

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD OF DIRECTORS MEETING

Room E1.028
Capitol Extension
1500 North Congress Avenue
Austin, Texas

March 6, 2012
9:10 a.m.

MEMBERS:

J. PAUL OXER, Chair
TOM GANN, Vice-Chair (not present)
LESLIE BINGHAM-ESCARENO, Member
LOWELL KEIG, Member
J. MARK McWATTERS, Member
JUAN MUNOZ, Member

TIMOTHY K. IRVINE, Executive Director

ON THE RECORD REPORTING
(512) 450-0342

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PROCEEDINGS

MR. OXER: Good morning, everyone.

AUDIENCE: Good morning.

MR. OXER: I'd like to welcome you to the March 6 meeting of the Texas Department of Housing and Community Affairs Governing Board, March 6 which happens to be the birthday of our chief of compliance, Patricia Murphy. Let that be reflected in the record, please, madam.

Before we go to a quorum check, I'm pleased to announce that Governor Perry has appointed Mr. Mark McWatters, who is seated to my left, on the left of Mr. Keig, to the Department's Governing Board, replacing Kent Conine, who, as you know, submitted his resignation in December. Mr. McWatters' appointment was approved by Senator Carona since he's from Dallas.

He has a very impressive background, which I'm sure you'll all see in his bio on our website. I think it's also worth noting he was a member of the commission overseeing the TARP during a fairly unruly period in our nation's finances, and has had a truly distinguished career in law.

His familiarity with real estate finance, bond issuance and the Tax Code should all prove very useful as he adds to this board's knowledge and repository of intellectual capital and works with us to navigate the challenges that we know we're going to face and identify the ones that we don't even know about yet.

He has expressed a desire to get right to work, and just came to me a second ago and said, I'm sworn in. His swearing-in ceremony, not

unlike my swearing-at ceremony some time ago, was taken care of and he's filed the necessary forms with the Secretary of State, so he has received his statutory required training. This past Friday he was kind enough to come down and submit himself to the training. He had another eight hours with the staff, as I recall. Is that not correct?

So with that, let's welcome Mark aboard, and I appreciate him being here.

(Applause.)

MR. OXER: So with that, we will proceed with the roll call.
Ms. Bingham?

MS. BINGHAM: Here.

MR. OXER: Mr. Gann, not here.

Mr. Keig?

MR. KEIG: Here.

MR. OXER: Mr. McWatters?

MR. McWATTERS: Here.

MR. OXER: Dr. Munoz?

DR. MUNOZ: Present.

MR. OXER: I'm J. Paul Oxer. We are here, we have five present and that's a quorum, so we are capable of doing business today.

With that, let's stand and salute the flags, please.

(The Pledge of Allegiance and the Texas Allegiance were recited.)

MR. OXER: Thank you. You're getting much better at that,

by the way.

(General laughter.)

MR. OXER: Do we need to do this resolution first?

MR. IRVINE: That would be fantastic.

MR. OXER: Okay. Let's take care of that.

MR. IRVINE: Would you like for me to read it into the record?

MR. OXER: I would.

MR. IRVINE: Tim Irvine speaking. It is my honor to read into the record a recommended resolution to commemorate Fair Housing Month.

"Whereas, April 2012 is Fair Housing Month and marks the 44th anniversary of the passage of the Federal Fair Housing Act, Title 8 of the Civil Rights Act of 1968, signed by U.S. President Lyndon Baines Johnson on April 11, 1968;

"Whereas, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability or familial status in the sale, rental, financing or advertising of housing, and charges the Secretary of the U.S. Department of Housing and Urban development (HUD) with administering HUD programs in a manner that meets the requirements of the law and affirmatively furthers the objectives of the Fair Housing Act;

"Whereas, the Texas Department of Housing and Community Affairs administers housing programs subject to the Fair Housing Act to assist in the development of safe, decent, affordable housing for qualifying Texans;

"Whereas, it is the policy of the Texas Department of Housing

and Community Affairs to support equal housing opportunity in the administration of all its programs and services, including encouraging equitable lending practices for its homebuyer programs and Fair Housing rules and guidelines for its multifamily developments;

"Whereas, the Texas Department of Housing and Community Affairs, through its program implementation workshops, provides Fair Housing training designed to educate architects, building managers, consultants, contractors, developers, engineers, lenders, Realtors and other partners about the importance of their commitment and adherence to the requirements of the Fair Housing Act;

"Whereas, the Texas Department of Housing and Community Affairs encourages local communities to develop educational programs to provide Fair Housing information in communities throughout Texas;

"Whereas, the Texas Department of Housing and Community Affairs and the State of Texas support equal housing opportunity in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the entire year;

"It is hereby resolved that in furtherance of the goals and objectives of the Fair Housing Act, on this, the 44th anniversary of its adoption, the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate April 2012 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance for free and equal housing treatment and opportunity for all."

This resolution proposed for adoption to be signed by the entire board.

MR. OXER: Good. Any conversation, any discussion?

(No response.)

MR. OXER: I'll entertain a motion.

DR. MUNOZ: So moved.

MR. KEIG: Second.

MR. OXER: Motion by Dr. Munoz, second by Mr. Keig to adopt the resolution as read. Any further discussion?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: All opposed?

(No response.)

MR. OXER: Motion passes. Be it resolved.

MR. IRVINE: Thank you, sir. It is a very important moment and glad to solemnize it.

MR. OXER: Well, everybody here that's in this room is an active participant in executing on that mission, so not only do we recognize the Fair Housing Month, but thanks to all of you for all you do. It's not easy up here, I know it's not easy out there putting up with us up here, so we're all trying to do the best we can do.

All right. Do we have any guests here, Michael?

MR. LYTTLE: Not other than the regulars.

MR. OXER: Other than the regulars, which we all appreciate you being here.

Okay. The consent agenda. Would any board member like to pull anything from the consent agenda?

(No response.)

MR. OXER: I'll entertain a motion for the consent agenda.

MS. BINGHAM: Move to approve consent agenda items.

MR. OXER: Motion by Ms. Bingham.

DR. MUNOZ: Second.

MR. OXER: Second by Dr. Munoz. Any discussion?

I had a question. Why was 1(a) pulled?

MR. IRVINE: 1(a) was pulled, Mr. Chairman, because the minutes are not yet prepared. We, as you know, had a very limited time between board meetings and just got the transcript a few days ago.

MR. OXER: Fair enough.

Motion by Ms. Bingham, second by Dr. Munoz to approve the consent agenda. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Unanimous in favor.

On the action items, we're going to move one item here from number 9. Eric Pike has another meeting we're trying to get him to.

Eric, come up and let's take care of number 9 first. You asked

to be first in the box before the seats got all bloody.

(General laughter.)

MR. PIKE: That's right.

Good morning, Board. Eric Pike, director of the Texas Homeownership Division.

I'm here today to seek authorization for the department to enter into a superceding MOU with the Texas State Affordable Housing Corporation for the operation of our Texas Statewide Homebuyer Education Program, which we refer to as TSHEP.

In 1997, the 75th Legislature passed House Bill 2577 which basically charged the department with the development and implementation of a Statewide Homebuyer Education Program, and it was designed to provide information and counseling to prospective homebuyers about the homebuying process. TSHEP provides training to nonprofit organizations throughout the State of Texas.

TDHCA is prohibited from receiving donations to offset the cost of training and has previously entered into an MOU with TSAHC to serve as a nonprofit sponsor of monies donated to TSHEP and to manage an account for those funds. In order to derive programmatic and staffing efficiencies, the department now wishes to enter into an MOU to include additional responsibilities relating to the administrative functions of TSHEP.

Under the MOU TSAHC will be responsible for contracting with a qualified education provider to conduct pre- and post-purchase homebuyer education classes and to certify the participants that take part in those classes

as providers. Typically this includes a five-day class which is called Train the Trainer which certifies counselors to offer pre- and post-purchase homebuyer education. Additionally, TSAHC will be charged with offering -- or encouraged, I should say, to offer foreclosure intervention and other continuing education classes as needed. They will also be responsible for securing training locations, preparing and surveying the TSHEP providers, and any reporting requirements that might be needed.

The department will provide a matching contribution on an annual basis for partial payment of services rendered by the organization that they secure.

Just to give you a little bit of color, we currently have approximately 600 counselors that provide counseling, and to date over 6,000 families have been counseled through this program. And so we're here today asking your approval to authorize us to enter into this superceding MOU with TSAHC.

MR. OXER: Any questions from the board?

MR. KEIG: Move that we accept staff's recommendation.

MR. OXER: Motion by Mr. Keig.

MS. BINGHAM: Second.

MR. OXER: Second by Ms. Bingham to accept staff recommendation. Any other comments?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Unanimous. Thank you.

MR. PIKE: Thank you.

MR. OXER: Now back to the original sequence.

MR. IRVINE: Mr. Chairman, I do not believe that the people who are going to be making the presentation under item 2 are here yet, so I was wondering if we could skip over that and take the rest of the items.

MR. OXER: Sure. Madam Counsel.

MS. DEANE: Good morning. Barbara Deane, general counsel for the Texas Department of Housing and Community Affairs.

As you can see from your board action request, in September of 2010 the U.S. Department of Justice enacted some revised regulations implementing Titles 2 and 3 of the Americans with Disabilities Act, and these regulations enacted what are commonly referred to as the 2010 Standards, and the 2010 Standards are set to go in effect on March 15 of this year. So staff has spent quite a time reviewing pretty much every regulation that was out there, the preambles to the rules, guidance documents and so forth, and unfortunately, it's still somewhat unclear the extent to which the 2010 Standards will apply to our activities and our programs, and in fact, there are some conflicting guidance documents out there with regard to what activities these standards will apply to.

And so we thought that perhaps a good course of action, but we wanted to make sure we had approval of the board and any suggestions

and direction from the board on how to proceed on this, as you see, we thought perhaps continuing to conduct an assessment of to what extent these standards are going to be applicable to our activities and also to seek more guidance from the federal agencies, in particular HUD and the Department of Justice. The Department of Justice's guidance is somewhat unclear and there appears to be some conflicting guidance out there as between HUD and the Department of Justice. So we would be seeking some guidance, a lot of stakeholder input because these will affect the communities that we serve, again, work with the federal funding agencies, and develop and maintain whatever educational materials we need to develop in order to get the word out there. And you'll probably see some rule revisions coming forward too.

And so we wanted to get out there, get input, get stakeholder input, get clarification from the federal government before bringing that forward to you. We thought these stakeholder meetings might be particularly important, but also wanted to see if you have other ideas or suggestions, preferences of how you'd like us to proceed, if we have stakeholder meetings, would you have a preference whether we have them in Austin or in some other venue. So just wanted to open it up to you and see if you had other direction and guidance. First of all, get approval for us proceeding in this manner, and then to see if you had additional guidance or thoughts of outreach that you think would be appropriate and you would like to direct staff to enter into.

MR. OXER: I think I can speak for certainly myself in this when we're talking about rules, it's always nice to have clarity in the rules, and I think we spent a long time last year making some clarity in one of the rule

sets that we use. So I'm absolutely stunned that there is a conflict in federal rules that are being imposed on us.

But that said, any comments? Mr. Keig.

MR. KEIG: Yes, Mr. Chairman.

Are any of these issues that are unclear, are they appropriate for seeking either informal or formal guidance from the Texas Attorney General's Office?

MS. DEANE: Well, because they are federal -- I mean, it might get to that at some point. Because they are federal regulations, however, probably the first place to start would be with the Department of Justice. And we have had a couple of phone calls, and like I said, we've read all of their guidance documents. I think at some point it's possible -- I should know this, I came from the Attorney General's Office -- but the extent to which they'll opine on federal regulations and interpreting federal regulations and their applicability, I'm not sure. But that would be the ultimate place, I think, that we would have to turn if we can't get some kind of clear guidance.

MR. KEIG: I know there's at least one opinion out there by General Abbott's office on the federal rule, its applicability in the disability accommodations context.

MS. DEANE: I think that's certainly one place that we could turn. If we can't get satisfaction, that's certainly an excellent idea.

MR. KEIG: And I don't have any preference of where you would get your public comment, what cities, unless anybody else does.

DR. MUNOZ: Well, I do, and I appreciate the concentration of

populations around certain areas, but I also think it should be balanced as well and that you consider parts of the state that may not typically come to mind, along the border, South Texas, East Texas.

MS. DEANE: Okay.

DR. MUNOZ: And that it just be equitable.

MS. DEANE: And of course, we're not limited to having just one of these stakeholder meetings, I'm sure we could have more than one.

DR. MUNOZ: I presume that you would.

