

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
PROGRAMS COMMITTEE

Tuesday, January 13, 2004  
Waller Creek Office Building  
507 Sabine Street, Room 437  
Austin, Texas

COMMITTEE MEMBERS:

C. KENT CONINE, Chair  
BETH ANDERSON

STAFF:

EDWINA CARRINGTON, Executive Director  
BILL DALLY  
SARAH ANDERSON  
GORDON ANDERSON  
DELORES GRONECK

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P R O C E E D I N G S

1  
2 MR. CONINE: The Programs Committee meeting of  
3 the Texas Department of Housing and Community Affairs on  
4 January 13 at 9:10 a.m. We'll call roll. Kent Conine is  
5 here as the chair. Beth Anderson?

6 MS. B. ANDERSON: Here.

7 MR. CONINE: Vidal Gonzalez --

8 (No response.)

9 MR. CONINE: -- is absent. We've got two  
10 members present; that makes a quorum. We have an  
11 opportunity for public comment for the Programs Committee.

12 If anyone who is here that wants to speak to the Programs  
13 Committee, we've got witness affirmation forms. Don't  
14 confuse the Programs Committee with the board meeting, if  
15 you want to speak at the board meeting. But if anyone is  
16 here to speak at the Program Committee meeting, they are  
17 welcome to do so. Anybody on public comment?

18 (No response.)

19 MR. CONINE: Seeing none, I'll close public  
20 comment and move to the action items. What I thought we  
21 would do, is just have a general discussion between those  
22 of us here and Ms. Carrington, staff-wise, and the rest of  
23 the staff that happen to be here on a reconstituted  
24 Programs Committee moving forward, since Ms. Anderson has

1 juggled the committee members structure, we need to take a  
2 look at what the Program Committee responsibilities are  
3 and take a look at how we want to move forward more of a  
4 general discussion today at least, and then we can get  
5 specific as we go through some of the items.

6 Ms. Anderson, we've got behind your agenda -- I  
7 think you are going to find what would be the duties  
8 listed here for the program committee and obviously as the  
9 board chair, I'd love to have your input on whether these  
10 are the appropriate duties for this committee or not, the  
11 first being to evaluate program structures that the agency  
12 has; second, to approve marketing plans for the various  
13 programs we do; third, approve evaluation methods for  
14 lender fund allocations; fourth, review and evaluate  
15 program compliance, which has been an issue over the  
16 years; fifth, review and approve housing programs that may  
17 come up; and sixth, evaluate new products for housing  
18 programs.

19 Ms. Carrington, I guess, if you would, comment  
20 on what you feel the appropriateness of those duties are  
21 for the committee, and then we'll let Ms. Anderson follow  
22 up from your perspective.

23 MS. CARRINGTON: Thank you, Mr. Chairman. I  
24 believe that in looking at the list and talking to staff

1 about this, we feel like this is a fairly comprehensive  
2 evaluation of the list of the duties for the Programs  
3 Committee. As we talk about evaluating program structure  
4 I would imagine that under that, that we would also put  
5 program rules, because that certainly is a really the  
6 driving and the deciding factor of how we will then  
7 allocate our funding under our various programs.

8 So I don't know if that needs to be a separate  
9 item or if we would just assume that it would be part of  
10 that structure. But certainly, as we propose draft rules  
11 for our various programs, that would be a component also.

12 And as you all know from last year, one of our objectives  
13 has been to be as much as possible to make our rules  
14 consistent across our program. And so that's something  
15 that I think should continually be in our mind as the  
16 program committee performs their duties for this year.

17 MR. CONINE: Ms. Anderson?

18 MS. B. ANDERSON: Before I make comment, I'd  
19 like to ask a question. I confess to not understanding  
20 item number three about evaluation methods for lender fund  
21 allocations.

22 MR. CONINE: Okay. Ms. Carrington, do you want  
23 to let us know what the thought process was?

24 MS. CARRINGTON: I'm looking around for one of

1 my single family folks who probably put this on the  
2 agenda. Or, Bill Dally, do you?

3 MR. DALLY: I'll make a follow-up.

4 MS. CARRINGTON: Okay.

5 MS. B. ANDERSON: We can come back to that.

6 MS. CARRINGTON: I think we need to.

7 MS. B. ANDERSON: I feel like this list is  
8 amply broad to allow the committee to look across the  
9 range of programs in a flexible manner. I am mindful  
10 that, at least in my thinking, as I thought about the  
11 benefits of having an active program committee to advise  
12 the board and to work with staff on program evolution,  
13 that one of the two things that were in my mind were  
14 priorities and effectiveness of the programs. And  
15 effectiveness is a little bit different than compliance to  
16 me.

