

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOUSING AND HEALTH SERVICES
COORDINATION COUNCIL
MEETING

Room 4530
Brown Heatly Building
4900 N. Lamar Boulevard
Austin, Texas

October 9, 2013
10:00 a.m.

COUNCIL MEMBERS PRESENT:

TIMOTHY IRVINE, Chair
PAULA MARGESON, Vice Chair
FELIX BRIONES
DAVID DANENFELZER
MIKE GOODWIN
AMY GRANBURY
DONI GREEN
JAMES HILL
JEFF WILLIFORD

ON THE RECORD REPORTING
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P R O C E E D I N G S

1
2 MR. IRVINE: My clock says 10:11. Today is
3 October 9. And we will call the meeting of the Housing
4 and Health Services Coordination Council, referred by me
5 as the Husky to order. And we will begin by calling the
6 roll. Becky Dempsey?

7 MS. DEMPSEY: Here.

8 MR. IRVINE: I am going to call the roll first,
9 so that we can formally convene the meeting. I have got
10 Becky Dempsey. Megan Cody?

11 MS. CODY: Here.

12 MR. DANENFELZER: David Danenfelzer.

13 MR. DANENFELZER: Here.

14 MR. IRVINE: Jonas Schwartz.

15 (No response.)

16 MR. IRVINE: Not here. Karen Dunn.

17 (No response.)

18 MR. IRVINE: Not here. Mark Gold?

19 (No response.)

20 MR. IRVINE: Laura Venane.

21 (No response.)

22 MR. IRVINE: Doni Green.

23 MS. GREEN: Here.

24 MR. IRVINE: Mike Goodwin.

25 MR. GOODWIN: Here.

1 MR. IRVINE: Amy Granberry.

2 MS. GRANBERRY: Here.

3 MR. IRVINE: Paula Margeson.

4 MS. MARGESON: Here.

5 MR. IRVINE: Felix Briones.

6 MR. BRIONES: Here.

7 MR. IRVINE: Kenneth Darden.

8 (No response.)

9 MR. IRVINE: And we do not have a rural
10 communities representative. James Hill.

11 (No response.)

12 MR. IRVINE: And Jeff Williford.

13 MR. WILLIFORD: Here, sir.

14 MR. IRVINE: First time attendee for the Texas
15 Veterans Commission. Well, happy New Year, everybody. It
16 is our first meeting of the fiscal new year. And I
17 thought that we would sort of break from tradition by
18 getting to know ourselves a little bit better.

19 Come on over. You have got this chair right
20 here. Let the record reflect that Mr. Hill is in
21 attendance. We are going to go around the room and say
22 who we are, who we are with, and try to give each other a
23 little bit of perspective on what brings us to this. I
24 will kick it off.

25 I am Tim Irvine. I am with the Texas

1 Department of Housing and Community Affairs. We obviously
2 provide housing services.

3 We also provide community affairs programs.
4 And we are critically interested in making more inroads
5 and coordinating the effective delivery of housing
6 services to persons with disabilities.

7 MR. HILL: This is James Hill. Sorry I was
8 late. I am the governor's appointee for financial
9 institutions. I work for Texas Capital Bank, do
10 predominantly real estate lending. So I do a lot of
11 multifamily developments. And so my interest is on those
12 areas.

13 MS. CODY: I am Megan Cody. I work for the
14 Texas Department of Agriculture in the State Office of
15 Rural Health.

16 MR. BRIONES: Felix Briones, formerly with the
17 Mary Lee Foundation. I am just a governor appointee as a
18 consumer.

19 MR. DANENFELZER: David Danenfelzer, Texas
20 State Affordable Housing Corporation. I guess we are just
21 one of the members.

22 MR. WILLIFORD: Good morning. My name is Jeff
23 Williford. As I am sure I said, I am with the Texas
24 Veterans Commission, a new appointee to the council. I am
25 happy and excited to be here. Thank you for allowing us

1 to participate.

2 Because I am new, I guess I will spend a little
3 bit more time. The Veterans Commission is the State
4 Department of Veterans Affairs, for lack of a better term.

5 We are an independent commission. We have five part-time
6 commissioners that are appointed by the governor, and we
7 are responsible for advocating for veterans in the State
8 of Texas.

9 We have about 1.7 million veterans in Texas.
10 We do that through four main program areas: claims
11 representation and counseling, veterans employment
12 services, veteran's education programming.

13 And then we manage a fund that provides grants
14 to organizations that provide direct services to veterans.

15 So we manage the fund for veterans assistance. The fund
16 is also kind of the segue to the housing conversation that
17 we have become a part of recently.

18 We acquired a partnership with TDHCA, are now
19 managing a subcomponent grant of the Housing for Texas
20 Heroes grant program. It provides grants specifically to
21 organizations that are assisting veterans with housing
22 needs. So that was kind of the segue to this council.

23 And we additionally manage a Texas Coordinating
24 Council for Veterans Services. One of the sub work groups
25 of that council is a veterans housing group that many of

1 the folks in this room participate in.