MR. OXER: Are we going to use our newly enjoined social media context to request stakeholder input?

MS. DEANE: I hadn't thought about that. That's a good idea. I know the agency has employed other types of social media, so that would certainly be one option that would be open to us, and it would be usable to people all around the state.

MR. OXER: Tim and I were at the annual meeting of the Texas Association of Community Development Corporations yesterday and there was some complaint that they had tried to make comment, get comments in to TDHCA and I think our current position is, particularly with the success that we enjoyed with the public comment for developing the QAP last year, if you can't get the comment in to TDHCA, you're really not trying hard enough because there are plenty of ways to do that, including calling folks. But we want to be openly solicitous on the bulletin board and through the social media outreach which we've initiated and are trying, so I would encourage you to engage that, and look at, as Dr. Munoz suggested,

everybody that's here, say in the San Antonio-Austin area, could probably get to it easy, but I be interested in seeing something down on the border and up on the other border too, up on the Red River border.

MS. DEANE: Okay. Excellent suggestions. Thank you.

I know this is posted as an action item, if we could get a resolution --

MR. OXER: Resolution to that effect.

MS. DEANE: -- from the board how to proceed, we'd appreciate it.

MR. OXER: Mr. Keig, would you care to?

MR. KEIG: Well, maybe you could recommend what it is you would like resolved.

MR. OXER: Recommend some wording for what we're directing you to do.

MR. KEIG: Yes.

MS. DEANE: Well, I think there's some proposed language in the board book reaffirming the commitment of the board, and also giving some direction to staff, and I might add to that list social media. So I assume the motion could proceed in the manner as reflected in the staff recommendation.

MR. KEIG: I would move as resolved in the board book, the three bullet points, and additionally to include some geographic diversity in terms of our stakeholder meetings and using social media for input as well.

MS. BINGHAM: I'll second the motion.

MR. OXER: Motion by Mr. Keig, second by Ms. Bingham for

staff-recommended action as amended. All in favor?

(A chorus of ayes.)

MR. OXER: All opposed?

(No response.)

MR. OXER: Motion passes unanimously.

MS. DEANE: Thank you.

MR. OXER: And I'd like to quickly point out that one of the ways we keep ourselves on the path is making sure we follow the rules, but one of the things we want to make sure is that the rules are clear. You can't play the game unless you know what the rules are.

MR. IRVINE: Jennifer Molinari is here now, if we could go back and take up item 2.

MR. OXER: Jennifer, do you need a minute to get your breath, or do you want to jump into it? Good morning.

MS. MOLINARI: Good morning. Jennifer Molinari, TDHCA's Fair Housing coordinator. And today we would like to present Sherrie Holland, who is a subcontractor with BBC who is completing our Phase 2 analysis of impediments to Fair Housing Choice. She is here to update the board members on activities so far and kind of where we're going next, what our next steps are, and then to answer any questions about how far we've come. So with that, I'll turn it over to Sherrie.

MR. OXER: Good morning, Sherrie.

MS. HOLLAND: Good morning. I'm pleased to be here to tell you about the project that we're working on on Fair Housing Choice.

The project started in December and will continue throughout the rest of this year. We're focusing right now on gathering data which includes conducting surveys and preparing for the outreach activities which I'll talk about in just a minute.

So the formal outreach process has officially begun with resident surveys and the compilation of a stakeholder database that will be maintained by the department. And the stakeholder database includes right now city, county, state officials, regional councils of government, real estate and lending professionals, advocacy organizations, service providers, landlords and developers from across the state, and those folks will participate in a survey.

There's a six-part public input plan that has been presented and includes a lot of participation from stakeholders and citizens. It will include robust statistically significant data gathered from telephone and in-person interviews, as well as information driven by the stakeholder input in multiple public forums across the state.

So the highlights of activity since December include a stakeholder meeting that was held in mid December that was to verbalize the approach to the AI, as well as the state's expectations for a fully comprehensive and inclusive AI. A staff meeting with HUD to discuss specifics on the methodology that would be used and ensure that the approach meets HUD expectations. There was a conference call between state agencies to finalize details of the public input plan, stakeholder involvement, and the locations for the focus groups. Maps have been

developed showing racial and ethnic concentrations by census tract, using HUD's impacted area criteria and also tables showing regional racial and ethnicity with breakdown by county.

We've completed the review of the State of Texas previous analysis of impediments and the jurisdiction level AIs that were developed throughout the state. We've finalized and begun implementation of the Texas resident survey. That's live and underway right now. And we have begun, as I said, gathering data for the stakeholder database.

The activities are coming include the publication of the public input plan which has just been revised, and it includes six parts: it includes the resident survey which is underway, in-person focus groups, online focus groups, stakeholder survey, and stakeholder interviews and public hearings, again, throughout the state. There will be a draft completed of the demographic and economic section of the report, the housing market analysis section, and a quantitative analysis of municipal service delivery. And the maps will be completed that show environmental concerns overlaid with minority impacted areas.

And with that, I'll see if you have any questions.

MR. OXER: Any questions from the board?

MS. BINGHAM: Just a clarification. So it will last the rest of the calendar year for the most part, the rest of the AI?

MS. HOLLAND: Yes.

MR. IRVINE: At least.

DR. MUNOZ: How does HUD define impacted area? What's

HUD's definition? How do they operationalize that: impacted area? You say you're going to use HUD's impacted area criteria. What's the criteria?

MS. MOLINARI: HUD does have impacted area criteria. I don't have the details on that; I'd be happy to give that to you at the next board meeting. I don't want to mis-speak about it because there are some specific definitions in that, and because we are a majority minority state, there's additional kind of overlays with that, so I'd be happy to get that to you next board meeting.

DR. MUNOZ: Okay. You referred to the residential survey already being online?

MS. HOLLAND: It's live right now, the telephone survey is underway. I don't believe the online survey has started yet.

DR. MUNOZ: Just kind of paraphrase for me the process of the creation of that survey? I mean, what is it derived from?

MS. HOLLAND: The questions on the survey or the participants?

DR. MUNOZ: The survey.

MS. HOLLAND: The questions were derived -- BBC has done numerous resident surveys in other states, and so they started with the questions that they've asked in other states, and then that was vetted with the department with input on the specific questions, the length of the questions, and then the vendor that's doing the telephone surveys tests the length of the survey.

DR. MUNOZ: You have a third party company actually

conducting the survey?

MS. HOLLAND: Yes, another subcontractor to BBC is conducting the survey.

DR. MUNOZ: Did they meet with the agency?

MS. HOLLAND: I do not believe.

MS. MOLINARI: They're administering on behalf of BBC and TDHCA, but the survey itself is TDHCA kind of vetted, driven, and they're simply organizing the calls to the residents throughout the state.

MR. OXER: They're essentially the mechanics executing on this.

MS. MOLINARI: Absolutely.

MS. HOLLAND: Yes.

MR. OXER: With a script, check box, that sort of thing.

MS. MOLINARI: Absolutely.

MR. OXER: Basically pollsters.

MS. MOLINARI: Yes. And they're specifically asking questions about people's knowledge of Fair Housing and kind of their overall impression.

DR. MUNOZ: So what do they do, they transcribe the respondents' narrative verbatim and then you look for themes, and how do you disaggregate that information and then how do you report it out? I mean, is it yes/no?

MS. HOLLAND: The results of the survey are recorded and the analysis is transmitted -- the results are transmitted to BBC to conduct the

analysis, and that would be verbatim responses and including the check boxes of yes or no or the scales of responses.

DR. MUNOZ: You know, I ask the question because it seems to me a great deal is going to be based on the findings of this survey, so I think it's prudent to sort of inquire as to the methodology, the structure, the validity of the questions themselves.

MS. HOLLAND: Right. And those have been tested in previous surveys, as well as they're tested in the current survey to test the length and the validity of the responses before they continue with the survey.

MS. MOLINARI: And I would also say those will become part of the Phase 2 analysis, of course, and that's one piece of the six-part public input process too, so while it's certainly relevant, there's other venues as well.

DR. MUNOZ: Okay.

MS. HOLLAND: And I'll follow up with that and say that the survey will be available online and paper surveys can also be made available for distribution.

MR. OXER: So this is one source of information that's added to a broader context that seeks input from everybody, we hope.

MS. MOLINARI: Yes, correct.

MS. HOLLAND: Absolutely. The public input process is very broad.

MR. OXER: Because I think one of the things that we want to avoid is over-representation of anybody because this is for the whole state so we want all of the stakeholder communities represented, and that's everybody,

essentially.

MS. MOLINARI: So a little more detail about the public input plan. So we do have the resident survey and we do have stakeholder interviews, as well, that are going to be set up. We're also going to do ten in-person focus group meetings or public hearings throughout the state and those will be geographically distributed to make sure that the state is very well covered in terms of where we go and actually speak with residents, and most of the places will be, probably like 70 percent of them are going to be in non-entitlement areas so that we can make sure that we have a rural and an urban perspective since it does cover the entire state.

MR. OXER: How many would be in each of the focus groups, what's the count? How big is the group, 20, 50?

MS. MOLINARI: It's going to be open to the public.

MR. OXER: So it could be 20 or 50.

MS. MOLINARI: It could be, absolutely, depending on interest level.

MR. OXER: Okay.

Ms. Bingham, another question?

MS. BINGHAM: No.

MR. OXER: Dr. Munoz?

DR. MUNOZ: No.

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

(No response.)

MR. OXER: I think it's evident that the board members would

be interested in seeing at least a survey script.

MS. MOLINARI: Yes, and we can certainly make that available to the board. I hesitated just a moment because it's being administered right now and so the questions that are being asked of the residents, you kind of want to have an open, honest kind of answer about that, so we'd be happy to make that available as soon as we possibly can.

MR. OXER: When is that survey expected to be complete?

MS. MOLINARI: I believe that it's going to run March through May, so next couple of months.

MR. OXER: Okay. Mr. Keig.

MR. KEIG: Just kind of a basic question, but I assume we're doing not just English surveys, we're doing Spanish and/or others?

MS. MOLINARI: That is correct. We're making it available to persons also with disabilities that have visual or hearing impairments.

MR. OXER: Good. Any other questions?

(No response.)

MR. OXER: I'm the one that asked to have a regular update from you, Sherrie. This is one of those things that's going to impact what we do for a long time, so for reasons that I hope are woefully evident, we're going to be asking you a lot of questions and keeping track of this pretty close.

MS. HOLLAND: Sure, that's fine. Look forward to coming back.

MR. OXER: Great. Is there a motion required here?

MR. IRVINE: Just a report item.

MR. OXER: Just a report item. Thank you very much.

Appeals, we are in good shape on the appeals, are we not?

We're not?

MR. IRVINE: No appeals, so we're moving to item 5.

MR. OXER: Okay. That's what I was saying. Wait a minute, Tom is not even going to get his shirt bloody today. That's not fair.

Mr. DeYOUNG: I'd be willing to yield my time.

(General laughter.)

MR. OXER: You know, since you got your surrogate over there sitting next to you who comes in and takes the heat for you on the tax credit stuff, Tom, you're not even breaking a sweat on these anymore, are you?

MR. GOURIS: (Speaking from audience.) That's correct, sir.

(General laughter.)

MR. OXER: Cameron, remember that. All right?

Mr. DeYoung, good morning.

MR. DeYOUNG: Good morning. I'm Michael DeYoung with the Community Affairs Division.

Mr. Chairman and members of the board, item 5 requests authorization for staff to release a notice of funding availability, or a NOFA, for the 2012 discretionary funding for the CSBG, the Community Services Block Grant discretionary money.

As you will recall, back in December we approved contracts for the 90 percent of the CSBG funds that go to eligible entities. The state

reserves 5 percent for state administration, and then there's a 5 percent pool of money for discretionary uses. This is the NOFA that will seek applicants for that 5 percent.

The NOFA is designed to primarily address three areas: first is a statewide initiative, the second is migrant seasonal farm workers, and the third is the Native American population across the State of Texas. We'll seek applications to assist those individuals with various forms of assistance, but primarily we're talking about employment services, efforts to coordinate statewide activities, statewide training for many of our homeless service providers across the state because of the new ESG regulations. This NOFA is designed to help us get the word out about how these new homeless grants are to be administered.

The eligible applicants for these funds under the NOFA are CSBG-eligible entities, there are 44 in the state, private nonprofit organizations with 501(c)(3) status, units of local government, and also regional councils that are headquartered within the State of Texas.

The NOFA is designed to get applications that do not exceed \$125,000 and they can only apply for one of the pools. The total funds available under the board item you'll see is above \$2 million. This would only authorize \$750,000 worth of contracts under this NOFA. We will come back with a recommendation at the end of the competition to give to the board a recommendation to enter into contracts with the successful applicants.

