizations
listed in your Board book item under 7a. Staff recommends
approval of the reprogramming of funds into these awards
as recommended in your book.

I am happy to answer any questions.

MR. OXER: Okay.

MR. GOODWIN: So moved.

MR. OXER: Okay. Motion by Mr. Goodwin to
approve staff recommendation on Item 7a. Do we have a
second?

MR. GANN: I will second.
MR. OXER: Okay. Mr. Gann says he will second.

Any public comment?

(No response.)

MR. OXER: There is none? Okay. Motion by Mr. Goodwin to approve staff recommendation, second by Mr. Gann. Those in favor?

(A chorus of ayes.)

MR. OXER: Those opposed?

(No response.)

MR. OXER: There are none.

MS. BOSTON: Excellent. Thank you. Item 7b also relates to the reprogramming of unused funds. In this case, we have approximately 4.1 million in 2015 low income household energy assistance program funds. We call that LIHEAP.

Those funds come from a combination of reallocation funds, which mean other states had to give them up federally and then they get redistributed, combined with balances that were unutilized under existing contracts, as well as some remaining administrative funds. Those funds are allocated in accordance with our rules to a formula distribution.

Staff is recommending that the funds -- that that 4.1 be programmed for distribution for CEAP, which is utility payment assistance. There are 41 network
providers for CEAP, who are being recommended to receive their proportional formula amount out of the 4.1. These additional amounts are provided through amending existing contracts.

The awards were approved by EARAC on February 12 and 17. I would note that one of the awards for Community Services, Inc., called CSI, is conditioned on the Department’s receipt of disallowed costs totaling $199,006 no later than March 5 of 2016.

If that amount is not repaid by the date, the amount of funds reflected in your Board item as awarded to CSI would be reallocated among those on the list and adjusted proportionally. So everyone’s amount would shift around just a little bit.

Staff recommends approval of the reprogramming of the funds into these awards as recommended. I would be happy to answer any questions.

MR. OXER: So it is a hundred and -- let’s see. Hold on a second. 172-, 173- out of 4.1 million. So everybody gets a bite.

MS. BOSTON: Correct.

MR. OXER: Just a little touch.

MS. BOSTON: Correct. Well, it’s not an equal share. So as in your book, everybody’s amount is different because it is formula-ized.
MR. OXER: Okay.

MS. BOSTON: Yes.

MR. GOODWIN: So moved.

MR. OXER: Okay. Motion by Mr. Goodwin to approve staff recommendation on Item 7b.

MR. CHISUM: Second.

MR. OXER: Second by Mr. Chisum. There appears to be no public comment.

Motion by Mr. Goodwin, second by Mr. Chisum.

Item 7b. Those in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none.

MS. BOSTON: All right. Item 7c. Back to the subject of CSBG discretionary, I realized in retrospect I should have put them right next to each other on the agenda.

As I mentioned a moment ago, in February of last year, you approved the biennial priority for using CSBG discretionary for reinvestment into the Community Action Agency Network. At that time, you also authorized the actual spending breakout of 2015, which we then just discussed.

So in essence you pretty much said for the next
two years, here is your big picture. And then for the first of those years, 2015, go forth in these specific ways. And so now this item it said for 2016, go forth in these additional specific ways for the second year of the biennium.

We are proposing that the funds continue the commitment that we have had to certain historic uses of the funds such as the migrant and seasonal farmworker population and Native American populations. In the past, that had been $200,000.

We actually increased it to $300,000, based on the usage and ultimate awards that we made this year in 2015. The amount we are talking about in total of all of the discretionary is $1.6 million. Those are not finalized figures at this point, but they are estimates, because we don’t have a final award amount from HHS.

For the migrant and seasonal farmworker activities, we will issue a NOFA consistent with funding last year as well; $150,000 will be used to support disaster recovery and $150,000 will be retain to support the issuance of Department-administered housing vouchers for persons with disabilities. For the network investment portion of the funds, we are going to propose four different activities, and they are outlined in your book.

If you like, I can talk you through them.
In short, one is doing network operational investment, which is similar to the awards we just did last month. We are just doing that again. Then second, we’ll be continuing to use funds for intensive assessments.

Again, that is something that we just did this past year, and we believe it is going to be an effective use of the funds.

Third will be to support transitional costs when an agency absorbs or merges with another area. So that helps them deal with some of those kind of transitional operating costs.