2 MS. RICHARD: Thank you. And I am Terri
3 Richard. I am with TDHCA. And I am the coordinator for
4 the Council.

5 MR. GOODWIN: I am Mike Goodwin. I am the
6 governor appointee for housing developers. I am glad to
7 see our two new members, because as a veteran, I am going
8 to see what Jeff can give me. (Laughter)

9 And as a housing developer, I am very
10 interested in hearing what James has to say about
11 financing multifamily housing, because I work for two non-
12 profits in San Antonio. And we develop what we call
13 workforce housing.

14 We use 501(c)(3) bonds so that we look for a
15 hook on the right, so that our rents can be somewhat --
16 you can't do a lot with that, but you can do somewhat
17 below market rate properties. But the quality of property
18 that we are now building is a Class A property. And we
19 also have some older housing, some HUD, some things like
20 that.

21 MS. DEMPSEY: Good morning. My name is Becky
22 Dempsey. I am with the Texas Department of Agriculture.
23 I am the State Director for the Community Development
24 Block Grant program that you will be hearing more about
25 later this morning.

1 But the agency is a statutory member of the
2 Council. And we essentially provide a lot of the
3 infrastructure for all of the houses that Tim's group
4 builds.

5 MS. GREEN: I am Doni Green. I am with the
6 North Central Texas Council of Governments. And I
7 administer our area agency on aging programs for older
8 adults and family caregivers who live in a 14-county area,
9 in the Dallas-Fort Worth area.

10 And I am a gubernatorial appointee,
11 representing Promoting Independence Advisory, which is a
12 committee that is working to help Medicaid beneficiaries
13 leave institutions and return to the community, and also
14 manage a nursing home relocation contract, as well as the
15 Aging and Disability Resource Center.

16 MS. MARGESON: I am Paula Margeson, and I work
17 at REACH of Dallas. It is an independent living center,
18 one of 27 in the state.

19 And our goal is to help people with all types
20 of disabilities to be as independent as they can. And we
21 are unique, because our staff and board is comprised of
22 people with disabilities.

23 MR. IRVINE: Amy.

24 MS. GRANBERRY: Hi. I am Amy Granberry. I
25 work for Charlie's Place Recovery Center in Corpus

1 Christi, Texas. And I am a governor appointee for medical
2 services, health services entity.

3 MR. IRVINE: Excellent. And let the record
4 reflect that Steve Ashman is now here, on behalf of Marc
5 Gold. Steve.

6 MR. ASHMAN: Steve Ashman. I am not Marc Gold.
7 Unfortunately, he wasn't able to be here today. I'm with
8 the Department of Aging and Disability Services.

9 MR. IRVINE: Well, that takes care of
10 introductions. Unless there is anybody else in the room
11 that would like to introduce themselves. Don't feel
12 compelled. We want to give the public the privilege of
13 anonymity if it desires.

14 With regard to public comment, we obviously are
15 having a public meeting. And anybody at any time who
16 wants to make public comment is absolutely welcome to.

17 I would ask two favors. One, before you
18 provide your comment, if you could say who you are, and on
19 whose behalf you are speaking, so that Penny can record
20 it.

21 And two, if you could actually make your
22 comment at the table, where you can speak into one of the
23 microphones. And that way, it can be picked up and
24 captured in the transcript.

25 And if anybody deviates from that, all members

1 are encouraged to chime in. Okay. We have one more. I'm
2 sorry. Felix.

3 MR. BRIONES: Oh.

4 MR. IRVINE: Did you have something else that
5 you wanted?

6 MR. BRIONES: No.

7 MR. IRVINE: Okay. Let's see. Have we covered
8 all of our introductions, then? Okay. Before we get into
9 the minutes, and the actual nitty gritty, I would like to
10 update everybody on some appointments issues.

11 First of all, I am thrilled that Mike Goodwin,
12 Doni Green, Felix Briones have all agreed to serve another
13 term. That is awesome. Thank you. It is a big
14 commitment of time, I know. And more than that, it is a
15 commitment of heart and involvement.

16 Jean Langendorf, who has been a very active
17 member of this body is not going to be serving another
18 term. But I would really like for the record to reflect
19 that by acclaim, we thank her so profoundly for her
20 contributions, for her participation.

21 I am completely confident, knowing Jean as I
22 do, that she will continue to be a real advocate for the
23 issues of her constituencies. And I have also prepared,
24 on behalf of the Council, a nice certificate of
25 appreciation to thank Jean so much for her service.

1 Let=s see. What have we got next? Minutes.
2 Has everyone had a chance to review the minutes from the
3 previous meeting? I would entertain a motion to adopt
4 them.

5 MS. DEMPSEY: So moved.

6 MR. HILL: Second.

7 MR. IRVINE: Any discussion?

8 (No response.)

9 MR. IRVINE: All in favor, aye?

10 (Chorus of ayes.)

11 MR. IRVINE: Any opposed?

12 (No response.)