17 So I want to make sure that we encapsulate the  
18 notions of classic program evaluation where you are  
19 evaluating effectiveness based on some agreed-upon  
20 criteria.

21 And then my sense is, as a board member that  
22 doesn't spend my time full-time in the housing industry,  
23 that we have a plethora of priorities that we try to  
24 satisfy. And I think try to analyze what those priorities

1 are or where they are in harmony and where they are in  
2 conflict, and how we allocate money against those  
3 priorities is something that ought to be part of the  
4 charter as well.

5 MR. CONINE: So if we took the fifth bullet  
6 point there and changed that to say, Review and approve  
7 the effectiveness of housing programs, would that  
8 encompass what your thoughts might be?

9 MS. B. ANDERSON: Or, Review, evaluate and  
10 approve?

11 MR. CONINE: Okay. Well, we've got evaluate  
12 programs.

13 MS. B. ANDERSON: Compliance, right. So you  
14 could also put "program compliance and effectiveness."  
15 You could put it either place.

16 MR. CONINE: Okay.

17 MS. CARRINGTON: Ms. Anderson, as you mention  
18 effectiveness, and I go back and look at number three and  
19 think about that for a moment, I believe what we would be  
20 addressing here is on our single family mortgage revenue  
21 bond program, we do a first come, first served with our  
22 lenders.

23 MS. B. ANDERSON: Right.

24 MS. CARRINGTON: Unlike the old kinds of

1 structures, where the lenders took down an amount of money  
2 and then originated those proceeds, now lenders sign up to  
3 participate in our program and some originate loans using  
4 our mortgage money and some do not originate loans using  
5 our mortgage money.

6 And it would be my thought until somebody comes  
7 in and tells us something different, that probably what we  
8 are looking at doing there is creating some kind of  
9 evaluation tool. And it could be just as simple as how  
10 many loans did you all originate -- to see their  
11 effectiveness in utilizing our funding.

12 MS. B. ANDERSON: And this is the network of  
13 the 75 or so lenders around the state, then?

14 MS. CARRINGTON: Actually, 200 or so, by the  
15 time you look at all their branches.

16 MS. B. ANDERSON: Okay. I think you could  
17 argue, I'm not an economist, but you could argue that in a  
18 rising interest rate environment, that everybody keeps  
19 saying we're going to have, but that day of reckoning  
20 keeps being put further and further off. But if we had a  
21 rising interest rate environment, and then we've got this  
22 set of mortgage money that's -- you know, we've already  
23 issued the bonds.

24 We have sort of the opposite of the situation

1 we were in last year, where market-based products were  
2 competitive with us. We're in a little different  
3 economic environment, and we have a more attractive,  
4 relative to other sources of financing, set of mortgage  
5 products that then you do want to allocate based on some  
6 criteria that recognizes production and or something.

7 MS. CARRINGTON: Those lenders who have  
8 aggressively utilized our product.

9 MS. B. ANDERSON: And have marketed our  
10 products to the populations for which they are intended --  
11 you know, how do you go out in a first-time homebuyer  
12 program and target single working mothers or librarians or  
13 what?

14 MS. CARRINGTON: And I think it was the board  
15 meeting last month where we were talking about our Single  
16 Family program. And we have some Single Family items on  
17 the program, on the board meeting agenda today. One of  
18 the things the staff did talk about was developing a  
19 marketing strategy for our Single Family program, and  
20 doing a better job of that.

21 MS. B. ANDERSON: Okay.

22 MR. CONINE: Okay. So I heard a couple of --  
23 let me see if I heard this right. A couple of amendments,  
24 shall we say, to this list? The first one, we added,

1 Evaluate program structures and rules.

2 MS. B. ANDERSON: Rules, yes.

3 MR. CONINE: And was it the fifth one? Review,  
4 evaluate and approve the effectiveness of housing  
5 programs. Those are the two amendments that maybe we  
6 could make to this document to have it as kind of our  
7 guidelines?

