

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

COMMUNITY AFFAIRS WORKGROUP

Thursday,
December 18, 2008
8:30 a.m.

Capitol Auditorium, Capitol Extension
1500 Congress Avenue
Austin, Texas

BOARD MEMBERS PRESENT:

JUAN MUNOZ, Chairman
TOM CARDENAS (not present)
LESLIE BINGHAM-ESCARENOS
SONNY FLORES
GLORIA RAY
KENT CONINE

STAFF PRESENT:

MICHAEL GERBER, Executive Director

P R O C E E D I N G S

DR. MUNOZ: I've been telling Kent I wanted to hit that gavel. Let's call this Workgroup meeting to order. We will first hear from Amy, I presume, as you are standing at the podium.

MS. OEHLER: Okay. All right. My name is Amy Oehler, and I'm the director of the Community Affairs Division of the Department of Housing and Community Affairs. And I'm going to go over four of the five federal programs that are administered in the Community Affairs Division. But I want to start by introducing the staff.

We have Mr. Michael DeYoung, who is the program manager for Energy Assistance; Mr. Al Almaguer, who's representing Community Services; and then we have Michelle Parales, who's from our Section 8 Housing Choice Voucher Program. And we're not going to go over that program today, but she's here just to be present and to answer questions if you have any.

I'm going to start by briefly describing the four of the five federal programs in Community Affairs. And then I'm going to turn it over to three executive directors that we've invited to come to speak to you today.

The first is Dr. Morris Baker, who's here from Community Action Program in Abilene, Texas. And then we have Mr. Joe Martinez, who is here from Nueces County Community Action Agency. And then Mr. J. D. Young, who's here from Faith Mission in Brenham, Texas.

I'm going to start -- I also want to let you know what's included in your folder. We have information about the four programs, as well as spreadsheets that have the funding amounts for every sub-recipient in the Community Affairs Program, as well as we've included contact information for each of the sub-recipients.

The Community Services Block Grant is what we'll start with. The purpose of the CSBG is to reduce poverty, empower low-income individuals to become self-sufficient, and to effectively coordinate with similar programs. Each year the Department receives about \$31 million from the U.S. Department of Health and Human Services. And in 2008 we've served over 400,000 clients.

I want to share with you what's going on in each of the programs at the moment. This week we hosted two meetings where we solicited volunteers from our sub-recipients to participate on a committee.

The first committee was to discuss performance awards. Historically, performance awards have been used

to provide funding to those organizations who've transitioned persons out of poverty, and they received an award for the number of persons or families that they've transitioned out of poverty.

And as we went through the internal audit earlier this year there were some issues with the process.

And so what we committed to is to inviting the sub-recipients to come and discuss how we could improve this process. And what they all agreed to this year is that, instead of redeveloping the process that they would agree to take \$300,000 and to basically put that into direct services in light of the state of the economy at the moment. Most of these organizations have businesses in their area who've laid off their workers, and so they're faced with even more need for services.

And so what we plan to do is to bring this proposal to you -- first to the workgroup and then to the full Board -- so that we can discuss this proposal. But we were very pleased to see this group of individuals come together and say what can we do for these families and forego the performance award this year. And we've committed to revisiting that process down the road.

On Tuesday of this week we had another committee come and talk about the allocation formula for

the CSBG funds, and we had a very lively discussion. And what we plan to do is to come up again with a proposal that we think makes sense and bring that to the workgroup.

And what we did to prepare for that is that we researched how other states allocate their CSBG funds. And we came up with I think six different ideas as a group, and so we're going to further research those ideas and then bring them back to you.

Most states allocate their funds to their nonprofit organizations using factors that are primarily related to the percentage of poverty by county. That's the primary factor.

There are some other factors that are also used. One, they sometimes look at unemployment status. Another factor is looking at the inverse density of each county. And the reason that that makes a difference is because if you have a sparsely populated county it actually costs more money to be able to provide services to the families in those areas. And so we plan to bring those proposals to you at the next workgroup meeting.

The third event going on at the moment in the Community Services Block Grant is that for the first time in the history of this program the CSBG discretionary funds were awarded through a competitive process. And the

notice of funding availability is in your Board packet today. It's Item 8(b), and I think we will have some public comment on that. But what we hope is to be able to release the NOFA and then to bring -- to score the applications and then bring the proposals back to you in the spring.

MR. GERBER: And, Amy, that's because 10 percent of the CSBG allocation is discretionary that's given to the State. We always reserve a portion of that for disaster assistance, and this year we're going to hold back \$600,000 in the disaster program so that we can provide that to community action agencies to meet those needs.

So \$900,000 is available in the discretionary NOFA. That will be awarded on a competitive basis this time around. So it's a bit of a change from how we've done business.

MS. OEHLER: That's correct. Dr. Morris Becker, would you like to come and talk about the CSBG Program? And then I'll come back up and we'll go over the Energy Assistance Programs.

DR. BAKER: Thank you very much, Amy, and thank you to the Board members. It's a real pleasure to be here in foggy Austin this morning away from dusty west Texas.