13 MR. IRVINE: The minutes are approved as
14 presented. Next, because it is the first business meeting
15 of the new fiscal year, we have to go through the business
16 process of adopting or appointing a Vice Chair.

17 Paula has served extremely well, and capably as
18 Vice Chair, but she thinks she would like to give someone
19 else a try at it. I can offer a nomination, but I would
20 first solicit, is there anybody else in the room, who
21 would like to offer a nomination or volunteer?

22 (No response.)

23 MR. IRVINE: Hearing none, I would propose Doni
24 Green as our Vice Chair.

25 MR. HILL: I will second that.

1 MR. IRVINE: Motion has been made and seconded.
2 Any discussion?

3 (No response.)

4 MR. IRVINE: All in favor, say aye.

5 (Chorus of ayes.)

6 MR. IRVINE: Any opposed?

7 (No response.)

8 MR. IRVINE: Sure you don't want to oppose it?

9

10 MS. MARGESON: It is unanimous.

11 MS. GREEN: Thank you so much.

12 MS. DEMPSEY: I assume he asked you about this
13 beforehand.

14 (Simultaneous discussion.)

15 MR. IRVINE: Okay. All right. Next of all, we
16 have a bylaws item. It is a proposed revision, and this
17 will reflect the inclusion of a Veterans Commission
18 representative. And any comment or questions?

19 (No response.)

20 MR. IRVINE: Do I hear a motion to adopt?

21 MS. RICHARD: We have to vote at the next
22 meeting, according to the bylaws.

23 MR. IRVINE: Okay. We all agree then, to place
24 it on the agenda for the next meeting for formal adoption.

25 MR. HILL: My only comment is, in the

1 description on this, it actually says that it consists of
2 17 members, eight appointed by the governor, eight
3 appointed -- well, that needs to --

4 MR. IRVINE: Right. We need to update the
5 numbers. Yes.

6 MR. HILL: It is highlighted, but it wasn't
7 changed.

8 MR. IRVINE: Right.

9 MS. RICHARD: Those are the correct numbers,
10 because Tim is the Chair. So he makes the ninth person.

11 MR. HILL: Okay.

12 MS. RICHARD: Yes.

13 MR. HILL: Yes. Sorry.

14 MS. RICHARD: Just for clarification.

15 MR. HILL: Make sure the math works.

16 MS. RICHARD: Yes. Thank you. I always need
17 to have somebody on watch my back when it comes to math.

18 (Simultaneous discussion.)

19 MR. IRVINE: Okay. I think I blundered through
20 my portion of the meeting. I turn it over now to Terri
21 for the comments issue.

22 MS. RICHARD: Okay. So as I did last time, I
23 went through the previous recommendations of the Council.

24 And as I was going through that, I noticed that there,
25 one of the recommendations is to provide input and

1 guidance to the Health and Human Service agencies related
2 to Medicaid waiver programs.

3 And so what DADS has done in the last several
4 years, when it is time for a Medicaid waiver to be
5 renewed, and waivers that are already being processed have
6 to be renewed every five years -- what they have done,
7 they have started a stakeholder input process. So they
8 bring everybody, you know, who is interested, and they
9 walk through any changes that they are going to be making
10 to the waivers. And then, it is an opportunity for people
11 to give input.

12 And so related to that, I will start with --
13 there was a meeting. And it is on the Community Living
14 Assistance and Support Services waiver, the Medicaid
15 waiver that DADS operates. That waiver is for people with
16 intellectual, developmental disabilities.

17 And it is a cost-effective way to serve people
18 in the community, rather than institutional facilities.
19 And they provide an entire array of services in that
20 waiver. And so it is things like behavioral support, case
21 management, therapies, dental. It is a number of support
22 services.

23 There is support family services, which is a
24 residential type of option. If you want to compare this
25 program to the home and community-based services program,

1 that has an actual residential option. So it has group
2 homes. Group homes for people with intellectual and
3 developmental disabilities can serve up to three or four
4 people in a group home.

5 It also has a foster companion care service.
6 CLASS does not. It only has the support family services,
7 which currently is being wholly underutilized. And one of
8 the reasons for that, the belief is that the rate is very
9 low.

10 And so there were other participants, advocates
11 who gave comment about that. The comment period ended
12 actually two days ago. But I asked them if they would
13 allow us an extension of two days, and they did.

14 And so just kind of looking through the
15 different recommendations, I wanted to present you with
16 what I sent to you, which is really giving them a little
17 background about the Council. And then, I also wanted to
18 make sure that I listed things that we are supportive of.

19
20 And so you will see down there that I listed
21 that we support the addition of cognitive rehabilitation
22 therapy. That is a new therapy that they have not ever
23 offered in CLASS before. So that will be a new service
24 that people are eligible for.

25 They also expanded the type of service

1 provider, who can provide behavioral support services.
2 Particularly in the rural areas. It is hard to find Board
3 certified behavior analysts. There is not very many of
4 them in the entire state.

5 But in rural areas -- and so what this does is,
6 and I forget the particular professional type, but it is
7 an additional professional type that can be utilized to
8 provide that service. So it just enables more people who
9 need that service to be able to access that service.