8 MS. B. ANDERSON: Can I just have one more?

9 MR. CONINE: Well, if you'd like, yes.

10 MS. B. ANDERSON: On number one, after rules,  
11 can we have "and priorities"? "Program structures, rules  
12 and priorities"?

13 MR. CONINE: And priorities? Okay.

14 MS. B. ANDERSON: Thank you for your  
15 indulgence.

16 MR. CONINE: IS that in form of a motion for  
17 all that?

18 MS. B. ANDERSON: Yes it was.

19 MR. CONINE: Great. Is there a second? Yes.  
20 All in favor, say aye.

21 (A chorus of ayes.)

22 MR. CONINE: Okay. All right, let's take a  
23 look at a little pie chart that Ms. Carrington provided to  
24 us that breaks down the funding overview of -- this is

1 2003, is that correct? Do you want to kind of go over  
2 this for us right quick?

3 MS. CARRINGTON: Yes, sir. And I would like to  
4 tell the audience that what the committee is looking at  
5 today came right out of our state low income housing plan,  
6 which was approved by the board in December of last year.

7 And we have actually provided the board two pie charts  
8 that came out of our slip.

9 The first one is the total funding by program,  
10 total funds committed by program for 2003, and as we  
11 looked at our priorities, as we look at our funding  
12 sources, as we looked to see where our money goes, we  
13 thought it was a good idea to remind this committee of  
14 what those numbers look like.

15 And for 2003, fiscal year 2003, TDHCA received  
16 actually \$464,096,192 in funds, but we committed over 492  
17 million in serving lower income Texans and the reason that  
18 amount is about 30 million more than what was actually  
19 received for TDHCA is in the deobligated funds and some  
20 previous year funding that rolled forward.

21 So, the first pie chart that we have -- and I  
22 might say that as Michael Lyttle and I are making visits  
23 with state legislators -- that we take these two charts  
24 with us to give a picture of the amount of funding that

1 flows into TDHCA and what we utilize that funding for.

2 And we have a breakdown of each of our programs and the  
3 dollar amounts that were committed last fiscal year.

4 And the other pie chart that you have shows '04  
5 and these are projected funds. And there really aren't  
6 too many changes in the dollar amount so that if you will  
7 notice in '03, the amount of federal dollars, of the  
8 amount of dollars into this agency, 90 percent of it is  
9 federal funds, and 4 percent of it is state funding and in  
10 '03 that state funding was attributed to the Housing Trust  
11 Fund and the System Benefit Fund, SBF, which came from the  
12 Public Utility Commission.

13 When you look at '04 on the projected  
14 allocation amount, you will notice that the federal  
15 funding is now up to 99 percent for the agency, with state  
16 funding being at 1 percent. And the reason for that was  
17 the System Benefit Fund money, the 10 million or so on an  
18 annual basis that we had been receiving was reallocated by  
19 the Legislature from weatherization for TDHCA to other  
20 programs that were without, outside of this agency.

21 You will notice the difference in the HOME  
22 Program in '03, we had over 60 million in HOME funds. In  
23 '04 it is projected to be 45 million. That difference, of  
24 course, is because of the double cycle that we had in HOME

1 in '03. And now we will just be on an annual cycle.

2 And most of the other dollars, the single  
3 family, the multi-family bond program, 185 million on '03.  
4 We're projecting about 150 million in '04.

5 MS. B. ANDERSON: What's the -- the comparison  
6 year to year is very helpful. It is very interesting to  
7 look at this data this way. The decline in the housing  
8 tax credit from 59 million to 38 million. That looks  
9 like -- I don't know what that looks like. Is that  
10 because of the 30 million decline in the multi-family  
11 side?

12 MS. CARRINGTON: It included not only the 9  
13 percent credits but the amount of the 4 percent credits.

14 MS. S. ANDERSON: Because this is committed or  
15 allocated, as opposed to projected.

16 MS. B. ANDERSON: Okay. So you don't have 4  
17 percent housing tax credit in the projected number?

18 MS. S. ANDERSON: No. Not projected.

19 MS. CARRINGTON: We probably could have, if we  
20 had bonds at 150 million on multi-family. We certainly  
21 could have attached a number of the 4 percent credits on  
22 that.

23 MR. CONINE: I would think that the pie chart  
24 is only slightly misleading in that you really don't get a

1 picture of the impact that you are providing the state of  
2 Texas when it's related to creation of housing. As a for-  
3 instance, in the single family bond program, you are  
4 basically gobbling up most of the house value on the bond  
5 issuance between some cases you do more, with down payment  
6 assistance being 103 percent.

