

HOUSING AND HEALTH SERVICES COORDINATION COUNCIL

Meeting Minutes April 8, 2015

Meeting began: 10:06 AM

CALL TO ORDER, ROLL CALL

Tim Irvine, Chair

The quarterly meeting of the Housing and Health Services Coordination Council (HHSCC) on April 8, 2015 was called to order by Chair Tim Irvine at 10:06 am. The meeting was held at the Brown Heatly Building, 4900 N. Lamar Blvd., Austin, TX 78751, Room 3501.

Members Present:

1. Tim Irvine, Chair, Executive Director of the Texas Dept. of Housing and Community Affairs
2. Amy Granberry, Member, Charlie's Place (Health Services Entity Representative)
3. Doni Green, Vice Chair, North Central Texas Council of Governments (Promoting Independence Representative.)
4. Mike Goodwin, Member, (Multifamily Housing Developer Representative)
5. Kenneth Darden, Member, (Macedonia Baptist Church, Advocate for minority issues)
6. Mark Mayfield, Member (Rural Communities Representative)
7. Suzanne Barnard, Member, Texas Department of Agriculture – Office of Rural Affairs representative
8. Martha Bagley, Member, Texas Department of Assistive and Rehabilitative Services representative
9. Anna Sonenthal, Member, Texas Department of State Health Services
10. Sarah Mills, Member, Health and Human Services Commission
11. Penny Larkin, Member, Texas Department of Aging and Disability Services

Members Absent:

1. Felix Briones, Member, (Housing Consumer Representative)
2. Megan Cody, Member, Texas Department of Agriculture – Office of Rural Health representative
1. David Danenfelzer, Member, Texas State Affordable Housing Corporation (Michael Wilt attended on his behalf)

TDHCA Staff Present:

1. Elizabeth Yevich, Director, Housing Resource Center
2. Terri Richard, Coordinator of HHSCC
3. Megan Sylvester, Associate General Counsel
4. Spencer Duran, Section 811 PRA Manager
5. Patricia Murphy, Chief of Compliance

AGENDA

Approval of January 14, 2015 Meeting Minutes

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Approval was motioned by Mr. Goodwin and seconded by Ms. Green. Minutes were approved unanimously.

1. **Update on Section 811 Project Rental Assistance**

Spencer Duran gave an update on the Section 811 Project Rental Assistance Program. Texas was among 13 states awarded 2012 funding for the Section 811 Program and among 24 other states to be awarded 2013 funding for the program. Texas will receive a total of approximately \$24 million dollars for about 650 units of rental assistance for persons with disabilities in seven Metropolitan Statistical Areas.

Mr. Duran explained that, we as a state, put two points in the Qualified Allocation Plan for the Housing Tax Credit program and that has netted a lot of interest in 811. In July, the allocation of credits will be approved by the TDHCA board and at that time, TDHCA will know which properties selected those two 811 QAP points and have a good idea of how much participation was received from the developer community.

In addition, the TDHCA Board allowed for a property to select the two QAP points and then defer those 811 units onto existing properties in their portfolio, so that saves the ramp-up time for a property to have to physically be constructed. TDHCA anticipates beginning lease up in August 2015. There is already interest in El Paso from a developer with three properties. TDHCA plans to begin training relocation contractors, who are the people that are referral agents and who refer people to the 811 program, in May.

Mr. Duran responded to questions from members and shared that TDHCA recently hired Southwest Housing Compliance Corporation to provide support on the implementation of the HUD-required rental assistance software that will be used to process the vouchers. Mr. Duran explained the difference between the Section 811 PRA and the Housing Choice Voucher Program. For the Section 811 Program, the vouchers are not portable. TDHCA signs a contract called a rental assistance contract, or a RAC, with the property and that property will pledge ten units to participate in 811, and so within those ten units, as vacancies occur those units will be filled with new Section 811 households. So these are project-based vouchers, they're not portable vouchers like Section 8 Housing Choice Vouchers.

Mr. Duran directed members to the TDHCA Section 811 PRA website for additional information about program activities.

TDHCA Compliance Monitoring Overview

Patricia Murphy gave an overview of TDHCA compliance monitoring activities. Ms. Murphy started by explaining there are four different sections in the Compliance Division. There is a section that does contract monitoring. They monitor the Amy Young Barrier Removal program, Tenant-Based Rental Assistance program, and first-time homebuyer programs. There is also a section that does the monitoring for community affairs programs, like Community Services Block Grant (CSBG) and utility assistance programs, as well as weatherization programs.

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Ms. Murphy explained that her presentation would primarily focus on the other two areas of the division that oversee monitoring for the multifamily portfolio. There's a section of the compliance division that's responsible for physical inspections, and there's another section of the division that's responsible for monitoring the leasing activities of the properties that have participated in TDHCA's multifamily programs.

The Physical Inspections staff get involved when the property has completed construction. Developers generally have about two years to complete construction or rehabilitation, and prior to their final draw or their 8609 or final signoff from the department; TDHCA staff goes out and does a final construction inspection to ensure that all of the amenities that they committed to are present. In addition, TDHCA staff make sure that the property is physically compliant with accessibility requirements. A percentage of the units have to be equipped for persons with disabilities, and the common areas, the leasing office, the facilities and the amenities, they all have to be accessible for persons with disabilities. So TDHCA conducts a detailed construction inspection to make sure all of that is in compliance before having a final sign off on the property.