10 And then also, they are going to be changing a
11 target group. So in these Medicaid waiver applications,
12 states have to put in if they are going to be targeting a
13 particular population or a particular disability type.

14 And one of the things that they are doing is
15 they are going to be including a specific target group,
16 which is individuals transitioning from an institution.
17 And so what that does is, they will be able to receive
18 services without having to actually be on an interest
19 list. So that is huge.

20 The CLASS interest list, I am more familiar
21 with the HCS interest list. But it is about nine, ten
22 years long. It is just about the nine or ten year wait.
23 CLASS is probably not that long. But it is getting close
24 to that.

25 So that was something that I thought you all

1 would be interested in supporting. And then, it also
2 changed to include individuals that need to transfer to
3 another waiver because of a crisis situation.

4 So the way those interest lists work, you just
5 pick up the phone and say, hey, I want to put my child, I
6 want to put myself on the interest list. At that time,
7 there is no eligibility determination done. And so some
8 people might get on the wrong interest list.

9 And their name comes up, and oh gee, you are
10 not eligible for this waiver, but you are eligible for
11 this other waiver. So this is something that they are
12 adding, to be able to make it where individuals can
13 transfer from one waiver to another.

14 And then, they are also doing a waiver bridge
15 option for people who come up on a wait list for a
16 particular -- I guess I just mentioned that, to be able to
17 transfer from one waiver to another. So those were the
18 things that I thought that the Council would be interested
19 in supporting.

20 And then, as far as recommendations, one of the
21 things that I have seen, it is in the statute for the
22 Council, and it is in a number of the recommendation, and
23 that is a training component for case managers. And so I
24 asked, is there training related to housing for case
25 managers? There are separate case management agencies who

1 do just case management for individuals in the CLASS
2 waiver program.

3 And so one of the recommendations would be to
4 enlighten them some about housing. How to access it,
5 where to access it, all of those kinds of things. What
6 kind of programs that the Department and other agencies
7 have to offer. I actually mentioned that during the
8 public comment, and they were amenable to adding that.

9 Number two was adding a housing training
10 component to the service coordinator and DADS training for
11 all of DADS waiver programs. So I thought, while we are
12 making the recommendation, let=s just go whole hog, you
13 know, because it's the same situation.

14 The service coordinators -- and it depends on
15 the waiver program who are the service coordinators. Some
16 of them are separate case management agencies. Some of
17 them are DADS service coordinators.

18 Some of them, like in the HCS program, home
19 community-based services program, they are local
20 authorities. And so I thought it would be something that
21 would be in line with our statute and recommendations, to
22 suggest that we could include a housing training component
23 of that training with the service coordinators in DADS
24 waiver program.

25 Then also, increasing the rate for support

1 family services and continued family services. There were
2 people at that stakeholder meeting that really brought up
3 some serious concerns. People who -- all of the people
4 who receive CLASS services live in their own home or their
5 family home.

6 As people, the caregivers age, and as the
7 individuals age, you know, this mother spoke up about what
8 are we going to do when I am gone, or when my husband is
9 gone, you know. And if there is no residential component
10 in CLASS, then, you know, it is just a real concern what
11 is going to happen after they are gone. And certainly,
12 not wanting their loved one to go into an institution.

13 So there were other stakeholders that mentioned
14 increasing the support family services and continued
15 family services. And that is for children -- the support
16 family services is for children up to 18.

17 If they are receiving support family services
18 after they turn 22, they continue -- they can continue to
19 receive those services. It is called continued family
20 services.

21 But it is basically individuals who are
22 interested for caring for someone in their own home, and
23 in a way that their loved ones, sometimes parents, are
24 still able to have a lot of contact. But they are just
25 not able to care for the person in their own home.

1 So this is somebody -- I know of one
2 particular. It was a couple of nurses. And they were
3 willing to take someone in their own home, and really be a
4 part of that family.

5 So it is a really good service. Right now, I
6 think they said there is only one person that is receiving
7 that service. And so they feel like that if the rates
8 were increased, there might be more interest in that.

9 And then, the last recommendation was,
10 continuing to encourage CMS change eligibility criteria
11 for Medicaid waivers to be based on functional needs,
12 rather than specific diagnosis. And I think most of you
13 have been around a long time, though, but that has been
14 around a long time.

15 CMS has been hearing that for years and years.
16 But if we keep this, just keep in there, and keep making
17 that recommendation, maybe one of these days, that will
18 change. So I just wanted to share that with you. And see
19 if everyone is comfortable.

20 Questions? Comments? If you are comfortable
21 submitting that to DADS, then I will do that, on behalf
22 of -- yes.

23 MS. DEMPSEY: I have a question.

24 MS. RICHARD: Becky. Sure.

25 MS. DEMPSEY: Maybe I am just reading it wrong.

1 But I am having trouble understanding the last part of
2 number three. Without having to be on an interest in new
3 target group.