7 But in the multi-family bond program and the  
8 housing tax credit program, if you don't have the 4  
9 percents on there, then you could take the 150 million and  
10 almost match it up with 4 percent credit to come up with  
11 some guess of what the projected '04 funding of 4 percents  
12 would be.

13 But you've got 38 million sitting over in the 9  
14 percent round, and there's no real place to measure the  
15 multiple of that. So if we could, just for our benefit,  
16 if nothing else, in parenthesis or some other kind of side  
17 nomenclature, say that that 38 million produces X dollars  
18 of rental multi-family housing across the state. And we  
19 could take a pretty good guess at what that number would  
20 be, based on our historical standards.

21 MS. B. ANDERSON: And I would think for  
22 purposes of educating our publics, I totally agree with  
23 you, I would just add that when you can tie that to people  
24 served or unit created, that that's something. I mean, as

1 a layperson I don't know what 38 million does. But we  
2 know that it creates 6,000 units. And so that's a  
3 layperson's benchmark, if you will. So we might do that.

4 MR. CONINE: The same thing with some of the  
5 others, the HOME funding, for instance.

6 MS. B. ANDERSON: Yes, yes.

7 MR. CONINE: If it has a multiple effect to it,  
8 we need to consider that. Because it is misleading,  
9 especially if you're talking to state legislatures for  
10 instance, to think that we only do \$483 million in  
11 housing. That's just not the case. We do a lot more than  
12 that. So let's take another run at that, if we can, and  
13 see, at least for our benefit, what we can come up with.

14 MS. CARRINGTON: And I think the phrase for  
15 your all's benefit is sort of the operative phrase. What  
16 we find when we go out is that we do some multiple charts  
17 and that one of the first things that the Legislature is  
18 interested in looking at is what shows up in the build  
19 pattern for TDHCA -- you know, what comes in, in the way  
20 of federal funds, appropriated receipts, state funding,  
21 and so what we attempt to do with these charts is allow  
22 them to be able to make a real easy comparison to what  
23 they know shows up as appropriated to TDHCA and how we  
24 utilize it. I do agree then, that additional pages, we do

1 do some of this, but I certainly understand what you all  
2 are talking about.

3 MS. B. ANDERSON: It needs to tell a story.

4 MS. CARRINGTON: That the pages behind says  
5 okay, 38 million in tax credits creates approximately  
6 6,000 units of multifamily housing, \$161 million in single  
7 family bond programs provides home ownership opportunities  
8 for 10,000, 12,000 families around the state, absolutely.

9 MR. CONINE: Either do it in units or do it in  
10 dollars. Either way. Dollars are going to be more  
11 impressive but units is also a pretty good number to look  
12 at.

13 MS. B. ANDERSON: And I have one more  
14 suggestion, just sort of for the next time the Programs  
15 Committee meets. There's one other way I'd like to look  
16 at this. This is back to my little thing about setting  
17 priorities. I'd like to look at this 492 million and 493  
18 million by purpose. So how much of this is going into  
19 single family mortgages, versus down payment assistance,  
20 versus owner-occupied rehab -- you know, just break it  
21 down by -

22 MS. CARRINGTON: By activity.

23 MS. B. ANDERSON: Yes. By activity. Because  
24 we've got, as we know, for any activity, we have

1 sometimes multiple streams of -- cut this way, supporting  
2 those activities.

3 MR. CONINE: Well, there's the couple of pie  
4 charts that we do have here also in our packet deal with  
5 income.

6 MS. B. ANDERSON: Income, yes.

7 MR. CONINE: Which is also obviously a concern  
8 to us, and to the state legislature as well. If you look  
9 at what we did in 2003 for instance, for the very low-  
10 income, it's pretty substantial. And I wouldn't have  
11 guessed that, I guess. But that's very, very good.

12 MS. B. ANDERSON: Is the extremely low income  
13 number is that what equates to 0 to 30?

14 MS. CARRINGTON: Zero to 30 is extremely low  
15 income, yes.

16 MS. B. ANDERSON: That's where we have a rider  
17 about that?

18 MS. CARRINGTON: Rider three says 30 million,  
19 at least 30 million of TDHCA's funding on an annual basis  
20 will go to serve families at or below 30 percent of area  
21 median family income.