The remaining funds, about \$1.3 million will be reserved for two purposes. One, disaster relief. As we all remember, last Labor Day we had

fires and we had an increased demand for a request for assistance to local agencies to provide additional services to victims of the fires. And then also we will reserve the rest of the money for other state-mandated uses. We have some opportunity to also collect some statewide data on homelessness. We've never had the opportunity to aggregate all the data across the state and one of the uses we'd like to explore is possibly being able to collect all that data and actually get some aggregate numbers at the state level of what are the homelessness issues that are affecting the population and how effective are our programs in addressing those issues.

And the applications are due at the end of the month, this month, March, and so we'd come back later, early summer for authorization to enter into contracts with the successful applicants.

I'd be willing to answer any questions.

MR. OXER: So you have \$750,000, maximum of \$125- on any single one, so you're going to get basically six contracts in three separate areas.

MR. DeYOUNG: Yes. They could technically ask for \$50,000, but usually they ask for \$125-, the maximum. Correct.

MR. OXER: You said there were 44 -- say that again, Michael.

MR. DeYOUNG: Forty-four CSBG-eligible entities. They are eligible to apply for these funds.

MR. OXER: What percentage of the state does that cover?

MR. DeYOUNG: That's all 254 counties.

MR. OXER: 254 counties and 265,000 square miles.

MR. DeYOUNG: Yes.

MR. OXER: Okay. One of the continuing policy issues that the board, I think rightfully, needs to consider is the availability of services, all the services that are available through TDHCA to all areas of the state. That's just an item that I'm going to continue to ask about: does this give full coverage for everybody.

Any other questions?

MS. BINGHAM: My question is just is that enough turnaround time to accept applications to close it at the end of the month? Are they not overly complicated applications, or are people kind of standing at the ready?

MR. DeYOUNG: Correct. And we actually already have it posted on the website. They can already draw down the documents as they need, and it is not an overly complicated application. Staff will take some time to review each of the applications, and that takes a little bit longer, but the preparation of the application is not all that complicated.

MR. OXER: How long is it, just out of curiosity?

MR. DeYOUNG: That's a question I don't know that I can answer. I think about 25 pages, but I don't know. I haven't looked it this year.

MR. OXER: But something in that order, it's not 200.

MR. DeYOUNG: No, sir.

DR. MUNOZ: I've got a question. I don't recall this in the past for Native Americans.

MR. DeYOUNG: Native Americans have been an eligible application under this.

DR. MUNOZ: Have we funded a project in the past?

MR. DeYOUNG: Yes, we have.

DR. MUNOZ: What way, down by El Paso?

MR. DeYOUNG: Yes. There's been some in El Paso and some in -- I don't know how to describe it -- the Middle Rio Grande region down around Eagle Pass there are Native American populations. The Kickapoo Tribe out in El Paso, Tigua.

And we've had applications -- in the past we have had three, actually four separate eligible activities, this only has three. We are eliminating the innovative and demonstration projects. This is something we brought to the board back in December. That was a cumbersome activity and required a lot of staff time and coordination, and we felt like the migrant seasonal farm worker population and the Native American population contracts had been very successful in the past and we want to continue those efforts to reach out to a population that has historically not received the attention of state and federal programs.

DR. MUNOZ: You know, once this is all said and done, I might appeal to the chair to invite the recipients, particular the grant to support Native American activities, to come to a board meeting. We did this once when we had the meeting up in Lubbock and we had presentations from the seasonal laborers and they spoke about the great benefit. I think it would be helpful. As you said, this is generally a group that we don't hear a great deal

from. I'm speaking of Native Americans and how this agency assists, in a modest way, their efforts.

MR. DeYOUNG: We would love to help coordinate that.

MR. OXER: I'd certainly agree to that, Dr. Munoz. I think that's a good idea, actually. The Native American population, what's the relative size of those three populations you identified? I mean, from very small to very large, don't try to put exact numbers on it, but the Native American population that is there that's permanent residents of the state.

There's the migrant worker population that by the very fact that they're migrant means they're not necessarily full-time residents of the state but move to where the work is, so there's a seasonal variation on the demand for housing driven by their transience. So what I was looking at is the impact of that migration because it jacks up the requirement for housing suddenly in a way and then it comes down each year. Whereas, the shale gas rush, for example, the sudden gold rush, we're going after shale gold, that escalates the demand for housing but the period of that is a lot longer but it's just as steep and then suddenly comes back down and then moves off as the development population for that shale moves through. So I'm curious if we've considered any of that.

There's also another population, the BRAC population that is driving demands for housing, or the changes in population because of the DOD's base realignment closure program. El Paso is a classic case because there's a lot of folks, non-comm and below officers, enlisted people that are there that qualify under the standards that we're considering for housing.

The prison population, for example, when the state builds a prison there's a demand for housing but owing to the fact that we want to put a prison -- we don't want to put them downtown River Oaks in Houston, that's just a public thing, they just don't want a prison over there, as it turns out -- yes, I know, it's hard to understand, right? -- but they put them in places where they're appropriately out away from things, and one of the things that they're away from is housing. So there's a lot of those folks that are there, there are full-time jobs that are there but there's no full-time housing, so as a consequence there's long commutes for that staff.

That's a point of inquiry, point of interest by the chair, if by nobody else on the board, if that makes sense.

MR. DeYOUNG: And especially with migrant seasonal farm workers, it's a very difficult population to get a figure on because of the different time frames that occur. They don't always access federal programs as much as would be expected. I think the board meeting in Lubbock was a good opportunity -- and that was probably two years back -- a good opportunity to try and understand all the issues. They don't always live in what we would call standardized housing. A lot of times they are constructing their house themselves and as they come back from a season of work, they may make an addition onto the house. There are issues with code, there are issues with workmanship. It's a large issue that's not easily addressed in one or two bullets, a very complex issue.

MR. OXER: And what I was asking too, Michael, the first part of that question was the Native American population represents

20,000/200,000, the migrant farm worker population 20/200, who knows.

MR. DeYOUNG: I'll have to do some research. And Dr. Munoz may know more about the migrant seasonal farm worker population, but I'd have to do some research to actually bring you back figures, I don't have those with me.

MR. OXER: Because one of the things I could sense happening on the migrant farm workers for housing is they're not aware of the options that may exist for them under the services that are provided by TDHCA.

DR. MUNOZ: We talked earlier about using our new social media capacity. Let's just say that when you're in the fields, you know, you're not texting or tweeting, you're pulling produce.

(General laughter.)

MR. DeYOUNG: We'll do some research to bring back some numbers.

MR. OXER: All right.

MR. KEIG: I have some questions.

MR. OXER: Then let's hear them.

MR. KEIG: My questions concern the \$500,000 set-aside for disaster relief, and you mentioned back in March, whenever, wildfire relief and that sort of thing. My recollection was that we were asked as a board to approve some reallocation of resources at the time, which we did, but as it turned out down the road that wasn't necessary to use those funds and they came from other agencies and other places. Can you remind me of what

actually happened there?

MR. OXER: What did we spend?

MR. KEIG: What did we do?

MR. DeYOUNG: What did we spend, what did we do.

MR. OXER: All important questions for a board to understand.

MR. DeYOUNG: The wildfires were on Labor Day weekend and we came to the board with authorization to make available around \$750,000 as quickly as possible to affected agencies. Primarily at the time we were dealing with three potential CSBG entities: Combined Community Action in Giddings, which by far was the most visible in the news; then we had the agency Brazos Valley Community Action just to the east, they were dealing with fires just north of the Brenham area and in the Conroe-Woodlands area; and then a third agency out in Northeast Texas, Community Services Northeast Texas.

Each of them had distinctly different issues that they were trying to address: Bastrop was the sheer magnitude of 1700 homes burned in the fire; down near Brenham they were more or less hit or miss fires, many fires but they weren't in heavily populated areas; and then over in Northeast Texas it was much more in the timber industry and it wasn't so many homes that were affected. So the original board action was we were trying to get dollars available to form them into contracts so that the sub-recipients could draw down money as they needed.

Combined Community Action utilized the funds to assist families with temporary vouchers in the bridge period between FEMA

assistance and the fires. They helped approximately 40 families, not all of them getting vouchers, some of them were just getting assistance with gas or clothing or immediate food needs.

MR. KEIG: Where was that money coming from?

MR. DeYOUNG: That was coming from CSBG discretionary dollars.

MR. KEIG: Ours.

MR. DeYOUNG: Right.

MR. KEIG: Okay.

MR. DeYOUNG: At the same time the Governor's Office had a relief fund that they also made available, so the agencies were --

MR. IRVINE: That was actually not a governmental relief fund, it was a private nonprofit that coordinated through the Governor's Office.

MR. DeYOUNG: Yes, correct.

MR. KEIG: And how much did we spend with CSBG, just ballpark?

MR. DeYOUNG: Roughly \$200,000.

MR. KEIG: And had we already set that aside, or did we reallocate that at or near that time?

MR. DeYOUNG: Those were discretionary dollars that were available. We had not originally allocated them for disaster relief. We brought the motion to the board or brought the request to the board in order, one, for the board to know that we were publicly making a commitment to the wildfire victims, and to sequester the fund for that purpose.

MR. KEIG: So I guess what I'm getting at is if we've got a half million out there and all the programs are starting to be restricted in terms of funding, is 500- too much, should we be putting 250- or 300- into something else like Eagle Shale or some other program or something like that, rather than having that sit out there and then possibly not using it?

MR. DeYOUNG: If the funds go unused we can always reprogram the funds. This would merely be setting it aside for the contingency of any disaster. In the past we've had disasters, Katrina and Rita, while they did a lot of damage to the homes, we also had local agencies that were flooded out. One of the agencies over in Orange, Texas, their entire headquarters was nine feet underwater, all their records were destroyed, so we were able to help that agency.

Recently the agency just northeast of Dallas had a fire in their offices, an electrical fire. They put in a request just yesterday afternoon for about \$100,000, I believe, for some assistance in getting services established.

Again, they need to have a home office, their office had been destroyed, they need rent assistance, they need to establish a base again.

So it's not always just fire, it could be any natural disaster that occurs, and it could be statewide or it could be, again, just a localized agency that's had an immediate need. So we have a half million, in many years we've spent it, in other years we've just reallocated it to other purposes. And you'll see in this action on the second page, there's some additional funds being brought forward from last year into this action that we're asking you to approve.

MR. OXER: So you're essentially consolidating, we want to make sure we're putting out a fund -- I hate to call it a rainy day fund because these days we're celebrating rainy days.

MR. DeYOUNG: The non-rainy day fund.

MR. OXER: The firefighters fund.

Any other questions?

MR. KEIG: Move to approve staff's recommendation.

MS. BINGHAM: Second.

MR. OXER: Motion by Mr. Keig, second by Ms. Bingham to approve staff recommendation. Any other questions?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Unanimous. Thank you, Michael.

MR. DeYOUNG: Thank you.

MR. OXER: Okay. Item number 6. Hi, Elizabeth.

MS. YEVICH: Good morning. This is item number 6(a), and I'm Elizabeth Yevich with the Housing Resource Center.

Item 6(a) is presentation, discussion and possible action to approve the final 2012 State of Texas Low Income Housing Plan and Annual Report, and this document is frequently known as the SLIHP. TDHCA is required to submit the SLIHP annually to the governor, lieutenant governor

and speaker of the house and the Legislative Oversight Committee members.

The document offers a comprehensive reference on statewide housing needs and housing resources. It reviews our programs, our housing programs, current and future policies, resource allocation plans, and reports on 2011 performance.

A public comment period was held from January 9 to February 7 of this year -- and I might add it was twittered, tweeted, it went out there -- during which time the draft SLIHP was published on the website and available in a printed copy through email. A public hearing was held January 10. Six public comments were received from two organizations during this public comment period.

I wanted to add one organization was the Council on Developmental Disabilities, and the other is listed in the final SLIHP which is posted now as Easter Seals. I want to make a clarification on that. That actually was not Easter Seals, it was from the Disability Policy Consortium. Staff asks the board's permission to make that change in the final from Easter Seals to Disability Policy Consortium.

Other updates from the December draft version, clarifications and results as changed the public comment such as: an added statement that the plans and reports generated for U.S. Department of Housing and Urban Development's consolidated planning process satisfy a section of the SLIHP legislation; more information on where to find updates on the analysis and impediments to Fair Housing and progress made by the state on the barriers identified in the AI; more information about the 811 team which was formed as

a result of an award and a grant from the Centers for Medicaid and Medicare which is working to create a successful application for HUD Section 811 Project-Based Rental Assistance funds; and corrections of typographical errors.