I am the executive director for the Community Action Program that is located in Taylor County, Abilene, Texas, and I've been in that position now for about five years.

The Community Action Program as we have there in Abilene, Texas, is but one of many across the state of Texas, as you know -- agencies that employ CSBG dollars. And it represents hundreds of professionals out there working toward the accomplishment of TDHCA goals that we share in our agencies.

Each of these agencies, of course, has its own mission statement. Ours reads something like -- The Community Action Program is a private, non-profit organization created to eliminate the causes and effects of poverty as it impacts the elderly, handicapped, and families with children under -- primarily under six years of age in Taylor and surrounding counties. And, in fact, we serve with some of our programs as many as 13 counties.

This agency has been in place since 1966 continuously and has successfully operated for just that long. It serves as a bridge between the disadvantaged of our community and support services available throughout the geographic area to which we respond.

We, of course, are using CSBG funds to leverage

dollars that come from many other sources. And as our agencies are unique and the geographic areas from which we come are unique then funds are coming from a wide variety of sources. Some of those funding -- some of the funding that we use is federal, some of it will be county dollars, some of it will be private dollars from philanthropic organizations or from small donations that come as the result of a Christmas card appeal or something of that sort.

But the CSBG dollars are dollars that can essentially be counted on. They serve as a kind of a core. They serve as a sign of respect. In fact, when we go to a private philanthropic organization for -- to make an appeal and we are able to say that we have CSBG dollars then that says to them that we have some standing in the state. And you may also know that dollars that come from private sources are often very restricted. Those dollars want to do a specific thing in a specific way. And CSBG dollars allow us some latitude.

The kinds of endeavors that are supported by CSBG dollars in our area are -- and are not limited to -- Headstart, the Energy Assistance Program, Weatherization Assistance, Food Pantries, Family Enrichment Center -- I might have to explain that in a moment -- the Asset

Building Demonstration Project, and the tax preparation program.

And I guess this is a good point to mention that -- you know, you were talking about the NOFA earlier.

In addition to the CSBG dollars that can be expected there is also the possibility of submitting a special request for a special project. And we have been successful in doing that with our Asset Building Project.

I'd like to just mention the -- a little more about the Asset Building Demonstration Project since Josephine Robinson was mentioned earlier from the ACF. The Office of Community Services provides an opportunity for entities like our own to apply for grants where we can encourage people who are working who meet an income eligibility standard to continue working to save, to place dollars into a custodial account, and then we match those dollars with federal dollars and private dollars.

In our instance, the match is four to one. So someone who save a maximum of \$1,000 then having gone through the process -- and the process includes financial literacy classes, which are required, and asset specific classes, classes around career development, around home ownership -- for, indeed, those dollars can be used for only three purposes -- the purchase of a first home, the

purchase of post-secondary education for the individual participate or someone in his or her family, or the capitalization of a small business owned by that individual.

DR. MUNOZ: Dr. Baker, just a minute. Mike, did you have a question earlier?

MR. GERBER: Once again I thought -- I was going to ask about your budget for -- how much you receive in CSBG and then the total budget of your agency just by way of -- just to underscore how much CSBG is contributing to your overall operations.

DR. BAKER: Our entire -- of our entire budget probably about 30 percent. You know, we are a small agency. And, as I indicated before, the CSBG dollars supports all of these programs that we have -- so about a third. So what you're saying then is that without those CSBG dollars then the operation would not be able to continue.

Let me continue on and strengthen this point with the Asset Building Project. Our first grant from the Offices of Community Services was for \$100,000. The life of that grant is five years. The maximum amount of that \$100,000 that could be used for program support or admin is 15% -- sounds like a lot, but \$15,000 will not run a

program for five years. And so then that's where a special grant for -- from CSBG and other kinds of support come in.

I suppose that that's -- kind of concludes my comments. I did want to -- I didn't want to leave the microphone, however, without saying that during my five years of working with TDHCA, and especially during the current administration, we have found TDHCA a very easy agency with which to work, which is to say that communication flows very easily. We're able to pick up the telephone or using the e-mail, speak back and forth with Amy or Al or Mr. DeYoung or the others. I speak with them so often that when I pick up the phone and call and I say hi, they say, Uh-huh, it's Morris. I kind of know their telephones by memory.

You know, I have had past experience with international agencies and with federal government agencies, and I find that TDHCA staff exceedingly professional and very, very helpful and supportive. And I thank them for that and I thank you for the opportunity to speak with you today.

MR. GERBER: Dr. Baker, while you're up, you've had a lot of experience in dealing with challenged agencies. You've moved from -- you've moved and served as

E.D. at a number of community action agencies. We obviously, you know, want to have strong, healthy, vibrant community action partners.

Talk to us a little bit about some of the issues you've seen as community action agencies work to, you know, be more accountable, having to do more, and when agencies get in trouble, how you've worked to address those in the larger group setting as well as at your own individual --

DR. BAKER: Well, indeed, this is -- Mr. Gerber, this is the first community action agency with which I have worked. However, I have spoken with other colleagues around. And I think that I would have to confess that five years ago when I arrived at the Community Action Program in Taylor County that it's standard of operation and its standing in its own community was not the very best.