22 MS. B. ANDERSON: Mindful of that rider and the  
23 legislative intent related to it, I just give it a list of  
24 things to do today. But I'd like to know, of the 61

1 million, what are the sources of those funds? Is that  
2 mostly community affairs plus a little -- if you could  
3 enlighten us on how we -- what programs and what  
4 activities that 61 million, what comprises that?

5 MS. CARRINGTON: We do have that information in  
6 our performance measures.

7 MS. B. ANDERSON: Great.

8 MR. CONINE: Ms. Carrington, do you want to  
9 walk us through this last little sheet here on department  
10 priorities?

11 MS. CARRINGTON: Yes, sir. I will happy to.  
12 I'll ask Sarah Anderson to come up because she is the  
13 author of this. But what we looked at, what Sarah and I  
14 looked at yesterday, was what are the priorities of the  
15 agency and basically how those priorities have been  
16 developed. And they have been developed of course,  
17 primarily through legislation, through riders for the  
18 Agency, and then also, of course, through our multiple  
19 public comment, public hearing procedures and processes as  
20 we go out with rules for programs with the public telling  
21 us how they believe we should be utilizing our funding.

22 So based on all of those factors, the following  
23 populations received funding priority through all of  
24 TDHCA's programs: Extremely low income individuals and

1 households, which are those at or below 30 percent of area  
2 media family income; low income, special needs  
3 populations, including persons with alcohol and/or drug  
4 addictions; persons with disabilities; victims of domestic  
5 violence; elderly populations; persons with HIV/AIDS;  
6 migrant farm workers; residents of the Colonias and the  
7 homeless.

8           And those -- as we look at those four  
9 priorities, then as we develop the rules for our programs,  
10 then those priorities are always in our mind as we are  
11 looking at our funding and at our scoring mechanism. I  
12 think Sarah and I were talking about this yesterday, and  
13 it was kind of interesting information that she came up  
14 with, when she went back for eight years, looking back  
15 from '95 to '04 and looking at the percentages within  
16 those income ranges of where TDHCA's money had been  
17 utilized.

18           And I think probably what was -- and I don't  
19 want to speak for you, Sarah, but perhaps the most  
20 surprising to you was that even though in the '99  
21 legislative session -- or was it '01 where we got rider  
22 three about the 30 million?

23           MS. S. ANDERSON: '99.

24           MS. CARRINGTON: 99?

1 MS. S. ANDERSON: Well, actually before that.

2 MS. CARRINGTON: We had already been serving a  
3 great number of very low income families. Sixteen percent  
4 of very low income, 17 percent in '04.

5 I think what has changed though is -- my guess  
6 is if you went back and looked in 1995 to see what  
7 programs we were serving the very low income with, it  
8 would probably be Section 8. It would be Weatherization.

9 Where I think if you look at -- or when we look at this  
10 30 percent and below now, it's much more broadly across  
11 our programs.

12 We're able to do some single family home  
13 ownership because of down payment assistance. We used  
14 some Housing Trust Fund money to leverage very low income  
15 units in our tax credit developments. So I think what we  
16 see is that now that income spectrum of 30 and below, we  
17 are reaching across more of our programs as opposed to  
18 being really isolated in the community affairs area.

19 MS. S. ANDERSON: Basically, there is almost a  
20 double in funding with the increase in tax credits and  
21 bonds allocations and the per capita. So while our other  
22 programs didn't really increase, we went from about 250  
23 million a year to close to 500-. So before it was almost  
24 all Section 8 funding was hitting 0 to 30 and a little bit

1 of trust fund.

2 And we've been able to maintain, which I  
3 suppose is significant that with the double in funding,  
4 we've still been able to keep it about 16 to 17 percent in  
5 0 to 30. And what has happened is, the HOME Program now  
6 and you were asking, Ms. Anderson, is where the funding  
7 was coming from for 0 to 30. And it's almost primarily  
8 from the HOME Program at this point.

9 But we have been able to tap into trust fund  
10 leveraging with tax credits now, we're actually getting  
11 some out of tax credits and so trust fund tax credits and  
12 even single family through the first-time homebuyer. So  
13 while it looks like it's the same figures, we've doubled  
14 our production and been able to maintain that percentage  
15 as we've gone on.