And then last will be to support comprehensive regional training and technical assistance activities, which may include funds being used to support what I mentioned earlier, ROMA, which is results-oriented management and accountability training initiatives across the state.

The Board action approves the use of the funds as laid out in your book and also grants staff the authority to proceed with making those funds available in those designated uses through either NOFAs, RFPs, request for applications, whatever the case may need to be.

Staff recommends approval as recommended. And I am happy to answer any questions.
MR. GOODWIN: So moved.

MR. OXER: Okay.

MR. CHISUM: Second.

MR. OXER: Motion by Mr. Goodwin, second by Mr. Chisum to approve staff recommendation on 7c. There is no public comment requested. Those in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: There are none. Okay. Just so that everybody knows, we are running up against a little logistics issue here.

So we have reached the end of the formal agenda. We are in the public comment period, where we accept public comment on matters other than those items that were held on the posted agenda items. This is for the purpose of constructing the agendas for the next and other future meetings.

So if you would like to speak, I do recommend you make it quick, because we have got some guys that have cabs waiting.

MS. BREWERTON: Okay. I will actually talk really quickly then. Hi. My name is Jen Joyce Brewerton. And I am with Dominium. We are considered an extra-large developer under TDHCA rules here in Texas.
But I am actually here representing TAAHP. Following a large session that we had yesterday we are asking for the Board to provide direction to staff to open public comment -- the public comment period for the compliance rules again. They are currently out -- they were out in draft format.

The public comment period has closed. And we would like it to be reopened again, so that there could be more discussion with the development community. To date, there hasn’t been strong discussions with the development community after they came out in draft format.

And there are a few reasons for this. The first is, to a fault, the development community has a history of not focusing on compliance rules and other TAC rules. And so again, that is to a fault. Certain provisions that are outlined in those compliance rules do have a strong financial impact on a lot of our developments, and it should have been noted, and it wasn’t until it was too late.

When the draft rule came out, it was provided all in black line, and I am sure you are familiar with the QAP in that if there is a rule change, it is typically underlined or stricken so the eye is led to what changes have occurred.

In this case, the black line is just one large
black line, because all of the language was moved to a
different section. So you really had to be looking
closely for what potential changes are there.

There also wasn’t what you have seen
traditionally in the QAP, a public roundtable that is
specifically geared towards discussing potential changes
in the compliance rule.

And because it wasn’t clear in the black line
and those changes weren’t pointed out by staff, once the
draft was posted, it was frankly just missed until kind of
the last minute.

There was a compliance roundtable that was
held. It is a quarterly compliance meeting where the rule
was discussed. However, there was just myself and Frank
Jackson there from the development community. It was just
basically management. And it was only one day prior to
the public comment period ending.

So yesterday we had this very large executive
roundtable, where we went through the potential changes.
I think everybody is on the same page. There is a lot
less fear than what perhaps you have heard about as of
last month.

Everybody feels comfortable with some of the
larger provisions. However, there were certain sections
that are still -- it would be very -- we feel like it
would be a very good idea to have the opportunity to sit with staff rather than doing it in the Board meeting next month.

So in having discussions with staff on this prior with Patricia Murphy and Stephanie Naquin, it sounds like there is a timing issue that they are very concerned about. So if it is determined that you don’t want to open these up for public comment, what we would respectfully ask for is an opportunity for the development community and TAAHP membership to sit down with staff to go over your reasoned response or draft reasoned response prior to it being published so that there is an education there, and it doesn’t have to happen at the Board meeting next month.

MR. OXER: Thanks, Jen. Appreciate your comments. Okay.

Anything else from any member of the Board?
(No response.)

MR. OXER: Okay. Any other public comment?
(No response.)

MR. OXER: Any other comment from staff?
(No response.)

MR. OXER: Any other comment from anybody on the dais.
(No response.)
MR. OXER: Okay. I get the last word. It's a good thing we are doing here. It's a hard thing that we are doing. But the quality and the effort that we put into it makes it all better for the State of Texas.

Entertain a motion to adjourn.

MR. CHISUM: So moved.

MR. GOODWIN: Second.

MR. OXER: Motion by Mr. Chisum and a second by Mr. Goodwin to adjourn. I assume we'll vote by accolade.

All those in favor?

(A chorus of ayes.)

MR. OXER: See you in a month.

(Whereupon, at 12:55 p.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: February 25, 2016

I do hereby certify that the foregoing pages, numbers 1 through 111, 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.

03/01/2016
(Transcriber) (Date)

On the Record Reporting
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