While these minor changes have been made to the SLIHP, the amendment to the rule is adopted as proposed, so staff recommends final approval of the final 2012 SLIHP, along with the amendment to 10 TAC. This section adopts by reference the 2012 SLIHP and changes the date to 2012.

Any questions?

MR. OXER: So in summary, how are we doing?

MS. YEVICH: Well, a lot of progress has been made, there's always a lot of need, but tremendous effort has been put into that.

MR. OXER: Well, I think anybody in this room would recognize that dealing with the issue that we're dealing with it's going to be an ongoing continuing battle. I would love to think that one of these days everybody who needs a home in this state has one and that we were responsible for it, but I'm also going to bet that we're not going to get there so we'll have to keep climbing this hill.

MS. YEVICH: Certainly.

MR. OXER: Any questions from the board? Any comments?

(No response.)

MR. OXER: Okay. Entertain a motion.

MR. KEIG: I'm trying to figure out what the motion is.

MR. OXER: Okay. It's to approve staff recommendation

which should be resolve its final 2012 State Low Income Housing Plan and Annual Report is approved and adopted as presented.

MR. KEIG: So moved.

DR. MUNOZ: Second.

MR. OXER: There you go. Motion by Mr. Keig, second by Dr. Munoz to approve staff recommendation to approve the final 2012 State Low Income Housing Plan and Final Report. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Thank you. Unanimous.

Good job. Thanks for keeping us posted.

The motion, which I got to the summary that included all of that, by approving staff recommendation includes the resolution to post this in the Register.

MS. YEVICH: Correct.

MR. OXER: So everything you said we agree to.

MR. IRVINE: Procedural clarification that's especially timely with a new board member, when there's an action item presented, staff always provide in the board materials a proposed form of resolution for adoption. You always have the freedom and so forth to vary that, but absent clarification along those lines, we proceed on the common understanding that you're adopting the resolution expressed in the book.

MR. OXER: And this is more a matter of making sure it gets

put into the transcript that that was the case, that just because you didn't hear it in the motion, it's still included that it would be posted in the Register. Of course, Mr. McWatters has enough legal background, I'm sure he's farther into this than I was at this stage.

Okay. What else you got, Elizabeth?

MS. YEVICH: A report item. You don't have to vote on it or worry about motions or anything.

Good morning again. I'm Elizabeth Yevich, Housing Resource Center. And this is item 6(b) which is the status report on the contracts for deed prevalence project with the University of Texas at Austin.

The background is in August 2011, TDHCA entered into an agreement with UT at Austin for this contract for deed project. TDHCA commissioned this project to fulfill the 2010 Texas Sunset Advisory Commission's recommendation to conduct a one-time study on the current prevalence of contracts for deed in Texas Colonias and to report the results to the legislature by December 1, 2012. The research team consists of professors, staff, students from the School of Public Affairs and the School of Law.

The project is going to be completed in three phases. Phase 1 started in September 2011 and it will generate the number of contracts for deed in each of the counties selected for this study. The phase was from September to December, however, verification is going to continue on until May of this year. Researchers are comparing numbers of contracts for deed from 1990 to '92 to numbers from 2008 to 2010. They have found that in

some counties have decreased, in some counties the numbers have stayed the same, in some they have increased. So preliminary results show that between 1989 through the beginning of 2011 there were 11,000 contracts for deed recorded in seven border counties, and over 4,000 contracts for deed recorded in the three non-border counties.

It should be noted that not all of these approximately 15,000 contracts for deed are still active. Many have been converted to traditional mortgages or the property was sold through a different title conveyance method. Exact results are not yet available due to the need for verification checks. The researchers have scheduled meetings with local advocates to check the Phase 1 findings for accuracy.

On to Phase 2 which started just last month, or actually -- excuse me -- in January and is in progress currently. Phase 2 will result in estimates of the unrecorded contracts for deed by county. Phase 2 is going to end in May. Fifty-six students and six faculty have traveled to six counties. They are: El Paso, Webb, Starr, Hidalgo, Maverick and Cameron.

There have been a total of 1,076 surveys in English and in Spanish, and they've been completed to date with a very good response rate. Students conduct interviews in pairs with one strong Spanish-speaker, interviews last approximately 15 minutes. Interviewers have been trained to ask to see the legal homeownership documents during the interviews. If the legal documents are not available or provided, researchers plan to verify a sample of the survey properties with the county clerk or the central appraisal district to check the verbal responses given by the interviewee. Researchers

are currently coding the data in order to start this analysis.

And then the final phase, Phase 3, will involve extensive interviewing of Colonia residents to understand more fully the land practices that have developed in response to the legislative regulation of these contracts for deed. The team is currently planning focus groups, and this phase will also end in May.

From June through August, UT will be drafting the final report, it's due August 31, and then there's going to be a 90-day closeout period for revisions.

Staff plans to meet with the research team principal investigators in April to discuss their next bimonthly progress report and specifics on the methodology, structure and validity of their approach so far. We support this as it is to the state.

Any questions?

MR. OXER: Any questions? Mr. Keig.

MR. KEIG: What was the part you said about regulation of them? Regulatory regulation?

MS. YEVICH: Regulatory regulations.

MR. OXER: Is that from the department of redundancy?

(General laughter.)

MR. KEIG: Are we looking to see -- there were some changes made by the legislature.

MS. YEVICH: Oh, here it is, Phase 3. Yes. Phase 3 will involve extensive interviewing of Colonia residents to understand more fully

the land practices that have developed in response to the legislative regulation of the contracts for deed, which happened a decade or so ago.

MR. KEIG: Right. About 2005-ish they made some restrictions and limitations.

MS. YEVICH: Yes.

MR. KEIG: So the question is even if the legislature made some changes to the law to try to protect people, are some people still doing business as usual with you miss a payment, you lose the whole thing.

MS. YEVICH: Exactly. That's what they're looking at.

MR. KEIG: All right. Thanks.

MS. YEVICH: Any more questions?

MR. OXER: Sounds like that comes under definitely the category of predatory lending.

MS. YEVICH: Yes.

MR. OXER: Have we got any enforcement we can send for that? That's what we're trying to figure out. Right?

MS. BINGHAM: I mean, that may be a finding.

MR. OXER: Elizabeth, what would be the percentage, even if it's rough, of those who are interviewed who don't have their documents, their contract documents? Any idea, even a guess? Is it something that folks who would be susceptible to this sort of lending, is it something that they know they've got to keep and keep available?

MS. YEVICH: I think the majority of them have something, you know.

MR. OXER: At least some paper that shows.

MS. YEVICH: They have something. Right. That's what they have found so far. Do they know what it is? No.

MR. OXER: They don't know the risk that they run as a consequence.

MS. YEVICH: Exactly. Right.

MR. OXER: Would this be covered under our housing education program?

MR. IRVINE: To the extent that we provide mortgage loans to replace the contracts for deed, yes, we can certainly make education available.

I would just chime in that generally speaking we are not an enforcement or consumer protection agency with respect to the general public when it's in the posture of a contract for deed situation. We're simply working here to develop information that can be used both by the legislative folks as they formulate ideas for additional measures, and we also work very closely with the attorney general and their consumer protection division, and they do monitor these situations very closely and have taken appropriate actions at various times.

MR. OXER: So we're quantifying the problem.

MR. KEIG: At one point the legislature did appropriate some money for conversions. Right?

MR. IRVINE: Right. We have received the directive under the General Appropriations Act to convert a certain number of contracts for

deed. We struggle with finding funds that are flexible enough to be used in those situations and also identifying people that have documentable situations that can be converted.

I don't want to get into a thesis on it if it's overkill for you, but quite honestly, some of our programs are very hard to use for contracts for deed. For example, HOME, you could go in and provide financing to assist somebody in acquiring their property, but then once you've taken those HOME funds, there's a requirement that it also meet housing conditions prescribed by HUD and we frequently will get into significant cost issues. Also, on contracts for deed there are, frankly, a lot of title issues. A lot of times these people may think they have a contract for deed but all they've really got is a wink and a nod from somebody was not, in fact, themselves in a position of good title.

MR. KEIG: Back when I was still a young lawyer --

MR. OXER: Just before last. Right?

(General laughter.)

MR. KEIG: -- the Texas Young Lawyers Division of the State Bar of Texas also worked on this as a project, and it may be something, depending on what comes out of our analysis that we might want to engage in discussions with the State Bar again to see if they'd be interested in partnering with us.

MR. OXER: Michael, do you have something?

MR. LYTTLE: Michael Lyttle, chief of External Affairs.

The study, I think it's important to point out two things. First of all, the legislature did not appropriate additional funds for contracts for deed,

what they did was they asked us to use existing funds to help translate or move those to more conventional mortgage documents. But this study itself is actually an outgrowth of the Sunset review last session where the Sunset Commission asked the agency to look at the issue of contracts for deed and the prevalence of them. We had some concern that the number of contract for deed instruments was diminishing, there were some in the legislature who felt that that was not the case, and so basically, they directed the agency to look into it, and so that's really where the genesis of this study came from.

MR. OXER: Any other questions from the board? Ms. Bingham, do you have a question mark in your eyes?

MS. BINGHAM: No.

MR. OXER: Just checking.

Okay. Thanks, Elizabeth.

It seems to be a pervasive problem, it's a sticky problem but it's one of those things I'm always interested in improving the training and awareness that people have so they don't waltz into these problems unknowing. Because if we don't give people some understanding of ways to keep themselves out of trouble, we keep having to reach into the pot of trouble to get them out of it. So that's my own personal philosophy. With that said, that's part of it.

That was item 6. Item 7.

Oh, I'm sorry. We have a request for public comment. Kevin.
Good morning, Kevin.

MR. HAMBY: Good morning, Mr. Chairman, board members.

Kevin Hamby, private citizen.

(General laughter.)

MR. HAMBY: I've been dealing with this contract for deed issue quite a bit in the disaster recovery world and have actually been looking for ways to help convert some of these. It doesn't work with the Disaster Recovery funds because of some of the restrictions it has. I can tell you that I've actually looked down in the Valley for people to work with me on this, and I can't find nonprofits or communities that are willing to step up and do it because the amount of money is so small that is available in the contract for deed conversion in the HOME program and the complexities. It actually says in the Texas Legal Aid Manual that the HOME funds are almost worthless because it is so difficult to do the contract for deed conversion under the HOME funds. That's actually in writing out in the public domain, so it is an extremely important area.

MR. OXER: Not a very good report card for us, is it?

MR. HAMBY: Well, it's the way it's structured and part of it is HOME. I mean, it's not what the department has done, part of it is just the HOME funds and the restrictions that they have on them and the limitations and the caps. When you start talking about this, if your typical groups do it, they have to hire attorneys, they have to hire people to work to get the new mortgages to get all the issues, so it is an expensive project, and when you're talk about a \$12- to \$15,000 cap that you can have in the conversion and then if you have HOME building, it can go up a little bit more, but when you start talking about those dollars, by the time you hire legal counsel -- I mean, Texas

Legal Aid won't even touch it anymore, and certainly not with the department's programs.

But there are just some issues, but it is one that I certainly encourage you to move forward as much as you can because it is huge in the Valley and we've just covered it with Disaster Recover dollars, and there's a question because many of these documents are not filed anywhere and so there's no way to protect the consumer, and they are essentially barred from having any equity that they can take out of their homes because there's nothing filed, there's not a lot of documentation on what they can do, and it is prevalent, we've noticed, especially with first generation Americans, so people are first in and that's why you look at the concentrations in the Colonia areas and so it has some discriminatory impact in general.

Anyway, I just wanted to encourage you and the project is great and I think it will hopefully bring some light to the legislature next year that this is still an ongoing problem and they need to have some different approaches, more aggressive approaches.

Thank you.

MR. OXER: Good. Thanks.

DR. MUNOZ: Just a minute. Thank you, Kevin Hamby, private citizens. That's it, thank you.

(General laughter.)

MR. OXER: Allow me to correct a chair oversight here. Is Donna Chatham still here?

MS. CHATHAM: Yes, I am.

MR. OXER: Okay. I'm very sorry, Donna. I meant to let you come up and speak during the AI discussion.

MS. CHATHAM: Good morning, Mr. Chairman. We're here this morning to introduce you --

MR. OXER: You need to identify yourself.

MS. CHATHAM: Thank you. Donna Chatham, Association of Rural Communities in Texas.

We're here this morning to, first of all, introduce myself to you. I haven't had the pleasure to get to know you all personally and I hope we'll be able to do that more in the future, and just tell you like a one-minute quick recap of ARCIT.