16 MS. CARRINGTON: We have listed the activities  
17 for you that we utilized to reach extremely low income  
18 populations. One of them is tenant-based rental  
19 assistance, which of course is with the HOME Program. It  
20 looks just like Section 8 and looks like a Section 8  
21 voucher.

22 Owner-occupied rehabilitation which is also the  
23 HOME Program, where we will go in and use HOME dollars to  
24 rehabilitate an eligible tenant's home that they own.

1 Housing vouchers, rental and home ownership through the  
2 Section 8 program.

3 The rental housing development and that is the  
4 HOME Program that we used for developing rental housing,  
5 the point incentives to applicants to serve 0 to 30. And  
6 this was -- particularly in the tax credit program for a  
7 couple of years we provided some incentives for developers  
8 who are targeting to extremely low income and then  
9 continuing marketing and encouragement for organizations  
10 to serve 0 to 30.

11 MR. CONINE: It strikes me once again, maybe in  
12 our communications area, we should probably figure out a  
13 way to communicate some of this information as we walk  
14 through some of this, this year, to not only the public  
15 but the state legislature as well.

16 I think the better communication we can have  
17 with them and dialogue we can have with them during the  
18 interim period would be very well served. And I would  
19 suspect that not many of them understand or realize some  
20 of the transitions that we've made during the last eight  
21 years.

22 So do you think it would be the communications  
23 group could take some time to come up with a good way to  
24 communicate these messages to the board and the state and

1 the public state legislature? Is that something we should  
2 try to do over the first couple, two or three months here?

3 MS. S. ANDERSON: We're actually working on a  
4 piece to do that. Specifically, we're targeting one  
5 specific for the legislature. It's sort of as a calling  
6 card, and as we go out and try and educate on these  
7 programs and then one to the public. So we have something  
8 in the works and we're hoping to have that published in  
9 March if possible.

10 MS. CARRINGTON: And also, over the fall, and  
11 certainly is the plan, through the winter and the spring  
12 and the summer before the next legislative session. As  
13 you know our governmental affairs director, Michael  
14 Lyttle, and I have been making multiple one-on-one visits  
15 with the legislature. And one of the pieces or two of the  
16 pieces of information we do provide them are these pie  
17 charts that show our funding.

18 And also, we always do a funding report for the  
19 dollars of TDHCA that have gone in their development, that  
20 have gone in their district, because we do find that  
21 really the best method of communicating is to sit down one  
22 on one when a session is not going on -- when they're not  
23 really preoccupied and they can spend, really some time  
24 looking at and asking questions about TDHCA and its

1 programs and its funding.

2 One of the things that we have done as a  
3 result -- several things we did as a result of the  
4 reorganization is the communications area is now in the  
5 Center for Housing Research, Planning and Communications.

6 So our communications arm of the department is  
7 in the area that is doing all of the plans for the  
8 department, that does the research for the department,  
9 that has been taking the lead on the public input groups.  
10 And the other thing that we did was move the department's  
11 performance measures to the Center for Housing Research,  
12 Planning and Development.

13 So what we are attempting and working to do  
14 with that consolidation is -- the division within our  
15 department, does the research, has the numbers, has the  
16 information, is also the department that is helping  
17 develop communication and marketing tools for our programs  
18 and for our mission and what we do here.

19 And I think that generally, we're finding out  
20 that that is working really, really very well for us.  
21 Much better coordination, much better understanding of  
22 what is coordinating what's going on within a department.

23 MR. CONINE: I know we do the amount of funding  
24 for '03 in U.S. congressional districts by the March

1 legislative conference, but do we have the capacity to do  
2 the state legislators that same way on about that same  
3 time frame, or does that take a while longer?

4 MS. S. ANDERSON: No it's sitting in a  
5 database, ready to go whenever.

6 MR. CONINE: Ready to go?

7 MS. CARRINGTON: We do that every -- when we're  
8 getting ready to go out and make a visit with a  
9 legislator, we just update that information and take that  
10 funding report to them.

11 MR. CONINE: Okay. So we could get copies of  
12 all that electronically or whatever for the board members?

13 I think that, don't you think the board ought to take a  
14 look at that? Can I? They can cherry-pick which district  
15 they want to look at and talk to, but as soon as we can  
16 get that, that would be helpful.

17 MS. S. ANDERSON: It's a pretty big database.

18 MS. CARRINGTON: I think what would be helpful  
19 for us is if you all have a particular district you are  
20 interested in, because we can give you any and every  
21 district in the state you want.