And I think that there are a couple of things that have to be dealt with. You know, we have to build relationships with funding agencies. We have to build relationships with the communities that we serve, with the county judges, with the general population.

We have to build collaborative relationships because community agencies are unable to do all the work

that needs to be done alone. It has to be a cooperative effort that's -- that includes many partners. It's important that the people and the agencies in our network see each other as colleagues and not as competitors because the work -- we share the same goals, we share the same missions.

The current economic environment -- a couple of years ago when -- especially for us out in west Texas when oil was \$150 a barrel or whatever and people who had access to the dollars that were flowing from that were a little more free, if you will, with their gifts than they are today.

I think also that it's important that we find ways to communicate to TDHCA and to others the uniquenesses in our geographic areas. If you look at the statistics that are shown from the census, for example, about -- let's take -- Shackelford County, which is one of the counties that we serve with CSBG dollars, the median income shown is greater than that in Taylor County, which is a must more industrialized county.

But what you have out in some of these small rural west Texas counties -- and perhaps in others as well -- is you have one or two multi-millionaire kinds of families that have all the money. And then there are the

rest of the people.

And so when we are talking about the apportionment of CSBG dollars and use as one of the criterion for that apportionment the level of poverty -- if you focus too much on the median salary without delving -- the median income, rather, then you may need to look at that in more detail.

There are -- running a community action agency has many more facets to it than I had ever expected five years ago. There are many pots on the fire to be watched and watched very carefully. And I said to one of the young ladies who works in Abilene yesterday, Maria Aguilar, that at age 70 I don't know how much more of this I can take.

So -- but right now it's still a lot of fun and this is noble work that we do and that you support. And thank you again.

DR. MUNOZ: Thanks, Dr. Baker.

MS. OEHLER: Thank you, Dr. Baker. Next I'd like to talk about the Emergency Shelter Grants Program. This is a grant that we received from HUD. And the allocation is typically about \$5 million. And in 2008 we've served over 103,000 clients.

The purpose of the Emergency Shelter Grants

Program is to prevent homelessness and to provide families who are homeless with services. And in November we released a notice of funding availability for the Emergency Shelter Grants Program for 2009. We typically serve about 78 -- we're able to provide funding to 78 nonprofits throughout the state each year.

And I'd like to invite Mr. J. D. Young, who hasn't been in Texas -- and he is the director executive of Faith Mission -- to talk to you about the work that they do with the Emergency Shelter Grants Program.

MR. YOUNG: Thank you, Amy. It is with a great deal of pleasure that I'm here today because I always am excited to go anywhere and talk about what's going on in Brenham, Texas.

But before I get into that, lest I forget, I also want to comment the staff here in Austin that we work with. This is -- my history goes back much further than some of you do. I actually started off -- my first gainful employment was involved with HUD. And I think my last application to HUD weighed 17-plus-something pounds. We measured them in pounds back in those days.

Buy, anyway -- so I'm not a total stranger to government operations. And you have an exceptional group here -- very country style, if you will -- and we like

that.

Okay. Faith Mission -- I'm going to give you a quick overview of Faith Mission and then try to help you understand how the ESGP grant fits into that overview.

Faith Mission operates over 60,000 square feet of space in Brenham, Texas, which is a sizable amount of space for the small agency. But it is involved -- we are involved in several different types of operations.

One of those is -- and I'll mention this first because it's a major funding operation for is -- is our thrift operations. And through our thrift operations we pay for all of our administrative expenses -- and we're proud of that.

Everybody that we go to and request from funds from, outside of our thrift operations, we can tell them that their money will go directly to assist someone. And we keep our staff sized based on the money that's coming out of that thrift operation.

Faith Mission has been in existence for about 25 years; started off as an ecumenical, faith-based operation and continues so today. We're supported by over 30 churches in our area. And while we are not a church -- we do not claim to be a church nor do we proselytize anyone; we're there to provide services -- we do tell the

churches in the community we'd like for them to see us as an extension of the services that they want to provide within the community, and we work very closely with them.

We're on a first-name basis with virtually every pastor in the community. We have constant feedback with regard to the people that we're servicing, either they referring them to us or we're getting in contact with them based on the various folks that we're involved with.

And that is very meaningful based on what we're trying to do.

I'm going to ask Troy, if you will -- Troy Gardner traveled with me today. He's going to -- have you passed that out already? Okay. He's going to pass you out some material right quick. In fact, you might give me a set, Troy, so I'll know which way I'm going here.

But we weren't sure what to bring over today, and one of the things that -- we're not big on printed material where we are; we have transitioned into videos. And I understood that this was not a good forum for showing you video, so if we ever have the opportunity we'd for -- we'd like to be able to do that.