ARCIT was formed back in 2001 with 69 rural cities and counties that wanted to have a little bit more voice up here at the Capitol. Since then, we have grown to over 350 rural cities and counties, and I'll give you a little quick brief of what rural means to us and what your state looks like.

There are 725 cities that have an average population of 2,225, there are 211 counties that have an average population of 13,000, and you can imagine with that much population, there's not much staff out there, so that's why we're all about and always promoting local control, that they can make the decision which is best for them, whether they choose to implement programs on their own or use consultants or go to a COG or whatever, but they always want local control because local officials, quite frankly, I represent them and they know what they're doing and they know what will work best in their community.

That just gives you a real quick brief on us. We are a 501(c)(4) and we

lobby our little hearts out versus a (c)(3), so that's why they formed it, again.

I've been with ARCIT for ten years, I have a background of city management, city planning, and I was very thankful to come serve ARCIT as their first executive director and have been the only one for about the last ten years, and I think they're ready for me to move on next. But it's fun and we're real thankful and we have grown.

To give you a real quick background as far as the AI, we heard the conciliation agreement was being developed. Very concerned, we had heard some things through the grapevine that there were some things that might be a little bit overreaching, and that's why back over a year ago we had about 200 local officials fax the Governor's Office some letters saying we'd like to be at the table. The Governor's Office, very thankfully, invited us to the table so we sat down with the COGs, the four COGs that were working at the conciliation agreement and the interim AI, along with the four COG directors and TDHCA and TDRA staff.

Bottom line is, from our opinion, there was some overreaching things that were trying to be implemented, so as we worked with the other stakeholder that had brought the state to the need for a conciliation agreement, we continued to talk about the need to have something practical, especially for rural local officials. So that's why it was tough but we did it, and it wasn't perfect, was it, Tim? But we helped to develop the fast form and that's what we're here today on, that was the interim. Now that, very thankfully, TDHCA and Tim is coordinating a wider perspective, which we are so thankful, Tim, of everybody being at the stakeholder table. So we're very

thankful because, as always, when you have everybody at the table, you have a more broad perspective and a holistic perspective and very many times a more balanced perspective.

So we're just here to say we've got the background for you and we have the rural local official voice for you and we are here to continue to work with TDHCA has we develop, because as ARCIT continues to move on we are definitely for Fair Housing. Back many years ago, if I can say it, 35 -- and I was five when I started -- I was in Wichita Falls administering their CDBG program, I remember when HUD would come out to me and say, We need to see your Fair Housing. At the time, 35 years ago, all you had to have was something splattered on the wall that said Fair Housing. Move it 35 years later, ARCIT is very thankful that the federal government has decided to implement and put more emphasis on Fair Housing and so are our local officials.

So we're here to support it, we're excited about it, but we also need something practical for those local officials that don't have a lot of capacity, Mr. Chairman.

MR. OXER: Good. Could we ask you to make sure that your members get an opportunity to make input into our program?

MS. CHATHAM: Absolutely.

MR. OXER: Good. We're trying to make our social media give you a statewide town hall that you can do from your livingroom.

MS. CHATHAM: Right. That's great.

MR. OXER: That's one more way to get your comments in.

MS. CHATHAM: The challenge sometimes in the rural areas, TEA did do a statewide survey talking about the internet capacity, I think the survey showed that 95 percent of rural Texas, all of Texas has it, the problem is in that 95 percent a lot of those smaller communities don't have it in their homes, they don't even have it in city hall, they might have it at the library and that's the only place they have it. So again, we're thankful for it and to be able to do it, and sometimes that will help and sometimes we're still rural Texas.

MR. OXER: Well, I grew up -- to the extent that I completed that process -- I grew up in south Florida in the third most rural county in the state that had five times as many cattle in it as it did people, so I understand what rural means, I assure you.

MS. CHATHAM: Yes, sir, you do.

MR. OXER: As I recall, there was a Department of Agriculture program that offered some -- not the state Department of Agriculture but the U.S. Department of Agriculture offered a program to provide internet access or advanced internet access to rural communities as a community development. It would be interesting to hear some more about what that might offer.

MS. CHATHAM: That would be good.

Can I make one more comment about the reorg? Is that all right, since I'm up here?

MR. OXER: Certainly.

MS. CHATHAM: We're just here, again, to support Mr. Irvine in any new reorg that he has to do. The only thing that we, again, always

want, you'll always hear it -- and Tim has heard it for years, haven't you, Tim -- it's all about still local control. So as you're developing, and I know Tim is very sensitive to those issues, we're just here to support you too and let you know from a rural perspective what we think is maybe too much layering or not enough or whatever. But the bottom line is we still want to maintain local control while we get to pick how we want to administer our funds because, again, it's the rural local officials. What works in Merkel, Texas may not work in Buda, Texas, and it's just that varied because of the staffing available and whatever.

So we're here as Tim develops a new reorg, but hopefully it's not going to be any new layers of going up, and as long as we maintain local control.

MR. OXER: Actually, I think I speak to this, at least partially, Mr. Executive Director. There are not going to be new layers, but what we're looking to do is to make sure that with the local control, and we are 100 percent in favor of local control because you know your area best, know the decisions best that need to be made and the needs in your community, but there are still requirements for program management and execution that some of these local community action agencies, CDCs, let's just say, as we've come to say around the agency, they need a little bigger tractor. Okay? Staff is laughing because they know what the rest of that means.

We would like to see local control, but for those that are so small that there is a limited amount of program management, administration, financial capacity there, they could beef that up by -- I don't mean to say it like

outsource that capacity for managing the processing in it but that's basically what it is, go through a larger agency, bulk that one and then add the local entity, community action agency or city, or whatever be the user of those, retain the decision-making but have the milling and grinding done someplace else.

MS. CHATHAM: Yes.

MR. OXER: So I would hasten to suggest that the intent is never to take away the decision-making process from the local entity, but looking for ways to strengthen that so that all 265,000 square miles of this state have access to all the programs that are available, and if you look at a map of the coverage now where those programs are available, there are some big gaps in it.

MS. CHATHAM: Yes, sir, there sure are. You've got a large row to hoe because, as you well know, we have the largest rural population in the nation and a lot of land mass out there, too.

MR. OXER: There's a lot of rural out there in Texas.

MS. CHATHAM: Yes, sir, there is, and there's a lot of rural local officials that want to be at the table.

MR. OXER: The problem is the tables are so far apart. Right.

MS. CHATHAM: That's exactly right, and when they leave the table, when they leave Merkel, Texas, two-thirds of their staff has now left Merkel, Texas, so it's hard for them to get up here and that's why ARCIT was formed. And we're just here to support, any way we can, Tim. And Tim was gracious enough again at a rural advisory committee saying that he'd meet

with some more of the stakeholders before some of this major stuff comes down, because a lot of times if you're not a rural local official, we need one another, don't we, Mr. Chairman? I don't know it all, you don't know it all, none of us.

MR. OXER: I, frankly, barely knew of it when I got here.

MS. CHATHAM: Well, I hear you, I definitely hear. But sometimes you may not want to take local control. We've already kind of been with GLO a little bit this year too. It wasn't their desire to do that, but their unintended consequence was doing that. So again, there was no ill will at GLO, it just happened.

So we're here to keep that sensitivity and expertise, bring it to the table, and serve you any way we can through this transition.

MR. OXER: Great. We appreciate that comment.

All right. We're going to take a short break here. It's now 10:30, let's be back in our chairs at 10:45.

(Whereupon, a brief recess was taken.)

MR. OXER: Mr. Executive Director, would you care to make an announcement about what the process is here on our sequence?

MR. IRVINE: Well, the only thing I would say is that we do have a fairly short agenda this morning, and as we finish it up, I believe it's the Chair's desire that we will have an executive session to confer with counsel.

MR. OXER: We will.

MR. IRVINE: And then following that executive session, we obviously have to reconvene in open session. Immediately following the time

when we reconvene, I just want to remind everybody that we will have a hearing. We will be having a staff-conducted public hearing on the Draft Substantial Amendment to the 2011 State of Texas Consolidated Plan, One Year Action Plan, the Draft Substantial Amendment to the 2012 State of Texas Consolidated Action Plan, One Year Action Plan, and that hearing will be held in this room.

MR. OXER: Okay. And those of you who know the adventurous history of this board over the last year will recognize that all this is doing is average out last September and October. So what we're going to try to do is get through these agenda items, we've got two more, and we have a number of requests for public comment, we'll get through these, go to executive session, have public comment on this and any other comments that need to be or would like to be made, and then we'll go through this. So when we call your name for the public comment, make your way up here. We'll keep our on-deck circle these two chairs right up here so everybody is ready.

Okay. Marni, you're up. Good morning.

MS. HOLLOWAY: My name is Marni Holloway. I'm the director of the Neighborhood Stabilization Program.

Presented for the board's consideration today is approval of two participants in our reservation system. Those organizations are Elijah's Promise and they are proposing to conduct land banking activities in the Houston area, and the NHP Foundation, they are proposing purchase and rehabilitation of a multifamily property, this location in San Antonio, and in addition, we are discussing a property in Houston with them.

Staff recommends approval of both of these organizations for participation.

MR. OXER: Any questions?

MS. BINGHAM: Do you have comment?

MR. OXER: We have no requests for comment, not until agenda item 8.

DR. MUNOZ: Move staff recommendation.

MR. KEIG: Second.

MR. OXER: Okay. Motion by Dr. Munoz for staff recommendation, second by Mr. Keig. Any other questions from the board, comments?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Unanimous. Thank you, Marni. That was too easy. You're not going to get used to this, are you?

(General laughter.)

MR. OXER: Okay, Cam. Welcome back. You know we couldn't have one of these without having you, don't you?

MR. DORSEY: Well, you know, I did my best to get it down to one item. Good morning.

MR. OXER: And you are?

MR. DORSEY: Sorry. Cameron Dorsey. I'm the director of Multifamily.

Agenda item 8 is a waiver of ineligibility. We have one application that's n our agenda today. It's Galveston Initiative I. I'm going to run through a brief overview of kind of what happened last meeting, just because we have a couple of members who weren't present at that meeting.

MR. OXER: Good idea.

MR. DORSEY: Galveston Initiative I was on the agenda at the February meeting for two waivers of QAP requirements. One was a waiver of the population requirement within the central business definition, and the board granted a waiver of that population requirement. The population figure was 50,000 and Galveston is somewhere in the 47- to 48,000 persons range, according to the 2010 census, and the board waived effectively on the basis that through the recovery efforts folks are looking to return to Galveston Island and certainly the daytime population, as well, is probably in excess of 50,000, just given the number of people driving back and forth between the island and the mainland.

MR. OXER: So they're driving back to the island because there's no place to live on the island and they're living off the island and working on the island.

MR. DORSEY: Right. And we're trying to put housing on the island, so that waiver was granted.

The other waiver request was of the floodplain requirements within the qualified Allocation Plan, and the requirement is basically that the

building finished floor elevations be located at least twelve inches above the 100-year floodplain and that the parking and drive areas be no more than six inches below the 100-year floodplain. And the proposed development plan meets the requirement for the finished elevation of the actual floors, but the parking and drive areas will be well below the floodplain, somewhere in the ten to twelve feet below the floodplain range.

MR. OXER: Well, for the record, isn't most of Galveston under the floodplain?

MR. DORSEY: I believe that's the case, yes.

MR. OXER: The folks in 1901 would probably suggest that, wouldn't they?

MR. DORSEY: Yes.

MR. OXER: Okay.

MR. DORSEY: I've not actually looked at the whole island floodplain maps, but I believe that's the case, yes.

The board made several motions and voted on several motions, none of which ultimately passed. At the end of the day, the board asked that this be once again placed on the agenda for this meeting for consideration and some additional thought be put into what action the board might take. So at today's meeting we're dealing just with the waiver of the floodplain requirements and just related to the parking and drive areas which will be located more than six inches below the floodplain.

Staff has gotten to a place where we felt comfortable recommending that the waiver be granted, in part on the basis that the

applicant was pretty successful in representing that this type of waiver is really necessary in order to get any type of affordable housing -- well, any tax credits allocated to a new construction transaction located on Galveston Island, so on that basis, and the widespread impact of the rule on Galveston Island, staff is recommending approval.

MR. OXER: Of course, this is a storm surge floodplain which I think that's fairly clear to everybody. Galveston is made out of sand, when it rains it just falls through. The construction that the proponents described before is typical coastal construction for multifamily construction. As I mentioned earlier, I grew up in Florida in Hurricane Alley, I know what these things look like, and I understand if they had to move this over and put parking adjacent to it, that the ramping required for the parking to get it up above what the floodplain is considered takes a lot of the property out of the availability for putting the vertical construction.