In addition, the Physical Inspection section of the division at least once every three years conducts what's called a Uniform Physical Commission Standards inspection (UPCS) and that's really a habitability inspection. They go into 20 percent of the low income units and they look at the carpet, they check the paint on the walls, they check the gaskets on the refrigerators, make sure the toilets flush, there's no cracks in the windows, they do a detailed habitability type of an inspection.

The compliance monitoring section of the division goes out at least every three years and they do a sample of 20 percent of the low income resident files, and they review those files to make sure that the households are income eligible and their income is documented as below the applicable income limits. They make sure that the rent that's charged to the households is less than the applicable limits and they make sure the property owner has a correct utility allowance in place. They make sure the property is doing affirmative marketing, providing social services, that if they've agreed to lower income and rent tiers, like if they said we'll lease ten units to 30 percent households, they make sure that all of that is happening as well.

Ms. Murphy explained that for any type of a monitoring event, whether it's the construction inspection, the UPCS inspection or the file review, if there are findings of non-compliance the owner is notified in writing and provided a 90-day corrective action period. The property has 90 days to establish that they were in compliance or get back into compliance.

At the end of that 90-day period, if indeed the property was out of compliance with the program's federal requirements for the Housing Tax Credit program, such as the households are not income-eligible, the rents are over the limits, the property is not suitable for occupancy, are reported to the Internal Revenue Service on what's called Form 8823, and then it's up to the IRS to determine if the property claimed the tax credit and is going to have to pay that money back.

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In addition, for all types of non-compliance for all types of programs that TDHCA oversees, if at the end of that 90-day period the owner has not responded or has not complied with the required corrective action to implement their social services or do their affirmative marketing, or whatever they're supposed to be doing, and they don't resolve their issues, TDHCA refers the property owner to an internal enforcement committee that has the ability to assess administrative penalties if the owner refuses to come into compliance. This is also a pretty effective tool in getting compliance with our properties.

Ms. Murphy shared that the Compliance Division is also responsible for they do a background check called a previous participation review. This includes taking a look at the applicant's performance so far in the programs to see how it has been going. And for owners that have issues that are unresolved or they failed to come into compliance or they're not responding to compliance notices -- then that gets taken into consideration before TDHCA does repeat business with the entity.

Ms. Murphy responded to questions from members about supportive housing and monitoring of services documented in the properties Land Use Restriction Agreement.

Ms. Tracy Fine with National Church Residences gave public input about their organization and the services they provide residents, including service coordination. Ms. Fine encouraged members to review the QAP and advocate for ways it can be revised to benefit developers that are heavy into services.

Mr. Irvine explained that building a better QAP is a never-ending process and encouraged members and the public to draft specific recommendations for inclusion in the QAP.

Update on DSHS Rental Assistance Program

Anna Sonenthal gave an update on the Department of State Health Services "DSHS" rental assistance program. Two years ago, DSHS was awarded \$10.8 million specifically for the local mental health authorities to administer rental assistance and utility assistance to people who are homeless and mentally ill that are already in their services. So it is specifically for the population that they are serving. The program was rolled out as a rapid re-housing model, *i.e.* longer term rental assistance up to one year and short term rental assistance for three months.

The first report about the program is due to be released November 20. Over 1700 people were served in FY14. Anna also shared with the members that she is the Projects for Assistance in Transition from Homelessness (PATH) coordinator. She is beginning training and technical assistance with the administrators and particularly looking at ways to develop relationships with their local Public Housing Authorities.

Update on HHSCC Staff Activities

Ms. Richard provided an update on activities she has participated in support of the Council. Housing round table in Dallas; Relocation Specialist and Aging and Disability Resource Center training in Austin and Longview; Austin Club House housing presentation; monitoring Sunset bills for the Health and Human services agencies; booth at the Texas Alliance of Information and Referral Services (TAIRS) and State Independent

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Living Council conference; and the Request for Proposal to replicate the Housing and Services Partnership Academy. Ms. Richard shared that the RFP is expected to be released in the next couple of weeks.

Mr. Irvine discussed a partnership with some of the health and human services agencies to develop a training similar to the Compliance Monitoring training for developers to equip developers with a binder of resources that could be available to help tenants. He suggested a more health and human service focused training for developers.

84th Legislative Session Updates

State agency staff gave updates on the 84th Legislative Session.

Anna Sonenthal announced that the Department of State Health Services had applied for the Cooperative Agreement to Benefit Homeless Individuals (CABHI) grant. The funds would be used to provide services and will be for already existing outreach and substance abuse providers for wraparound kind of intensive housing services for homeless individuals or individuals who are in jeopardy of losing their housing. Notification is expected in May 2015.

Public Comment

There was no other public comment.

General Updates/Next Steps/Staff Assignment(s)

The next meeting is scheduled for July 8, 2015.

ADJOURN

There being no further business before the Council, the meeting was adjourned at 11:10 am.