22 MS. B. ANDERSON: But we don't want 32 Senate  
23 districts and 31 Senate districts right now.

24 MR. CONINE: Well then we need to communicate

1 to the board then, which we'll do at the board meeting.  
2 Try to get that done. Okay.

3 MS. B. ANDERSON: I just -- to Ms. Carrington's  
4 point and yours as well, about communications -- the  
5 staff, we have a lot to be proud of in this agency. And  
6 the staff, this is good information that's in the handout  
7 today but, I said just a minute ago but how you tell the  
8 story is as important as the data.

9 And so, we have to connect the dots for people  
10 that aren't involved in this on a day-to-day basis, like  
11 the staff is. So I challenge Sarah and Gordon to make the  
12 data sing and make it tell the story that reflects the  
13 accomplishments of the agency.

14 MR. CONINE: Okay. We also have a sheet  
15 entitled the Overview of Programs and Services, which is  
16 really the core of what we do here, broken out, all the  
17 different programs. I don't think that we need to go over  
18 all these different programs, but I do think for the  
19 committee's perspective and for the staff's perspective,  
20 outlining what we would like to try to accomplish this  
21 year, in taking a look at each one of these, virtually  
22 every time we have a board meeting, if we can get the  
23 Programs Committee to meet and have a review of each of  
24 these programs presented by staff so that the Committee

1 can then ask questions and make recommendations up to the  
2 full board on any changes that might be made.

3 I know we've pretty much committed, I hope,  
4 Madame Chairman -- the single family bond program, we've  
5 been trying to do that review for quite some time and to  
6 my understanding it's scheduled for the February meeting.

7 MS. B. ANDERSON: Is that going to work? Good.

8 MR. CONINE: And so we can kind of keep that on  
9 the radar screen to get done first. From a second  
10 perspective, at least from my viewpoint, I'd say the HOME  
11 Program and its various functions as it spreads across  
12 both single family and multi-family might take a couple of  
13 meetings to get through all the different nuances of that.

14 But I think the intent and the purpose here is  
15 to take our HOME Program block dollars and for us to  
16 understand where they're going now in the various programs  
17 and maybe take a look at something, some things that we're  
18 not doing, maybe, that other states are doing.

19 I know a lot of us are involved in other groups  
20 that share information with other states and I think that  
21 sort of input and dialogue is something that we want as a  
22 committee to do. So may we take that up second?

23 MS. B. ANDERSON: I think that's great.

24 MR. CONINE: And then as time goes along, we'll

1 figure out what is going to be third, fourth and fifth.  
2 But those two are two pretty good things that I know that  
3 a lot of our funding comes in and a lot of our needs are  
4 met using those two programs. And we can take a look at  
5 those and see over the next couple of meetings.

6 So if we do the single family bond program in  
7 February and then we'll crank up the HOME Program,  
8 starting in March, and kind of take it from there.

9 MS. CARRINGTON: If I might say, Mr. Chairman,  
10 I think what we're doing on that bond workshop is  
11 broadening it to a bond workshop, so we'll be talking  
12 about structuring on both single family and multi-family.

13 Obviously, a lot of similarities, a lot of the same kinds  
14 of requirements. So we thought that that might be a better  
15 approach to it.

16 And then another thought that I had as I was  
17 looking through this sheet yesterday afternoon, we do  
18 provide this sheet also as the quick synopsis of our  
19 program when we go out and meet with legislators. One  
20 thing we don't say on this sheet is what is the funding  
21 source, and I noticed that yesterday as I was reading down  
22 through here.

23 And really, the largest funding source for this  
24 agency is Health and Human Services. I imagine a lot of

1 folks would think HUD and indeed, it was the Department of  
2 Housing and Urban Development when the community  
3 development block grant program was still with TDHCA.

4 But when that moved over to the Office of Rural  
5 Community Affairs, Health and Human Services is our  
6 largest funding agency with about, I think, 92 or 93  
7 million coming in through HHS. And of course, it's  
8 primarily through the community services block grant  
9 program, and through the LIHEAP program also.

10 MR. CONINE: So, you're just disregarding the  
11 Treasury on the tax credits and bond program, the Treasury  
12 Department.