So were there any other thoughts? The staff seems to have turned around, come around to suggesting that the waiver be provided.

MR. DORSEY: We feel like there's -- yes.

MR. OXER: Reasonable argument to that effect.

MR. DORSEY: That's right.

DR. MUNOZ: And you're predicating this compelling reason on 2306.67-01 to prevent loss for any reason to the state's supply of suitable affordable residential rental units on the island.

MR. DORSEY: That's right. And because of the loss of those preexisting public housing units that were wiped out by the storm.

MR. OXER: I'll have to tell you this from an engineering perspective, and that's the only perspective I'm representing in this comment, this makes sense to do this this way. There was some concern that in the event of a major catastrophe flood -- which is going to happen in Galveston, hurricanes do these sorts of things on barrier islands -- that we didn't want somebody there with some resources, cars, whatever in this, not evacuating the island because nobody told me we had to. So I think the proponent had said that there would be training for residents?

MR. DORSEY: They've laid out several forms of mitigation trying to bet accommodate the department's kind of intent behind the floodplain requirements. One is that they're going to try to contract -- and they haven't done this yet, obviously, because they're just at the application stage -- they're going to try to contract with third parties that have raised parking structures, parking garages, basically, so that in the event of a storm residents will have somewhere to put their vehicles. They're also, I believe, planning on doing some training, ongoing training related to evacuation, et cetera.

MR. OXER: You can never prevent somebody from suing you for whatever reason there is to take you to court, but there's at least a defense of that. I'm looking for something, if we had the residents, the ones who are partaking of the housing to sign some statement saying that they recognize that this risk would exist in this basement garage or ground-level garage. Is there a way to do that, Counselor?

MR. DORSEY: We could probably take a look at it. I think

we'd probably want to take that back and kind of chew on it and figure out exactly how we would implement that. I would want to talk to the chief of compliance and just how that would get written into their land use restriction agreement and probably talk to the developer as well and just make sure we're putting in place something pretty clean and think through of the repercussions.

MR. OXER: And consistent with our interest in making sure that people are aware, we want to maintain a stock of affordable housing in the community, of course, but we also want to make sure that with that we give them training about what the risks are in that housing, just as we would anyplace else.

Anything else?

MR. DORSEY: That's all I've got. I think there's several folks that want to comment, and then I can answer any other questions you all may have.

MR. OXER: The process is we have to have a motion on the floor for discussion. So the question is I'll entertain a motion and then we'll receive comment, and then we vote.

DR. MUNOZ: Move staff recommendation.

MS. BINGHAM: Second.

MR. OXER: Okay. Motion by Dr. Munoz to approve staff recommendation and grant the waiver, second by Ms. Bingham. Are there any other comments from the board?

MR. KEIG: Yes.

MR. OXER: Okay. Mr. Keig.

MR. KEIG: I'm not hearing any new information from staff for the change in decision to support waiving our rule versus last meeting.

MR. IRVINE: I think it's simply a conclusion that when you look at the situation in Galveston, there will not be affordable housing provided under this program if this waiver is not granted. It simply precludes it.

MR. OXER: It's a fairly close interpretation of that rule that has a fairly larger substantial impact on the stock of housing. Is that where you've come down on it, Cameron?

MR. DORSEY: That's right. The other thing that we briefly looked at is just the tax credit allocations we've previously done there were primarily for rehabilitation, so we haven't put any new construction deals on the ground in Galveston and this waiver really would most likely be necessary for any new construction housing to get built there.

I will note that if this was housing that was being rehabilitated, because of the ongoing HUD assistance associated with their development plan, they will continue to have some of the units as public housing units and subsidized by the federal government. The QAP would, if it was a rehab, actually exempt the transaction from this construction requirement, but by virtue of the housing having been destroyed, effectively, it can't be rehabbed and thus needs to be reconstructed.

MR. OXER: So by virtue of the fact, this would be new, it's a not a reconstruction, it's not a tear-down and rebuild. Is that correct?

MR. DORSEY: It's already been torn down.

MR. OXER: Okay. It would be essentially starting ground-up. So essentially from the process, having done this, knocked that down a notch so it's having to climb back up into the categories that the QAP allocates.

Mr. McWatters, do you have a question?

MR. McWATTERS: Yes. What's the cost of complying with the QAP? What's the delta if you were to do two projects, one in compliance and one not in compliance?

MR. DORSEY: I think the gulf would be fairly substantial. I believe they'll be able to speak to the details. We just received the application on March 1 which actually has their cost breakdown and their full scope, and we will be evaluating that through our application review process. They've requested the waiver as part of their pre-application which didn't actually have that data in it. So they can probably give you all a good idea of what they believe the cost differential will be.

MR. McWATTERS: Is the cost differential the key, or are you telling me that if you comply with the QAP, the project itself, regardless of cost, simply would not work just because of the way the physical structure fits on the land?

MR. DORSEY: They would not be able to produce the density that they're able to if they get the waiver, so they would have to reduce the number of units they were rebuilding to accommodate the parking ramps and other structural accommodations that would be necessary to raise the parking.

The other thing is that this is along The Strand, and I believe they mentioned at the last meeting that they had to comply with --

DR. MUNOZ: Historical preservation.

MR. DORSEY: -- I believe it's the Historical Commission.

They have to comply with those requirements, and in order to raise the parking twelve feet because the parking is underneath the buildings, they would also have to raise the entire structure basically twelve feet and it would create a big disparity between the kind of existing neighborhood feel and what they would be building.

MR. OXER: They would have to essentially knock the top couple of floors.

MR. DORSEY: It would be a lot taller than the existing structures in the neighborhood which would require some -- I think they would have to get a waiver for that.

MR. OXER: Either we give them a waiver or the Historical Commission gives them a waiver.

MR. DORSEY: Right.

DR. MUNOZ: Cameron, but irrespective of that sort of aesthetic, would the absence of the density that they would lose in order to make these sort of structural changes, would it be financially feasible then?

MR. DORSEY: I can't speak to the financial feasibility because we haven't fully evaluated the application. We will certainly do a full evaluation of the application -- like I said, we just got it in March 1 -- but until we get that done, we won't be able to speak to the cost differential.

DR. MUNOZ: They would lose units, they would lose income.

MR. DORSEY: That's right. They would lose units and they

would lose income and their costs would go up. I will say that this is not structured like a typical conventional tax credit transaction with a small amount of soft money. Because they have the CDBG dollars available to them, those can make up a pretty significant gap in financing. I'm not sure how much money is ultimately available, I'm not sure how big the gap would be if they had to comply, and I'm not sure if that money would be available to subsidize the transaction.

MR. McWATTERS: How many units would be lost: 5 percent of the units, 50 percent of the units?

MR. DORSEY: I'm not certain. They can probably speak to that. One thing they did was they had their architect or engineer go back and draft just an example of what would happen if they tried to comply with the requirements but it didn't cover the extent of the loss to the number of units.

MR. McWATTERS: Okay. If I'm a private sector developer and I'm coming in because housing was destroyed, do I have to comply with different rules? In other words, will all the new private sector developments built along the strand have parking that's twelve feet above ground, or will their parking look like what you're proposing in the waiver?

MR. DORSEY: It would probably look like what they're proposing in the waiver. My understanding is they have designed the structures to meet the National Flood Insurance Program requirements which actually don't, as far as I know, address parking. They address the base flood elevation for the finished floor elevations.

MR. OXER: The finished floor elevations of the first floor.

MR. DORSEY: Right. And they meet those requirements.

MR. OXER: The answer to your question is no, they would not have to meet the QAP requirements

MR. McWATTERS: They would not have to meet the QAP, but would their structures, given the rules they would have to meet for floodplain?

MR. OXER: Essentially, they would have to meet the floodplain requirements and the National Flood Insurance Program requirements which would put the parking underneath and the first floor with a finished floor level above the flood level.

MR. McWATTERS: Okay. Then my question is will those properties, pursuant to those rules, look like this housing that's proposed with the waiver?

MR. OXER: Yes.

MR. DORSEY: Yes.

MR. McWATTERS: Okay. So we will not be in a situation of the next storm surge that comes over that all of the private sector built, non low income housing projects, people's cars are not damaged, but all the cars in the property that we're talking about could be damaged because of a waiver the board gave?

MR. DORSEY: Not in terms of design. I can't speak to the income and ability.

MR. McWATTERS: I'm just saying that if you just built a property that's non low income housing and it had a parking garage, and next

to the property that we're talking about here with a waiver, a storm surge comes over, are both properties subject, basically, to the same peril?

MR. DORSEY: That's right.

MR. McWATTERS: Okay.

MR. OXER: Do we have a motion on the floor? We have to have a motion, then a discussion, then a vote.

MR. DORSEY: You all made a motion.

MR. OXER: All right. We have a motion on the floor, we had board comment. So the motion on the floor is to accept staff recommendation to grant the waiver.

We have three requests for public comment. Let's see, it would be Betty Massey, Bill Fisher, and then Mike Duffy. Are they here? That's why I'm calling your names, you get to come up and speak. Ms. Massey.

MS. MASSEY: Well, I'm going to defer to Mr. Duffy, if that's okay with you, and I'll follow him.

MR. OXER: Perfectly happy to. You want to follow him? And the reason I was doing this, our protocol is -- and you're more than welcome to do that -- I'm just saying that our protocol is we time stamp everybody's request and you came in first.

MS. MASSEY: And I came in fist. We arrived together.

Mr. Duffy, why don't you go ahead and start and I'll bat cleanup, if that's okay with the board.

MR. OXER: Perfectly acceptable.

MR. DUFFY: Thank you very much for inviting us back to discuss this issue further. I think we had a good fruitful conversation at the last meeting, and we appreciate the opportunity to come back and discuss more. My name is Mike Duffy, I'm with McCormack, Baron, Salazar.

We thank you for the motion. I think that today Cameron did a great job in re-presenting our issues. I don't need to belabor that point. On the one issue that was brought up, I do think that as a part of our leasing practice, as I said and as I included in our revised submission since the last meeting, we have a development in New Orleans, 460 units, also built in not as dramatic flood-prone areas but similarly flood-prone areas, and we have a whole hurricane emergency preparedness program that we do a that development, so I think as a common practice in developments in these sorts of areas we do have as part of our leasing practice a training program and do notify residents through addenda to the lease on the programs and what they should do in the event of a flood. So I think that that would be a fine thing we could work out with staff the details of how we'd make that a part of this project for the long term.

With that, I'm here to answer any questions.

Betty Massey, I'll just introduce, who is with us today. Betty Massey is the chairwoman of the Galveston Housing Authority, our partner in the development and the driving force to replace the public housing units that were lost.

Also with me is Kevin McCormack, president of McCormack, Baron, Salazar, in case the board had any questions about the company as a

whole and our practices around the country.

MR. OXER: Any questions?

(No response.)

MR. OXER: Ms. Massey, welcome.

MS. MASSEY: Well, thank you, and I apologize for not quite knowing the --

MR. OXER: You need to identify yourself.

MS. MASSEY: -- and the need to identify myself. I'm Betty Massey. I chair the board of commissioners for the Galveston Housing Authority. I do have a real job in Galveston, Texas, I run one of the Moody Family foundations there.

Things are a little bit rough in Galveston right now. Race and class and vested financial interests are dividing our community in a way that I haven't seen in the 34 years that I've lived on Galveston Island. We have a Galveston Housing Authority board that is absolutely committed, in the face of all this community uproar, absolutely committed to replacing 569 units of public housing on Galveston Island, but we're never going to build housing projects again. Never again are we going to warehouse our poor on Galveston Island.

As I understand it, and I'm certainly a lay person in housing development, but as I understand this waiver, this is the threshold for GHA and its development partner, McCormack, Baron, Salazar, to be able to do low income, housing tax credit financed, mixed income development at Magnolia Homes which is the particular site in question, but in general, on Galveston

Island we are committed as a housing authority to a mixture of market rate, tax credit and public housing, and the passage of this waiver is key to being able to realize that vision for Galveston.

So I'm here to thank you for reconsidering or bringing this back, and to urge you to vote to pass it this morning.

MR. OXER: Thank you. Any questions from the board?

MR. KEIG: Yes. Back to Mr. McWatters' question, is there a local ordinance in Galveston that addresses floodplain requirements for parking for a structure such as this?