4 MS. RICHARD: I have got a typo in there.
5 Number three.

6 MS. DEMPSEY: Yes. I am sure it was just --
7 maybe there is an extra word, or is it supposed to be an
8 "and"?

9 MS. RICHARD: Probably.

10 MS. DEMPSEY: Having an interest?

11 MS. RICHARD: No. It is an interest list.

12 MS. DEMPSEY: Okay.

13 MS. RICHARD: My apologies.

14 MS. DEMPSEY: That is okay. That is why we
15 work as a team.

16 MS. RICHARD: So it is individuals that are in
17 an institution, and they want to transition out of an
18 institution. It is a way, if they have not already been
19 on an interest list.

20 MS. DEMPSEY: Right.

21 MR. TAYLOR: And they call it -- it's really a
22 wait list, but they call it an interest list.

23 MS. DEMPSEY: Okay.

24 MS. RICHARD: And so it is a way that if they
25 aren't on that interest list, they can still access the

1 CLASS services.

2 MS. DEMPSEY: Good deal.

3 MS. RICHARD: Thank you, Becky, for clarifying
4 that.

5 MS. DEMPSEY: And the other questions, I am --
6 well, I am not going to assume. I will just ask. How is
7 this program funded?

8 MS. RICHARD: It is a Medicaid waiver program.
9 So it is state and federal dollars combined.

10 MS. DEMPSEY: Okay. So increasing the rate
11 would come from both federal and state resources?

12 MS. RICHARD: Yes.

13 MS. DEMPSEY: Is there a state match?

14 MS. RICHARD: Yes.

15 MS. DEMPSEY: So it is Medicaid, and a state
16 match.

17 MS. RICHARD: It is Medicaid and the Medicaid
18 state match which for Texas is what, 60/40. So, 60
19 federal dollars and 40 state dollars, currently.

20 MS. GREEN: I have a few questions. I
21 definitely support the recommendations. But you mentioned
22 that people in institutional settings will have the
23 opportunity to apply past the CLASS interest list.

24 There has been an option for several years for
25 nursing home residents to be able to bypass the interest

1 list for CLASS. So is the state thinking of bringing in
2 other types of institutions to the bypass? Or how is that
3 different from what is currently in place?

4 MS. RICHARD: Yes. And my understanding was,
5 you still had to be on the interest list. It just bumped
6 you up to the top of the interest list. And so what this
7 does is, establishes a new target group which is
8 officially in the waiver document. But yes, Steve.

9 MR. ASHMAN: The way it works now, and
10 somebody, whether they are in a nursing facility, I mean,
11 you can relocate from a nursing facility onto CLASS. You
12 can also do it from an intermediate care facility, medium
13 or large, under CLASS.

14 Most people would check, would select a
15 different product program than that one. Because the
16 service arrays are much better. But what we do is, when
17 somebody wants to bypass the interest list, or transition
18 out of a nursing facility, we place them on the waiting
19 list, the interest list, and immediately take them off.

20 But we always put them on, so they can be on
21 there for one day. And that is just so we can keep
22 statistics on the number of people that were on a waiting
23 list. But they bypass that interest list because of the
24 promoting independence priority population. They are part
25 of that group.

1 MS. GREEN: Okay. So this just formalizes the
2 procedures that have already been in place and established
3 as that population is a target group?

4 MR. ASHMAN: What this document is doing is
5 saying, put that inside the waiver itself, instead of the
6 Legislature appropriates slots right now for promoting
7 independence. And I guess this would take it one step
8 further and put it in the waiver itself, is what it sounds
9 like. But functionally, it could still occur.

10 MS. RICHARD: Thank you, Steve.

11 MS. GREEN: And how is cognitive rehabilitation
12 therapy different from rehabilitation training or
13 cognitive adaptation therapy?

14 MS. RICHARD: It is specifically for people
15 with traumatic brain injury.

16 MS. GREEN: Okay. And I was interested in
17 looking at the minutes that that service will be added
18 to -- it says, all of the DADS waivers. But it doesn't
19 mention Star Plus. Is that an intentional omission?
20 Would Star Plus waiver recipients not be eligible?

21 MS. RICHARD: For that particular service?

22 MS. GREEN: Yes. For the cognitive
23 rehabilitation therapy?

24 MS. RICHARD: Yes. That is my understanding.
25 This was going to be a service, unless you know otherwise,

1 it was going to be specific for CLASS. It had something
2 to do with legislation. Right.

3 MS. GREEN: Because it says that it will be
4 added to the CBA, CLASS and HCS waivers. But CBA is
5 actually going away. It was the largest waiver serving
6 adults and people with disabilities.

7 And that is going away and being replaced by
8 the Star Plus waiver. So I wonder if that was intentional
9 to exclude all of those consumers who already have been
10 transferred to Star Plus. And then CBA consumers who will
11 be transferred to Star Plus.