But overall Faith Mission provides a large number of services. Some of those you could see inside this little white brochure. If you open it up it will

give you a list inside there of the basic things that we do. There are more than what that list includes, but that does give you some kind of insight.

On the larger printed out pieces that you received -- I'll refer to this one -- it's a single sheet by itself. And one of the things that we have on there that we feel like encapsulates what we're trying to do is that we are a homeless shelter, a family and individual counseling place, we provide food, clothing, furniture, medical care, medicine, vocational training, financial training, and other types of education to people in our community to help them become self-sufficient.

And that is our goal. We take -- we assess virtually anyone that walks in our doors the first time and then we begin to try and channel them into way of becoming more self-sufficient. And we have a long track record there, and we could show you many testimonies of people that have gone through our program that are now fully self-sufficient that actually come back to the Mission, volunteer their hours of work there, and we have come that contribute to our programs now that once were homeless. So we're real proud of that and we work very hard to help anyone -- go the extra mile for those people that really are interested in helping themselves.

One of the things that we try to do, as was mentioned by the earlier speaker, is we try to leverage all of our assets that we have available to us. And we get funding from, of course, the ESPG program, the FEMA. We leverage into Section 8 and public housing. We have a very close relationship with those folks.

We do things from helping people qualify to helping them with their -- whatever funds are required for them to be able to get into those facilities. And then we continue to do case management work with them while they're there.

We also have transitional housing facilities ourselves that are not part of a HUD program. Those are all developed locally, and we transition people from our homeless shelter into various types of housing that we have available.

We're also involved in disaster assistance in the community. We have working arrangements with the county and the city -- contracts I guess would be the right terminology here -- where we provide -- they'll look to us to provide all the services that I just enumerated to you.

In addition to that, we provide emergency assistance in case of any kind of a -- you know, like a

hurricane. And Ike was our last experience with that. We had a what FEMA would call a DRC up and running within -- well, in fact, the facility was open the night the storm hit and we serviced all the local people that were providing first response service -- all of our policemen, firemen, and those folks that were out.

And then Monday morning following the storm we were open for full services to FEMA evacuees with computer banks and volunteers available. We have over 300 volunteers that are on our active list that are available to us and have countless thousands of hours of volunteer service during the year.

Again, going back to the leverage concept the best thing I think I could say here is if you could in your mind think of a -- gee, in my mind I can't even think of it -- here we go -- a rock arch, if you would. Every piece in that arch, regardless of where it is, is important. Pull one out and you run the risk of the entire arch collapsing.

I don't think that's quite the case in our scenario, but every piece in that arch is extremely important. And ESGP provides us with funding in areas where it enables us to be doing a lot of case work and so on where otherwise we would not be able to do that.

We use ESGP funds for utility assistance, mortgage assistance, rent assistance, and, of course, in the operation of our homeless shelter itself. So those funds are just extremely important.

DR. MUNOZ: J. D., let me ask a question similar to the one Michael asked earlier. What percentage of this approximately 80,000 -- if I get it right -- what percentage is that of your overall budget?

MR. YOUNG: Our overall budget runs about a million-three, and so that's, you know --

DR. MUNOZ: Okay.

MR. YOUNG: -- whatever that percentage is.

DR. MUNOZ: All right. The -- are the photographs that provided us with -- those images -- is that -- you know, is that the current sort of state of the campus?

MR. YOUNG: No, sir. This is a new addition that's coming on line this year.

DR. MUNOZ: Oh.

MR. YOUNG: We're going to be providing a -- that particular facility includes a commercial kitchen and restaurant operation which will provide food for our homeless shelter, but will also provide training for people that we're trying to serve. We're trying to dual

purpose or triple purpose anything that we do.

DR. MUNOZ: Is this on the current site or is this a different location?

MR. YOUNG: It's a different location.

DR. MUNOZ: Okay.

MR. YOUNG: The other buildings there are designed for vocational training -- and we're excited about that. That should be all up and running this year. Our kitchen is almost finished at this particular point right now.

What you do not have is a picture of our clinic that we have planned. We have coalition consisting of the city, county, the hospital, ourselves, and Texas A&M Real Health. And we're putting together a clinic would should also be operational this coming year to serve the community.

We will be taking -- it's more than just a clinic. It's going to be sort of a new hub for our outside services. Faith Mission -- if you come to our office right now we're doing homeless shelter business and we're also providing emergency assistance to individuals in the community from the same facility.

DR. MUNOZ: Well, you know, let me just -- let me take advantage of your point about if you come to our

facility. I didn't mention it earlier when we were in the cafeteria, but Michael and I have already spoken about making some trips out to some of these locations because I just don't think you can really appreciate what's taking place unless you're physically there.

MR. YOUNG: I agree.

DR. MUNOZ: And so if any of you have an interest in your locations being visited I'd ask you to direct that either Amy or Michael. Now, of course, there are limits on our time, but over the next year we'd like to make an appropriate number of visits. And, you know, hopefully in the following years we'll be able to visit more locations.