MR. DUFFY: Yes, there are, and I think, actually, I'm the finance guy, I'm not the design development guy from McCormack Baron. Since the storm the City of Galveston has gone through a number of measures to improve and enhance its zoning and permitting rules to take into account the way that Hurricane Ike damaged buildings and to enhance the building criteria to avoid some of those means. So yes, the buildings as presented to you as the buildings we'd like to develop with the parking down on the first floor will meet the zoning criteria that's been adopted -- or the building code criteria that's been adopted by the City of Galveston.

We, obviously, prior to any of this consideration have had extensive conversations with our insurance people. We use Wells Fargo Insurance Services to help broker all of our insurance programs. They've done it for us in New Orleans, they've done it for us in Miami, two other locations where we have large scale multifamily developments in flood-prone areas, and all of the development building types we've presented to you will all

meet the insurance requirements of our insurance program.

MR. KEIG: And how many units would be lost to try to build it in compliance with the QAP rule?

MR. DUFFY: It's difficult on a site-by-site basis, it's somewhat site constrained. I think on Magnolia we're thinking that it could be up to 50 percent of the units would be lost to accommodate the ramping and additional structural requirements to bring the drive areas and the parking above the floodplain, and I think that overall on this particular site I believe it's between a four- to six-story limitation on the building as a whole on The Strand there. The building is on The Strand and then it backs up on Mechanic.

MS. MASSEY: And the East End Historic District, which is both a national and a locally zoned historic district, is immediately to the south of the site.

MR. DUFFY: Right. So I think on The Strand I think you can build up to I believe it's five stories, so I'm saying four to six. Back on Mechanic I think the limitations are three stories over there. So if we took the ramping and the parking twelve feet over, I think we're looking at probably an 80-unit development instead of a 160-unit development.

MR. KEIG: And being the CFO, what is your estimate of the delta to build it in compliance with the QAP versus a waiver?

MR. DUFFY: I think that it probably doubles the cost. Right now our podium cost -- as we've described it before, the podium is the concrete pad on which we build the housing buildings above -- right now that's priced out at about 25- to 30,000 per unit. I think that would probably double

to take the parking up, to upwards of 60,000 per unit.

And to the point Cameron raised, the reason why that makes this deal completely infeasible is that there are very, very tight constraints, not only under the Tax Credit Program that this board makes policy for, but under the CDBG Disaster Recovery Program which the authority has to abide by because that's 100 million of the entire development resources for the deal, under the HUD Public and Indian Housing mixed finance rules, they have total development cost limitations that are also controlling in this deal relative to the public housing that will be built. So there's many other programmatic constraints relative to the other financing sources that would make the deal completely infeasible if we had to build it. So notwithstanding just the cost implication and the unit implication, there would likely just not be the resources there that would pay that tab.

MR. KEIG: Are there apartment complexes in the CBD that are being built where the parking is what would meet our QAP rule, not lower than six inches below the floodplain.

MS. MASSEY: Are you talking new construction or rehab?

MR. KEIG: New construction within the past ten years or five years or something like that.

MR. DUFFY: No. In fact, again going back to tax credit housing, I think there's only three current developments on the island that are in the TDHCA portfolio, and all three of them were rehabs. So we took a look back and I don't know that anybody knows the last time a new construction development was approved for the island of Galveston.

MR. KEIG: And I'm talking about one that's not necessarily tax credit.

MR. OXER: Tim.

MR. IRVINE: Yes. As I recall under the conciliation agreement, there are specific requirements regarding the replacement of public housing units. Can you tell me how this particular development fits into those requirements?

MR. DUFFY: Do you want to take that one?

MS. MASSEY: Sure, I'd be glad to take that one.

Under both the conciliation agreement and an agreement made between Lone Star Legal Aid and the housing authority that allowed back in the fall of '08, winter of '09 for the damaged public housing to be torn down, 569 units, bedroom for bedroom, will be replaced on Galveston Island. This particular site, Magnolia Homes, which is between the downtown and University of Texas Medical Branch area, totals about six acres, will meet, Tim, 64 of those 569 units, and then there will be workforce housing and market rate housing. And again, the policy of the board of commissioners at the Galveston Housing Authority is not to ever warehouse our poor again, we're not doing 100 percent public housing back on that site, and this mixed income piece, this Galveston Initiative I, is a part of a much bigger plan to do public housing integrated into neighborhoods and communities throughout the island.

MR. OXER: So we're basically making a first step in the plan to get this right.

MS. MASSEY: Yes, sir. I would just add editorially, if I could, public housing didn't work in Galveston and it didn't work in cities across this country, and why would we ever, ever do it over again and make the same mistake. We are committed to the integration of lower income citizens, not split but equal, but integration of lower income citizens into our community.

MR. OXER: Good. Thanks for your comments.

MS. MASSEY: Thank you.

MR. DUFFY: Thank you, sir.

MR. McWATTERS: I have one other question. Is it fair to say, then, that the QAP requirements are an outlier standard? In other words, if a private sector developer came in and they wanted to build a new property, even though you're telling me they're not building new properties eventually they will, will they have to build properties subject to something that's the functional equivalent of the QAP requirement? They will not?

MR. DUFFY: No.

MR. McWATTERS: So all of the properties built along The Strand would end up looking substantially like what you're proposing with the QAP waiver. I don't want to put words in anyone's mouth, but is that fair to say? I don't mean aesthetically, I don't mean what kind of doodads.

MR. DUFFY: I was going to say ours will be much higher quality.

(General laughter.)

MR. McWATTERS: But as far as the floodplain is concerned.

MR. DUFFY: That's correct. And actually, the closer corollary

here is the housing authority has two main strategies to achieve the requirements of the conciliation agreement. A big portion of it is through these tax credit enhanced or financed developments. There's 50 units that they intend to build that they call their scattered site single family units that are non LIHTC investments, so they're using CDBG Disaster Recovery money and some insurance proceeds. Every one of those single family homes will be built on piers, about eight to ten feet, with parking underneath and the two-story house above it.

MR. McWATTERS: Okay. So let me recap. If you do not get the waiver, building the property doubles the cost which makes it a non-starter, I assume.

MR. DUFFY: Yes.

MR. McWATTERS: Those are not my words, those are your words. Right?

MR. DUFFY: Yes.

MR. McWATTERS: You'll lose 50 percent of the units through ramping and height restrictions.

MR. DUFFY: Yes.

MR. McWATTERS: And then if you built it without the waiver, not worrying about height restrictions and not worrying about cost and not worrying about lost units, but if you built it, it would be an odd-looking property in the City of Galveston, vis-a-vis what other people could do.

MR. DUFFY: Correct.

MR. McWATTERS: Okay. Thank you.

MR. OXER: And I can tell you, having done some of these types of things from an engineering background, and my background is in hydrology and water resources, the QAP is intended for surficial floods, inland surficial floods -- I mean, I can tell by the way it's written that was what it was originally designed for, and that makes more sense. But for this one, the way you're suggesting, it's going to look like every other building out there in that area and it will have the same cost efficiencies associated with those, the same risks. Everybody building any building that looks like that is going to have the same risk on Galveston Island.

Any other questions from the board?

(No response.)

MR. OXER: Thanks for your comments. Stick around, we're still busy.

MR. DUFFY: Yes.

MR. IRVINE: Mr. Chairman, I would just like to clarify one aspect of staff thinking on this. The situation in Galveston or a barrier island truly is different from the situation that the flood elevation requirements in the rest of the state are. In the rest of the state, if you're in a floodplain, that means you're in a zone that's going to get hit by flash flooding and you're not going to have time to get your car out. If you're on a barrier island and there's a hurricane coming ashore, quite likely you're going to know about it a week in advance.

MR. OXER: We like to think so, anyway.

Hi, Bill.

MR. FISHER: Good morning, board members, Chairman Oxer. Bill Fisher, Dallas, Texas, Cox SMU graduate for our new board member.

MR. OXER: Yee-haw.

MR. FISHER: You nailed it, Mr. Irvine and Mr. Oxer. The rule doesn't apply to Galveston Island, it's just as simple as that. If we don't grant them the waiver, then we've stigmatized whatever they build there. It will be completely different from any market rate development down there. Professor McWatters said the same thing, basically, which is if I came in to a do a million dollar home on The Strand, would I put my parking in the same place, and the answer to that question is absolutely yes. And so us to make them do it differently, even if they could financially, really would stigmatize them.

There's method to most madness in the QAP, in my experience, and I've been working with this various boards for 15 years. The six inches below the floodplain, if you talk to the fire marshal in Brownsville or one of the other areas that has flash flooding, they want to be able to get an emergency vehicle in and out of the development so that in case of a storm they can get in and out and save people's lives.

You know, what good does it do for us to build a ramp up with parking for them only to come down to a street that's also ten to twelve feet below the floodplain. So the whole purpose of that doesn't really apply to Galveston Island, so we're really not giving them a waiver of their ineligibility, we're just recognizing that the rule doesn't really apply to Galveston.

I've been working on affordable housing issues in Galveston for more than ten years. With this board's assistance, as part of your Disaster Recovery, I was involved in nearly 450 units of family affordable housing which was some of the first that was on the island.

The Galveston Housing Authority needs your help. Here we are in 2012, this storm was in 2008, we're trying to get people back on the island, many who lived there their entire lives, and they've been screened off by an enormously drawn-out process that's been divisive in the community, and frankly, probably a very significant violation of Fair Housing -- that's why we had a dust up with HUD over these. So this board has a wonderful opportunity to help the Galveston Housing Authority and the public housing residents that have all been displaced off the island who want to come back on the island, to return to their homes like everyone else has who had insurance or who has private money to buy their house or rent an apartment.

And I'd ask you to support the Galveston Housing Authority in granting this waiver so that they can fulfill their initiative and bring these folks back after nearly four years to the island that they love.

MR. OXER: Good. Any questions of Mr. Fisher?

MR. McWATTERS: I have one. Is there any other location on the island to build a property like this without requesting a waiver?

MR. FISHER: Not in the City of Galveston, no.

MR. McWATTERS: Okay.

MR. OXER: Any other questions from the board? Any other comment?

(No response.)

MR. OXER: Okay. We have a motion on the floor. Cam, did you have anything final to add?

MR. DORSEY: No, not unless you have questions.

MR. OXER: Okay. The question is up. Wait a minute, we have to wait for Dr. Munoz, or I think we should.

MR. KEIG: Do we have enough?

MR. OXER: We have enough without him but I think in terms of protocol, we should wait. That's all right. We'll give him time, he flew all the way down here from Lubbock.

MR. DORSEY: I think he made the motion.

MR. OXER: Well, he did, he made the motion. We have a quorum existing here. All in favor?

(A chorus of ayes.)

MR. OXER: All those opposed?

(No response.)

MR. OXER: Congratulations, it passed. We'll assume that since he made the motion, he did not vote, it passes four-zero with him not present.

Okay. That seems to be the formal agenda. Owing to the fact that we're sort of whistling through the agenda here, typically we would wait until after the executive session to have the public comment for anything that anybody wishes to say, but to keep those folks from sitting around waiting, we're going to have the public comment first, exercise the chair's

prerogative.

So is Cynthia here?

MS. BAST: (Speaking from audience.) I waive, Mr. Chair.

MR. OXER: Say again.

MS. BAST: (Speaking from audience.) I waive.

MR. OXER: Okay. Les Kilday. Good morning.

MR. KILDAY: Good morning, Chairman Oxer, board, Mr.

Irvine, I appreciate the opportunity to speak with you today. My name is Wes Kilday with Kilday Operating Company out of Houston. I wanted to speak with you today regarding our 2012 tax credit application, Campanile on Briar Forest and the devastating effects that one letter has had on it.

Campanile on Briar Forest is located in West Houston at Briar Forest and Highway 6. It is a 120-unit seniors only development. We're not located within a specific homeowners association but because we are in the City of Houston, we are within the boundaries of a super neighborhood, the Eldrige West Oaks Super Neighborhood that's made up of many HOAs. We met with the super neighborhood in February, we gave a detailed presentation to the super neighborhood and to representatives of many of the HOAs that were present. We felt the meeting went very well. We even received a round of applause at the end of the meeting, but we left the meeting feeling confident that we were going to receive the neighborhood's support.

About the same time frame, a letter from Notifications for Texans was sent to some of the HOAs in the area. This letter, as we found out later, caused a firestorm of emotional responses from area neighborhoods

that subverted our efforts to get support from the super neighborhood. Several HOAs even posted this letter on their websites urging neighbors to respond to local and state officials as the letter implored them to do.