13 MS. CARRINGTON: Direct funding, I think I  
14 said, Mr. Conine.

15 MR. CONINE: Oh, all right.

16 MS. CARRINGTON: Oh no. Not discrediting, not  
17 dissing, not -- just a little bit of a clarification here.

18 MR. CONINE: Okay. That was, again, kind of  
19 the intent of this morning's meeting, just to kind of  
20 frame what we want to try to do this year, a thorough  
21 review of all of our programs. Hopefully, we can get it  
22 done in a year. If we can't, we'll drag it on into the  
23 next year.

24 But being the senior board member and having a

1 lot of other board members that have come on the board  
2 recently, I think the review will be very helpful and then  
3 maybe we can take the Programs Committee work and share it  
4 with the full board in the following board meeting on a  
5 bullet point review and keep them as updated as possible,  
6 in the chance that we might need to educate one or two of  
7 them. We probably might do that.

8 Any other comments, Ms. Anderson?

9 MS. B. ANDERSON: I just have a question about  
10 performance measures, because we're entering a cycle on  
11 development of performance measures, and I think that's  
12 integral to programs. It becomes a key way by which we  
13 measure the effectiveness of these programs. So I would  
14 be interested in Ms. Anderson's thoughts on how the  
15 Program Committee and the board would participate in that.

16 MS. S. ANDERSON: Okay. Well, we're starting  
17 up the process actually this month. But to backtrack a  
18 little bit, we actually started last August and went  
19 through with those divisions that have performance  
20 measures, just to make sure that they're going to meet '04  
21 performance and to start thinking about what changes they  
22 may want to submit.

23 The way the process works is, in March of this  
24 year, we have the opportunity to submit requests for

1 changes to our performance measures and then in June, our  
2 strategic plan is due. And then as you follow through,  
3 you go through with the LAR, and the biannual operating  
4 plan, and then you go through session, and then you start  
5 over again.

6 What we're doing right now is my staff has  
7 started working with individual divisions to go over their  
8 specific performance measures. Because of legislative  
9 changes over the last ten years and a reorganization,  
10 frankly, the measures that we have don't necessarily  
11 reflect the agency mission exactly, nor do they reflect  
12 the structure of the agency so what we're doing, almost  
13 starting from scratch, trying to realign.

14 And of course, as you do this, it has to tie in  
15 with your budget structure. And so starting this month,  
16 we're going to be meeting with the LBB and our analysts  
17 over there. We're also going to invite in representatives  
18 from the Governor's Office of Budget and Planning and Lisa  
19 Gonzalez from the Governor's office who works with us on  
20 the policy side.

21 And we'd like to show these preliminary drafts  
22 of what we would like to submit. I guess the way I had  
23 envisioned this working would be that staff would take the  
24 first shot at it and then try and bring it, maybe run it

1 through, just to make sure that we're not going too far  
2 out with the powers that be as we go and then bring it to  
3 the Programs Committee, perhaps next month, to give you an  
4 idea of the direction that we're going.

5 But I want to make sure that we get a little  
6 bit of a green light there before we go too far in our  
7 thinking. So I was thinking, bring it in, if we could,  
8 before the Committee in February, working with direction  
9 from there and perhaps bring it to the full board in March  
10 before we submit it. Is that right?

11 MS. B. ANDERSON: All right. That sounds like  
12 a good plan. Thank you.

13 MS. S. ANDERSON: Thank you.

14 MS. CARRINGTON: I'd like to compliment Sarah  
15 and her staff who are beginning the process of taking a  
16 very critical look at these performance measures and  
17 saying are they reflective of our mission? Are they  
18 reflective of what we do? Are they reflective of our bill  
19 pattern and our funding sources?

20 And I would dare say that it's probably been a  
21 while since we've done that. And I think we're starting  
22 fairly early. We are involving the LBB and we are hopeful  
23 that we will be able to make some modifications or changes  
24 in our performance measures.

1 MS. B. ANDERSON: Great.

2 MR. CONINE: Anything else?

3 (No response.)

4 MR. CONINE: The Programs Committee stands  
5 adjourned. Thank you.

6 MS. B. ANDERSON: Thank you.

7 (Whereupon, the meeting was adjourned at 9:50  
8 a.m.)

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MEETING OF: TDHCA Programs Committee

LOCATION: Austin, Texas

DATE: January 13, 2004

I do hereby certify that the foregoing pages, numbers 1 through 34, 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.

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(Transcriber) 01/19/04  
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