MR. YOUNG: We would love to have anybody that would like to come and see what we're doing. The worst thing that could happen to a person like me is to stand up here and have to try and articulate all of these things when we know we can't do that. You know, that's the reason we've gone to videos and, of course, onsite visits are the best.

DR. MUNOZ: One of the reasons that the trips -- the visits are necessary and important is so that you won't have to articulate --

MR. YOUNG: There you go.

DR. MUNOZ: -- and I will for you.

MR. YOUNG: Okay. Great.

DR. MUNOZ: Right.

MR. YOUNG: But we'd love to have you.

DR. MUNOZ: All right.

MR. GERBER: J.D., is part of the -- an effort by Washington County and by the City of Brenham to do what so many other communities are doing to really consolidate and have an area resource center for the homeless, so to speak, and have services together, you know, on one campus?

MR. YOUNG: That is correct. We're trying to do everything we can in that way, and the county and city both have been very supportive of all of this. The city is donating the clinic building to us. It's worth probably well over a half-million dollars -- probably three-quarters-of-a-million dollars.

MR. GERBER: That's great. I think that's probably the first county of its size to see this kind of a forward-thinking proposal. So congratulations to you.

MR. YOUNG: Well, thank you. We've just got amazing support. And for whatever all the reasons are we've got a lot of people now that are on the same page seeing the same vision. So it's --

MR. GERBER: Well, if you look here in Austin, you look at Fort Worth, you look in Houston -- there's a number of other cities, you know, that are much larger that have, you know, similar kinds of visions for, you know, for consolidating services and really providing that continuum. And that's great to be thinking about the needs of the homeless in that light.

MR. YOUNG: Thank you. One recommendation that I would have, being an old grant writer, try to -- as much as you possibly can try to simplify the process. I know you have to have information. I know you need feedback on all types of things. For an agency like ourselves we do not have the staff time to put in to writing large tedious applications.

We pass up opportunities for applications every year for that very reason. We're very -- we have very limited -- even as you see -- as you see us as a cooperative group. On the other hand, with regard to our local continuum, which we are a part of us -- the seven-county area -- we're not nearly as plugged into that simply because of the amount of time, the amount of effort to apply for any of those funds. I mean, it is tough. You almost have to have dedicated people for that purpose, and we just don't have that.

DR. MUNOZ: Thanks, J.D. We're going to move on. I appreciate your comments. And I'd ask Amy to introduce her next speaker.

MS. OEHLER: Okay. All right. The next two programs are the Energy Assistance Program. First is the Comprehensive Energy Assistance Program, which primarily provides utility assistance, and the Weatherization Assistance Program -- I have a slide here that details the funding sources.

And I just want to note to you that for the Low-Income Home Energy Assistance Program that -- the typical funding that we received is about \$44 million and for 2009 it will be \$123 million. So that's a significant increase.

And so we will be working with the sub-recipients to make sure that they have plans in place to be able to provide assistance with that amount of money. Certainly the need is there -- the need has always been there. We typically serve 6 percent of the eligible population with these funds, and so certainly we'll be able to serve a larger percentage.

But at this time I'll turn it over to Mr. Joe Martinez. He's here today from the Nueces County Community Action Agency in Corpus, Texas.

MR. MARTINEZ: Thank you, Amy. Good morning. Buenos dias. My name is Joe Martinez, as previously indicated. I'm the executive director of the Nueces County Community Action Agency in Corpus Christi.

The agency's located in Corpus Christi, but our primary service area is Nueces County. NCCA was incorporated as a community action agency in 1964. And over the last 40 years NCCA has become the biggest nonprofit in Nueces County with an annual budget of \$13 million and a workforce of over 300 employees.

The label of providing services from cradle to grave is somewhat exaggerated. I accept the cradle aspect of it, but I can't figure out the grave portion of it. I'd like to kind of run you through the community action agency. You've heard from west Texas. Now, let me take you to south Texas. Okay?

Our biggest program to date has been -- is, of course, the Headstart program. We have 1,200 children in our Headstart program in 23 campuses with 90 classrooms. That's the biggest program financially that we have. It's a health and human services program.

We provide comprehensive services to children and their families. So all these are infant/toddler in early Headstart -- that's 0 through -- to 11 [sic] -- and

then preschool which is 3 to 5. So 1,200 children is a large number of children.

Our second program is our housing program. We have a housing program in Nueces County. We're affiliated with NeighborWorks America, which has given us the idea of affordable housing.

Before we went into housing we were recognized as a Headstart agency because we had such a big Headstart program. But I sat down with the staff and said, We need to get away from that label -- that stigma. What is it that we need to do to help our citizens -- to help our clients?

Well, the fiber of the family is the home. That's what keeps the family together. So we started looking at affordable housing. What I'd like to share with you that to date in the last three years we've built two subdivisions for a total of 130 homes, and we've built an additional 35 infield housing in Corpus Christi.

Now, we can't go into -- we haven't been able to go into the rural area because our funding is limited.