At the end of the voting process, I received an email from the super neighborhood president. This email sums up the effects of the poison pill letter that was sent out. The email reads:

"Les, Seems to me that a case could be made for a biased trend based on the letter that was forwarded to the homeowners. Additionally, the letter was forwarded to a select group of homeowners to generate a firestorm of opinions not necessarily based on reality. The trend, as I saw it, was to believe the developments would draw in persons who were low income Section 8 HUD residents. Based on that information, most residents were convinced that crime and traffic would be affected, along with a lowering of property values. The result was generation of petitions and email, all negative, to generate an eventual vote of six against to five for by homeowners organizations was amazing in itself. I would again suggest visiting with the Texas senator and representative and ask for their support. Regards."

We're asking the TDHCA to provide some relief for us. Due to the poison pill letter that targeted our application, Campanile on Briar Forest has been unjustly harmed compared to other applications in this round. We have requested to meet with the HOAs that voted against our development in hopes to unwind some of the damage that had already been done and change the super neighborhood's vote to that of support. We have submitted a

request to the TDHCA asking to extend the neighborhood response deadline for our application of for some similar relief.

In closing, I would also ask the board to do everything in their power to sanction all involved in this smear campaign. I don't know how other states deal with these unscrupulous actions, but I believe a message should be sent that these or similar actions in the future will not be tolerated in Texas.

Thank you for the opportunity to speak.

MR. OXER: Thank you. It's tragically unscrupulous, it's not illegal, but it does have far-ranging impacts. Part of what we're trying to correct here, as I think Mr. Irvine did in a recent letter of editorial that you produced, to suggest that there are differences between classic public housing and what's known as affordable housing that's supported by the Tax Credit Program by TDHCA.

So I understand your point. It's something of some consideration. I do encourage you to go back and extend your outreach which I'm confident that's well underway.

MR. KILDAY: We've already started that process.

MR. OXER: At this point we're receiving public comment, and as I think everybody in here would know, I'll remind everybody we can't take action on anything that is produced in the public comment period, we're simply receiving input from the public about issues that need to be considered in future deliberations.

MR. KILDAY: Yes, sir.

MR. OXER: Are there any questions from the board, any

comments? Any suggestions? We'll think about that later, we hear you, we understand.

MR. KILDAY: Thank you very much.

Any other questions on, Mr. ED on that? Did you have a comment?

MR. IRVINE: Just that we can't deliberate on it.

MR. OXER: We're not deliberating, I'm just making a point.

MR. KEIG: Well, let me just ask a question, if you don't mind. Is it something that can be put on the agenda in the future?

MR. OXER: Yes. The point about the public comment period is to receive input from the public about items to be put on the agenda for future items, not to be deliberated now but to be considered later.

MR. KEIG: Okay.

MR. OXER: All right. Ms. Chatham, Donna Chatham.

MR. IRVINE: I believe she's left, sir.

MR. OXER: She was going to comment on the reorganization. Okay. That completes the formal agenda action items. We have some report items. Let's get those out of the way. Brooke.

MS. BOSTON: Brooke Boston.

Just wanted to update you all on the Recovery Act status. We are down to only two programs that are still open and running. The other three have finished up and completed. We are just under 98 percent done, we're at like 97.8.

In the Weatherization Program you book had said we were at

304.5 million, and we're actually at 305.5 million, and at the end of March we will have fewer than ten subs of the original 44 who still are doing some amount of units for us. Everyone else will have moved into completion.

Some of our subs are already done with units, closing out, giving back inventory, so we're really starting to see that ramp down which is very exciting. And then on HPRP, as you can see, we're at 98.7 percent and we have only twelve providers left, all the rest have finished and closed out.

And I would also note, as you may recall, early on in the Recovery Act process we had created an Office of Recovery Act Accountability, specifically to kind of just bird-dog a lot of the cost-cutting issues, and those were temporary positions and there were two people in there, and both of those have found other permanent employment in the agency, so as they're transitioning, they're still going to keep doing some work in the ARRA office to make sure everything gets completed, but they've also found some other positions, so it's nice to know that we don't have to worry about that.

We have been starting to ramp down with other temporary employees as well, some have left as they found other opportunities. We give employees, in general, who are temporary at least 90 days notice so they have a lot of time to start looking for something else either internal or external.

And just as a reminder, they were hired knowing that their jobs were temporary for about two years.

So everything is looking great.

MR. OXER: Good.

Cameron.

MR. DORSEY: The next report item is basically just a summary of the completion of the 2011 competitive tax credit cycle. I just wanted to kind of formally note that we were able to award one final transaction that wasn't approved at the July 2 board meeting. It was Allegra Point, located just outside of Austin on I-35, and it was awarded off of the waiting list, it was the next available transaction on the waiting list.

They were able to resize their transaction a little bit, or not really resize their transaction, just restructure the financing for it so that the last remaining credits which were about 1.47 million were sufficient to finance that transaction.

And so we ended the year with no credits to carry over to this year, met all of the federal requirements, and submitted our final accounting to the IRS on time.

MR. OXER: So what was the total tax credits, just remind us, the total tax credit numbers that were done in 2011?

MR. DORSEY: Sure. We allocated credits to 50 transactions; the total amount of credits allocated was 56,836,230

MR. OXER: And how many units did we get out of that, just more or less? Can you get us a number on that?

MR. DORSEY: I can get you a number on that. On average it's about 100 units a deal, just round about.

MR. OXER: Okay. On the representation, any visuals you're doing on the 2012 round which would include the forwards from last year? I

want to see for each of the regions the component or percentage of it that was represented from the forward from last year and then whatever we're adding to it through the process. Do you understand what I mean? Is that clear?

MR. DORSEY: Yes. I can certainly do that. We've got a chart out there and available on the web for everyone to see that kind of runs through how each region was allocated the money available, and it also just is very obvious kind of how forwards are accounted for in that process. I do plan on bringing a report item to the next board meeting just to update you all on where the cycle is at. We received applications on March 1 and just to update you on where we're at.

MR. OXER: Just to give our newest board member a quick rundown on it, we were essentially oversubscribed by a multiple of ten this year?

MR. DORSEY: At the pre-application stage we had a good amount of slimming down for the application cycle. We received 162 full applications requesting a total of about \$180 million in tax credits and we expect, after forwards since they're already allocated, we expect to have somewhere in the realm of 47 million to allocate, so we're still pretty significantly oversubscribed.

MR. OXER: So we're down to like 3-1/2X as to 10X.

MR. DORSEY: That's right.

MR. OXER: Well, that's the right direction. Good.

Any questions from the board?

(No response.)

MR. OXER: Thanks, Cameron.

Sara, good morning.

MS. NEWSOM: Good morning. Sara Newsom, director of the HOME Program.

We have some new reports for you guys for the HOME Program, and I wanted to just kind of go over them briefly to remove any confusion or questions that you may have regarding these reports.

The bar graph is a HOME funding and performance summary, and that is a summary of how we've spent our HOME Program funds from 2006 to 2010. You can see that most of our funding has gone into the rehab, home rehab and multifamily segments. Lesser of it has gone into the homebuyers assistance programs and to TBRA. And the bar graph shows what we anticipated funding, what we actually awarded, what we committed, and then what was expended, so kind of gives you at a glance what we anticipated spending our money and how we actually did spend our money.

The HOME summary report is a report of how much we spent on 2010 -- I'm sorry -- 2011, I'm just a year behind. But it also gives us numbers, so I wanted to show you how many actually households that we are assisting.

There are some successes in this report. One success is that it looks like that our reservation system is working. We have gotten a good response from that process that we're very excited about. 2011 was our first year with our reservation system, and these numbers are showing that it is working.

Another thing that is a success is that our reservation system is working with the TBRA program, and TBRA is Tenant-Based Rental Assistance. You know, us in government love acronyms.

MR. OXER: It's acronym-soup around here.

MS. NEWSOM: Yes. So we're showing that we had last year 237 reservation TBRA assisted households versus 165 under the regular traditional contract. So we're spending some money, this is showing that.

MR. OXER: That's a good thing for an agency like this.

MS. NEWSOM: Yes. And we hope to give you this type of report with a monthly total.

MR. OXER: So we'll have a dashboard report on this.

MS. NEWSOM: You'll have a dashboard report on the HOME Program.

MR. OXER: I like it. Any questions from the board?

MS. BINGHAM: Looks good.

MR. OXER: I have a question for you. What are the weak spots in here that you would change and improve if you had your way just to go do it?

MS. NEWSOM: The reports look like that we're not doing as much in the homebuyer assistance program in TBRA as we do in multifamily and in home rehab which indicates that maybe we need to put more money in those programs instead of TBRA and homebuyer assistance, but at the same time, I think there is still need for TBRA and homebuyer assistance. So that's a tough question to say would I focus on where we're spending the most

money. Maybe we should consider that.

MR. OXER: We have it more or less right and is the process working?

MS. NEWSOM: Right.

MR. OXER: That's a question, not a statement.

MS. NEWSOM: Oh. Yes, we've certainly had some peaks and valleys.

MR. OXER: That's all right. I'll keep him off of you. Don't worry about it.

MS. NEWSOM: We've had some peaks and valleys. We are working towards taking some of those peaks and valleys away, we are making some strides with our loan closing process. So yes, we've done some work, we still need to do some more work.

MR. OXER: Good. Well, then we'll look at the dashboard next time and if you find some more, we want to hear from you.

MS. NEWSOM: Great. Thanks.

Hi, Marni.

MS. HOLLOWAY: Marni Holloway. I'm the director of the Neighborhood Stabilization Program.

During last month's board meeting, or prior to the board meeting there was an Audit Committee meeting at which the internal audit report regarding the Neighborhood Stabilization Program was presented. I was asked at that meeting to bring back a timeline for our responses to that report and that timeline is contained in your board book. I'd be happy to

answer any questions.

MR. OXER: I think the important thing is we've got timelines and dates and schedules in there and a plan of action.

Any other thoughts or comments from the board?

(No response.)

MR. OXER: You're comfortable we can hit all those?

MS. HOLLOWAY: I am.

MR. OXER: Good. Okay. Thank you.

MS. HOLLOWAY: Thank you.

MR. OXER: Michael, have you got any outreach reports?

MR. LYTTLE: Just the general here and there of staff going to the various stakeholder meetings and conducting the council meetings that we're a part of.

MR. OXER: Tim, do you want to toss in what we've been doing in terms of outreach at each of the bigger cities?

MR. IRVINE: Well, we have begun a pretty targeted effort to reach out to the larger Texas cities, and not just to talk to the city governments but to talk to all the large providers of our programs in those cities to kind of find out what their future is, get them involved as much as anything just in our thought processes. We can certainly learn a lot from the large cities about their strategies. We've already begun with Houston and some of the rapid growth areas around Houston, like down meeting with the Fort Bend Corps last week. Hearing some fantastic ideas, look forward to getting on the road to places like San Antonio, Dallas, El Paso and so forth.

MR. OXER: Lubbock.

MR. IRVINE: Lubbock.

MR. OXER: My own personal perception on this is you can't expect everybody to help you get where you want to go unless you can tell them where that is. The other thing is they're down there where I used to say the rubber meets the road but this is where the hammers meets the nails down there. So they have some really good ideas on how to make these programs work, so one of the things that was interesting to me, Sara, was the fact that the HOME rehabilitation programs were a particularly strong component of what Fort Bend Corps is doing and doing a marvelous job of it, so I was happy that that was the case.

All right. Any other comment?

(No response.)

MR. OXER: Okay. That's the formal agenda. As our general counsel suggests, we are going into an executive session, and coming out of that we will probably go into an immediate closure, so we will retire to an executive session.

The Governing Board of the Texas Department of Housing and Community Affairs will go into closed session at this time pursuant to the Texas Open Meetings Act to discuss pending litigation with its attorney under Section 551.071 of the Act, and to receive legal advice from its attorney under Section 551.071 of the Act.

The closed session will be held in Room E1.024, and the current time is 11:52. And with that, we'll retire to the session.

(Whereupon, at 11:52 a.m., the meeting was recessed, to reconvene following completion of the executive session.)

MR. OXER: The board is now reconvened in open session at 12:12. No decisions were taken in executive session.

Is there any other public comment? None.

Is there any other comment from the board? None.

Entertain a motion to adjourn.

MS. BINGHAM: So moved.

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

DR. MUNOZ: Second.

MR. OXER: Second by Dr. Munoz. All in favor say aye.

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Good job. We stand adjourned at 12:13.

(Whereupon, at 12:13 p.m., the meeting was concluded.)

CERTIFICATE

MEETING OF: TDHCA Board

LOCATION: Austin, Texas

DATE: March 6, 2012

I do hereby certify that the foregoing pages, numbers 1 through 96, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

03/12/2012
(Transcriber) (Date)

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