12 MS. RICHARD: Where are you referring to?

13 MS. GREEN: I'm sorry.

14 MS. RICHARD: I'm sorry. You know, I lost you.

15 MS. GREEN: I am referring back to the
16 minutes --

17 MS. RICHARD: The minutes.

18 MS. GREEN: On page 5. I think there is Senate
19 Bill 1 and House Bill 1025 updates. About halfway down,
20 it says cognitive rehabilitation therapy has been added to
21 the CBA CLASS and HCA waivers.

22 MS. RICHARD: Uh-huh.

23 MS. GREEN: With .4 million GLR --

24 MR. ASHMAN: Steve. I think that they have
25 been added to Star Plus also. This was DADS budget and

1 not HHSC budget document. But I can check and get back
2 with Terri, and Terri can let everybody know.

3 MS. GREEN: Because a lot of times the CBA or
4 Star Plus waiver is better suited to people with traumatic
5 brain injuries if their primary need is for nursing
6 services as opposed to rehabilitation. And that would
7 really leave a hole in that waiver if that service is not
8 available to Star Plus consumers.

9 MS. RICHARD: Any other --

10 MS. DEMPSEY: I have one more question, Terri.

11 MS. RICHARD: Sure, Becky.

12 MS. DEMPSEY: On increasing the rate, we are
13 proposing that they increase the number of participants.
14 Is that what you mean by that?

15 MS. RICHARD: No. We are proposing --

16 MS. DEMPSEY: You are talking about the
17 funding.

18 MS. RICHARD: Right. We are proposing --

19 MS. DEMPSEY: Okay. Then I do have another
20 question.

21 MS. RICHARD: Okay.

22 MS. DEMPSEY: I am somewhat uncomfortable. I
23 am kind of old school, in that I think you ought to find a
24 way to pay for things before you suggest that somebody
25 just do it.

1 MS. RICHARD: Uh-huh.

2 MS. DEMPSEY: And so I would propose that they
3 not be accepted by the group. But changing the language
4 somewhat, to make it a little bit more flexible. I am not
5 opposed a bit to them exploring the possibility of
6 increasing the rate. So I would propose that as a slight
7 amendment.

8 MR. IRVINE: If I may, if you are moving now
9 into forming any actual recommendations, having received
10 the report, I would like to recuse myself and ask the vice
11 chair to preside over the meeting.

12 MS. GREEN: All righty, then.

13 VOICE: Wait a minute; I'm going with you.

14 MR. ASHMAN: I'll abstain from any vote since I
15 am with DADS.

16 MS. GREEN: So perhaps to determine the
17 feasibility?

18 MS. DEMPSEY: Yes. Just something -- and I
19 guess we could probably include that in the -- I don=t
20 know where you want to include it, but you are chairing.
21 I certainly -- if -- we have a motion that we adopt it
22 with some changes.

23 MR. HILL: I will second that motion.

24 MR. GOODWIN: While he is recusing himself,
25 would it be appropriate for the DADS representative to

1 comment from their perspective? I am just asking. Do you
2 have a feeling one way or the other?

3 MR. ASHMAN: We have councils recommending
4 increases in wages for services all of the time.
5 Typically, it is up to the Legislature to do that, unless
6 there is some reason that we need to go back and do rate
7 setting for them to take another look at the rates that we
8 pay.

9 But councils and advisory committees make these
10 types of recommendations all of the time. And DADS would
11 consider it. Of course, there is only a finite money
12 available for this. So unless there is an appropriation,
13 something else has to give of course.

14 MS. GREEN: And I think with all of the
15 waivers, there are cost caps. And so there are kind of
16 internal controls, so that the cost of all services
17 doesn't exceed a certain percentage of the institutional
18 rate. So, again, there are kind of some built in limits.

19
20 But I guess the two options would be to add new
21 language indicating, subject to cost effectiveness,
22 increasing the rate. And go ahead and take a vote, and
23 let those folks who have concerns about the language as it
24 is drafted vote accordingly.

25 MS. DEMPSEY: I just -- in my opinion, I would

1 just, notwithstanding the fact that I am sure -- I mean,
2 we get recommendations all of the time to do this and
3 that. At the end of the day, we don=t have the authority
4 to -- we are subject to appropriations.

5 But I would just like to, for my own personal
6 opinion, contribution to the Council, I would like to keep
7 it a little vaguer so that we would support exploration of
8 that, considering the possibility of; however you want to
9 say it, as opposed to, we recommend that you increase the
10 rate.

11 MS. GREEN: Okay. Well, we have got a motion
12 and a second. Any further discussion?

13 MS. RICHARD: On this issue, this is the rate
14 for adult fostering, basically, where the person lives in
15 home with the care providers that are non-family, that we
16 are talking about.

17 MS. GREEN: Right. Yes. For support family
18 services and continued family services. Which is a little
19 different from foster, which is a home with up to four
20 unrelated individuals. I think this is an individual with
21 a support family and usually children.

22 MS. MARGESON: Right. I actually know someone
23 who is doing that. So there may be two people. Someone
24 in my neighborhood that goes to my church, that I think
25 the church is doing that.