We have been receiving funding from the CDC Board, which is made up of banks, and they've given us two interest-free loans to build the infrastructure in those subdivisions. Plus we have -- we were the first nonprofit

to be funded under an ad valorem tax board that was set up in Corpus Christi.

Corpus Christi had an election I think four years ago where they wanted to improve the seawall and wanted to improve -- build a baseball stadium and do a lot of beautification projects on the bayfront and everything.

But there was nothing for poor people -- there was nothing for the most vulnerable residents of Corpus Christi.

A group of citizens got together and said, We want affordable housing to be placed on the ballot, and we oppose it if you don't do that. Well, they did. So they earmarked 15 percent, or \$500,000, every year for the next 15 years to build affordable housing. We were the first agency to received \$250,000 of that money the first year to begin the infrastructure on Cap Estates I.

Cap Estates, as we call them -- very creative -- stands for the Community Action Promise. So we've built subdivisions and a little over 30 infield housing. That's a little over 160 homes that have been built. And in this era and this environment that we're in where there's a lot of failures we've only had five of those 160 homes.

So we're very proud. We do a lot of pre- and

post-counseling with our clients. And we're very proud of the program because we hold their hands through the whole application process. We've gotten mortgage companies to work with us, banks to work with us. Now, I can't tell you what's going to happen next year with the environment that we're in. Hopefully we're going to continue with this surge.

Our third biggest initiative in Corpus Christi and Nueces County is our Health Marriage Initiative because -- and then we go back to the cradle to grave. We educate the children, work with children, we build homes for the families, now we work with the families in creating healthy marriages.

And this is an initiative from the State of Texas for faith-based organizations. We've build a collaborative effort with community-based -- faith-based organizations in Corpus Christi. We offer classes for pre-married or married couples. Just this past week I went to graduation where they graduated 13 couples in a 20-hour course dealing with marriage -- healthy marriages.

And it's something to witness because you have young people from the hood who have totally changed their lives in terms of marriage -- in terms of family. And that's what we are all about.

And the fourth project, of course, is CSBG, Community Services Block Grant. That's the umbrella -- that's the glue that keeps our agency together. And in response to your earlier question, we receive -- in 2009 we will be getting \$496,000. That is part of the \$13 million that I talk about in total funding. We maximize our dollars. We work with private and public agencies. We receive funding from different sources.

Now, going to -- leading into what I'm supposed to address in terms of energy conservation, utility systems, and so forth, you have to understand that 60,000 Nueces residents -- 19 percent of them -- live below poverty. 25,000 of those live in less than half of the poverty line, which includes 11,195 children. And children are our future. So that's why we're so intent in working with Headstart and working with healthy marriages.

NCCA operates two different -- two direct assistance programs funded by TDHCA. These are income-eligible programs with clients meeting certain criteria. CEAP, the Companies of Energy Assistance Program, is a utility assistance program designed to assist low-income residents and low-income households in working -- in meeting their immediate energy needs and to encourage consumers to control energy costs for years to come

through energy education.

This is accomplished through a network of CSBG funded -- now, this is why I'm saying the CSBG is our umbrella funding -- CSBG funded service centers. And I am blessed -- and I want to share it with you -- I am blessed with a dedicated and compassionate staff. At the last executive directors' conference Mr. Gerber and Ms. Oehler and some of the staff recognized two of our employees that have provided service through our agency and to our community for over 35 years. In combination with me, the three of us have over a hundred years of service to community action.

As clients apply for utility assistance, applications are prioritized based on income, elderly, disabled, and families with children under six. So a client comes in: I need my bill paid. So this starts the issue. We create an application. We meet all the criteria. Then as a staff we determine how can we best affect this family, both in utility assistance and energy conservation.

It's an intricate process and I'd be crazy to sit here and try and tell you what -- how it works because my staff is very good at it. And I should have brought my staff with me because they can better interpret than I

can.

But, in essence, that's what we do at Nueces County Community Action Agency. We make sure that the fiber of the family is intact. Many times if we haven't been there we don't know what it's like. And I think that's one of the things that we do. Our mantra -- I have a poster in my office that I make sure that all new employees that come to our agency look at and read it. And it says, Without community action some people have nothing. And I think that says a lot for us.

In closing -- and I think Mr. Morris and my previous speaker have addressed a lot of these things. But I just want to -- I would like to thank the TDH staff for continued support under Mr. Gerber -- continued support of NCCA and to commend TDHCA Board for the continued funding of programs assisting the most vulnerable Texans. Any questions?

MR. GERBER: Thank you, Mr. Martinez. Joe, just to confirm, the total budget for your agency is \$13 million, and you get \$2 million in LIHEAP from us; you get \$496,000 in CSBG from us, and then \$200,000 in weatherization systems from us. So you use all those funds to leverage all the other dollars that --

MR. MARTINEZ: Right.

MR. GERBER: -- that you bring into your agency.

MR. MARTINEZ: Yes. And a good example is in the weatherization program that you just mentioned -- those figures. We go to the City and leverage Community Development Block Grant money for the City of Corpus so we can work in certain census areas.

So it's conceivable -- and I asked my staff, Give me a hypothetical case -- Well, how much could a family receive that's down and out that meets all the criteria. And they said, In excess -- or almost \$15,000. You know, hey, without community action, some people have nothing.

Okay. Any questions?

(No response.)

MR. MARTINEZ: Again, Dr. Munoz, I'd like to thank you for your efforts and including us -- being inclusive of the community affairs force and invite you -- personally invite you and other Board members to come out to Nueces County, to Corpus Christi. We have two seasons in Corpus Christi: hot and hotter. So you can come out and enjoy either one. Right now we're in a freeze, 60 degrees.

DR. MUNOZ: Thank you, Joe. Thank you, Mr.

Martinez. Amy, did you want to --

MS. OEHLER: Okay.

DR. MUNOZ: -- close?

MS. OEHLER: Yes. Thank you. Well, I'd also like to mention that we have over 150 nonprofits that we fund throughout the state. And so while we have three representatives today, certainly there are many others across the state. And I think we have some others in the audience, if they'd like to stand up, from other community action agencies.

VOICE FROM AUDIENCE: I'm Angela [inaudible].

MS. OEHLER: You want to introduce yourself?

MR. CORMACK: Gordon Cormack from Coupland, Texas.

MS. OEHLER: Okay.

VOICE FROM AUDIENCE: And I'm with him.

MS. OEHLER: And we have Vicky Smith?

MS. SMITH: From community action in Victoria.

MS. OEHLER: Thank you.

MR. GERBER: And, Amy, I just want to underscore a couple of things. One is that on the energy assistance side it's important to note we've been funded at about \$44 million a year. This year we're getting \$160 million. Is that correct? And then 123 of which is going

to be going into our utility assistance program, the balance of which will go into the weatherization program?

MS. OEHLER: That's correct. Yes, sir.

MR. GERBER: And the weatherization program is -- there's a maximum amount that you can use for weatherizing a home, which is \$2,500?

MS. OEHLER: Well, 4,000 for LIHEAP and 2,900 for the Department of Energy.

MR. GERBER: Okay. We should probably provide to the workgroup members just what those program rules require. Because obviously we want to move folks from utility assistance to ultimately getting their house fixed as best we can.

We know about the rising utility costs, but that certainly doesn't make up for, you know, holes in floors and leaky windows and doors. And a lot of the work that we do under the weatherization side is really impressive. It's very, you know, high tech. And the work that our team does with contractors on the outside is really exceptional. And that's worthy of trip probably in itself.

I would also add that the weatherization side helps to fix the problem for the low-income family in a substantial way. In that spirit there are long waiting

lists that each of these community action agencies and others who do weatherization have. And there's about 14,000 people on the list right now across the state of Texas, and that number continues to grow.

But we're only able to serve just a few thousand each year. The Department has -- we have two exceptional items, Dr. Munoz and Board members -- the Housing Trust Fund, which we've talked about. But the second is a request to go back to what the Legislature provided to us six years ago, which is an allocation from the Systems Benefit Fund of \$10.7 million that would go directly into weatherization assistance programs. And so we'll be talking about that with the Legislature this year. But we appreciate you all making that a priority and understanding the needs that are there in that area in particular.

MS. OEHLER: Okay. Did you have a question?

DR. BAKER: Yes. If I could just make a comment about the weatherization -- I might be showing my ignorance, but I might be showing my intelligence -- I'm not certain.

But with the Weatherization Program it is the house that qualifies. Of course, the occupants have to meet an income eligibility. But once we weatherize that

house, and we might put \$4,000 or \$6,000 into that -- invested into that home, and the dollars invested have to show a return of energy savings, et cetera, et cetera.

Our clients are somehow transient. Well, that house -- correct me if I'm wrong -- we cannot go back to that house for ten years. Is that correct?

MS. OEHLER: Well, you're actually just supposed to weatherize once.

DR. BAKER: Right.

MS. OEHLER: Right.

DR. BAKER: So we can only -- so we can't ever go back to that establishment. But a new family might come and occupy that home. And, you know, the work that we do is not going to make these homes wonderful. There's still work that could have been done which has been left undone because of the maximum that can be expended on a house. And so I would just like for you guys to kind of take that into consideration. I don't where that --

DR. MUNOZ: Okay.

DR. BAKER: -- where that sort of drops down.

DR. MUNOZ: Very well.

MR. MARTINEZ: You know -- may I -- just -- in Nueces County, for instance -- we have 250,000 residents in Nueces County -- in Corpus Christi. We have -- we

gauge a lot of our services for the substandard housing. We have a lot of substandard housing in Corpus Christi. And that means -- in line with what Mr. Gerber was saying, that doesn't mean that everybody's going to qualify. Okay? So that's where we come in with extra funding through CDBG -- leverage other money so that we can work in there.

The issue is that substandard housing is increasing in Nueces County. We did a market study three years ago and there were 25,000 homes that were built before 1960, you know. So that -- and that's what prompted us to go into affordable housing -- to try and replace those units.