1 I was wondering, what is the existing rate?
2 For -- what are we talking about here, as far as what is
3 existing and what would be the proposed increase?

4 MR. ASHMAN: I don=t know what the rate is.

5 MS. RICHARD: They didn=t have a proposed
6 increase. They did tell what the rate is, and I'm sorry.
7 I don=t have that with me.

8 What I can tell you is, it is considerably less
9 than the rate for foster companion care in the home
10 community based services. So that is what they compare it
11 to.

12 So I suppose the proposal would be, they want
13 it to be similar to the home community based services
14 option, the foster companion care, which is a highly
15 utilized service in HCS. As far as the actual numbers,
16 Paula, I'm sorry. I don=t have that.

17 MS. GREEN: So any other discussion on the
18 motion to again, soften the language under recommendation
19 number three, increasing the rate for support family
20 services?

21 (No response.)

22 MS. GREEN: If not, all those in favor, again,
23 of qualifying that language, signify by saying aye.

24 (Chorus of ayes.)

25 MS. GREEN: All opposed, nay?

1 (No response.)

2 MS. GREEN: And the motion passes.

3 MR. ASHMAN: Let it be reflected that I
4 abstained.

5 MR. GOODWIN: I like your word qualifying as
6 opposed to softening. I think that is the issue. We
7 support that they do it. But we should also support any
8 effort they extend toward getting the funding to increase
9 the rate.

10 And maybe that is what we ought to do. As a
11 Council, we would support their efforts if there is a way
12 we can support it.

13 MS. GREEN: What we may want to do is just kind
14 of craft the language a little bit more and just route it
15 to everyone and make sure that it is appropriate.

16 MS. RICHARD: Great. I'll do that.

17 MS. GREEN: And, Terry, I did have one other
18 comment that I forgot to make, relative to recommendation
19 number two.

20 MS. RICHARD: Okay. Which is, adding a housing
21 training component to your service coordinator, and DADS
22 training for all of the DADS waiver programs. And again,
23 a lot of the responsibility for the waiver programs is
24 being shifted from DADS to managed care organizations.

25 And again, the largest waiver serving adults

1 with disabilities is Star Plus. And so as you look at
2 that, look at bringing information about housing options
3 to waiver consumers, I think it might be helpful to
4 include either managed care service coordinators and/or
5 relocation contractors who are under contract with DADS to
6 look at managed care organizations.

7 And typically, the primary responsibility for
8 the relocation contractor is identifying accessible
9 affordable integrated housing. I think there would be a
10 lot of interest, because again, that is kind of the
11 biggest challenge that we face is relocation contractors.

12
13 And I think that that is something that you
14 know, we need to be funded by DADS. That if the training
15 became available, that relocation contractors, and
16 hopefully managed care service coordinators would choose
17 to avail themselves.

18 MS. RICHARD: Okay. Great. Okay. Thank you.
19 I appreciate that. Okay. I will get those revisions out
20 to you.

21 MR. ASHMAN: Doni, I must just add that HHSC
22 brings in the managed care organizations, we have monthly
23 meetings with the managed care organizations. Maybe that
24 is the forum that we want.

25 We bring them in, I think it is once a quarter,

1 to go over some training. And maybe that would be a good
2 time for TDHCA to give the Housing 101, if you will, to
3 the managed care organizations.

4 MS. GREEN: Yes. I think the timing is really
5 ideal. Because the managed care organizations are going
6 to -- or Steve, have they already assumed financial
7 responsibility for nursing home care?

8 MR. ASHMAN: No. I don=t think so. I know
9 that it is moving, and that is one --

10 MS. GREEN: But before too long, they will have
11 a really strong financial incentive to help people either
12 remain in the community or relocate from nursing homes to
13 the community. And again, that housing piece is typically
14 the biggest challenge.

15 MS. RICHARD: And that is something that I hope
16 to put on the agenda for January. Because the technical
17 assistance collaborative, you all may remember. You know,
18 we had three deliverables for them.

19 They are currently working on the training, of
20 PowerPoint, that would also could be used as a webinar.
21 And I know Mike sent me -- it was going to be a training
22 for services, staff, and then also a training for
23 developers.

24 So I will be planning to share that with you
25 all as soon as they are -- and they are in a process of

1 finalizing that. So it will be something that -- we might
2 could take that show on the road to these different
3 opportunities. Thank you.

4 MS. GREEN: So it sounds like we have approved
5 a slight amendment to the third recommendation. Do we
6 need to go back and actually take action on submitting all
7 of these recommendations?

8 MS. DEMPSEY: No. My motion was to approve the
9 recommendations without change. But just as a matter of
10 procedural, for as far as Open Meetings are concerned, if
11 you send it out to everybody, you have got to get these
12 comments in, right? They gave us two extra days?

13 MS. RICHARD: Right.

14 MS. DEMPSEY: If you send it out to everybody
15 and it is not how everybody understood what they voted on,
16 there is no opportunity to change it.