Now, in weatherization Mr. Gerber is correct in saying that we can't help everybody. There's some that are just beyond repair. But then that's where our leverage of money outside TDHCA funding. And I want to make sure that --

DR. MUNOZ: Okay. Thank you, Mr. Martinez. Before we close the meeting I'd like to open it to public comment if there's someone in the audience other than those who have spoken that would like to weigh in on some of what's been discussed this morning.

This is the first sort of presentation of the

workgroup. We're continuing to collect information and thoughts. This would be your opportunity to share your thoughts.

(Pause.)

DR. MUNOZ: Okay.

VOICE FROM AUDIENCE: Do we have to fill out a paper?

DR. MUNOZ: I beg your pardon?

VOICE FROM AUDIENCE: Do we have to fill out a paper in order to speak?

MR. GERBER: Just fill out a witness affirmative form, but if you haven't done that yet just come on up, and then we'll take care of that afterwards. Just make sure you get one of those from one of the TDHCA staff.

MS. YOUNG: First of all, *Halito*, and that's hello in my native language. I'm a member of the Choctaw nation of Oklahoma. I work for the Urban Intertribal Center of Texas. We've been around since 1971. I'm going to try to be real quick. Mostly the gentleman --

DR. MUNOZ: Excuse me.

MS. YOUNG: Excuse me?

DR. MUNOZ: Your name for the record.

MS. YOUNG: Angela Young.

DR. MUNOZ: Thank you.

MS. YOUNG: I'm the administrative director of our Urban Intertribal Center, which is a nonprofit organization that serves the Native American population. And we're the only center in the state of Texas that serves the Native American population.

I'm aware that there's like three tribes in the state of Texas, but our organization is unique. You don't have to be a member -- you don't have to be just a member of one tribe. We serve all tribes. The thing is you have to have your credentials, your CDIB, which is Certificate Degree of Indian Blood, that was issued by the federal government.

Our agency provides much as what the gentlemen were stating what they provide at their agencies. We have a medical clinic, a dental clinic, and we have our family service department, which we use our Community Service Block Grant funds to serve that.

This year we received notice -- actually in '07 there was a release from TDHCA that the grant -- the funds were going to be competitive. And my heart hit the floor.

I'm a little nervous about it, but I did read over the NOFA and you guys did a wonderful job putting that together.

Again, we are very short staffed -- limited with the number of people that we have on staff. It's going to be really tough to meet that deadline of January 20 I believe. I also have another grant that I'm competing for at the federal level with the Indian Health Services that's going to be due January 9. So next time I come to visit I may have no hair.

One recommendation I do have concerning the competitive funds for the discretionary portion is that possibly instead of being an annual competition could you consider doing it maybe every two years? And basically that's all I have to say.

And thanks for TDHCA. And Amy and Skip and Al -- I've never met them face-to-face, but today I got to meet Amy. I don't know if Al's here -- there's Al. Skip -- no Skip? Okay. Thank you so much.

DR. MUNOZ: Thank you.

MR. GERBER: Angela, where are you based?

MS. YOUNG: We're based in Dallas -- just like three miles from downtown Dallas.

MR. GERBER: And how long have you been getting funding from the Department?

MS. YOUNG: I've been there for seven years, and it's my understanding that we have been receiving

funding as long as -- Amy might be able to -- I don't know. When they opened it up I guess for the Native Americans is when they applied -- and I don't know how long that's been.

MR. GERBER: And how --

MS. OEHLER: Probably at least 13 years.

MR. GERBER: 13 years or more?

MS. YOUNG: 13 YEARS.

MR. GERBER: And how much do you receive each year?

MS. YOUNG: 112,000 -- and we could use a lot more. But we leverage a lot. We use -- we work with other community agencies to help provide services that we can't. We have approximately about 121 people that come in a month to apply for rental utility assistance and we only can serve ten. And we have to set our own guidelines in order to -- and we have to take a look at the income guidelines and the family size and so on.

MR. GERBER: And, as with the other agencies, how much is your total agency budget?

MS. YOUNG: The total agency budget, including our health clinic and dental clinic and employment and training -- it's about 3 million.

MR. GERBER: Okay.

DR. MUNOZ: Thank you.

MS. YOUNG: Thank you so much.

DR. MUNOZ: Leslie, do you have any questions?

Ms. Ray?

MS. RAY: No. Thank you.

DR. MUNOZ: Okay. Well, with that public comment we will conclude and adjourn our first meeting of the Community Affairs Workgroup. Thank you for patience and time to come down and help better inform our future decisions about this area.

(Whereupon, at 9:40 a.m., the meeting was concluded.)

C E R T I F I C A T E

MEETING OF: Community Affairs Workgroup

LOCATION: Austin, Texas

DATE: December 18, 2008

I do hereby certify that the foregoing pages, numbers 1 through 45, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing & Community Affairs.

(Transcriber) 12/20/2008
(Date)

On the Record Reporting
3307 Northland, Suite 315
Austin, Texas 78731