17 MS. RICHARD: Okay.

18 MS. DEMPSEY: Because that would be considered
19 polling the group. And that is outside the scope of Open
20 Meetings. So it is probably a good idea if we just
21 determine what the language is going to be, and then all
22 agree on it, since we have already voted.

23 That would just be my recommendation. So not
24 really a formal motion. Just kind of a procedural.

25 MS. GREEN: How about subject to funding

1 availability, increase the rate.

2 MS. DEMPSEY: Exploration of the possibility of
3 a rate increase, subject to funding availability.

4 MS. GREEN: Is that okay with everyone?

5 MS. RICHARD: Exploration, let me make sure I
6 have got that down. Exploration of the possibility of
7 increasing the rate subject to cost effective --

8 MS. DEMPSEY: Subject to funding availability.

9 MS. RICHARD: Funding availability. Got it.

10 MS. DEMPSEY: Yes. That just makes it a little
11 cleaner as far as sending something out.

12 MS. RICHARD: Right. I have got that.

13 MS. GREEN: Okay. All right. Are we ready.
14 The next item on the agenda is discussion of the Biennial
15 Plan Development Work Group meeting updates.

16 MS. RICHARD: Do you want me to get Tim?

17 MS. GREEN: Yes. Let=s do that. Thanks.

18 (Simultaneous discussion.)

19 MS. DEMPSEY: You used that excuse to just
20 leave the building.

21 MR. IRVINE: No.

22 MS. RICHARD: We are ready for discussion of
23 the Biennial Plan, just Work Group updates.

24 MR. IRVINE: Okay.

25 MS. RICHARD: . But anyone who has

1 participated in the work groups, what we did was, I sent
2 it out on the listserv.

3 And so, surprisingly, we have had, oh, a number
4 of people. I think ten on the first work group call, that
5 were outside of the Council. And had some good
6 discussion. So work group one has met, about adding
7 additional resources.

8 Work group two is actually going to be meeting
9 today after this meeting as we had a scheduling issue
10 there. But then work group three already met also last
11 week and it was to create incentives for increasing
12 service enriched housing.

13 So two work groups have met already, and the
14 third one will meet today. I plan to put together the
15 recommendations and the discussion and what has come from
16 those. But I just didn't have time to get that ready for
17 today.

18 But what we all talked about was an
19 implementation strategy. So Paula, you may remember some
20 of them. I know I can remember a few from work group one,
21 which is adding additional resources.

22 And one of them was, if there is another
23 opportunity to apply for Section 811 funding, please do.
24 That was kind of the ones that came up. But part of that
25 recommendation was also, if there was a way to also allow

1 use of those funds for single family homes.

2 There were some comments about some people that
3 don=t want to live in an apartment setting. So if there
4 was a way that the funding came down from HUD to be able
5 to use that for development of single family homes, there
6 was a recommendation to include that.

7 Then I know for work group three, one of the
8 recommendations that came up about that just last week was
9 in the Qualified Allocation Plan, which we have Cameron
10 here to talk about later. To include additional points in
11 the scoring of applicants if the applicant agrees to hire
12 a case manager who will be onsite.

13 So there was some good discussion about issues
14 that have come up in service enriched housing properties,
15 and challenges providing services for people in those
16 complexes. And that is just a couple of them that I
17 remembered off the top of my head.

18 But I do plan to put all of those together at
19 the next meeting and share those with you. So Paula,
20 anybody want to add anything about the work groups that we
21 have had so far?

22 MS. MARGESON: I know we discussed a funding
23 stream that had to do with bedrooms. And I am just trying
24 to remember -- I wasn=t familiar with the acronym. But I
25 am trying to remember --

1 MR. WILLIFORD: VASH.

2 MS. MARGESON: Yes.

3 MR. WILLIFORD: I know enough to be dangerous.

4 It is, anecdotally, ending homelessness among veterans is
5 one of the top priorities of VA Supportive Housing
6 administration. So the HUD VASH program is a cooperative
7 with HUD to provide vouchers for homeless veterans to seek
8 some sort of transitional home.

9 MS. RICHARD: And those vouchers and the VA, it
10 is the medical center partners with public housing
11 authority. And so I know there was just some recent
12 funding that was given to, I think we had four in Texas
13 that were given additional vouchers. But there are still
14 a number of medical centers in Texas that, at least, that
15 have partnered with the public housing authority to obtain
16 the HUD VASH voucher.

17 So I think that was one resource that is out
18 there. And how can we strategize to try to bring those
19 two players together to get some more vouchers.

20 So thanks, Paula.

21 MS. MARGESON: And there was another one about
22 the housing authorities and replicating what was done in
23 Fort Worth or building on that to -- do you remember that
24 recommendation?

25 MS. GREEN: Yes. Steve and Mark have been

1 working on that project, which has been very successful.

2 MS. MARGESON: Right.

3 MR. ASHMAN: Yes. We have been working -- we
4 started out with the top ten public housing authorities in
5 the state. And it was the HUD regional administrator over
6 six states, or something like that, as well as the
7 regional administrator/director for the Health and Human
8 Services, the US Department of Health and Human Services
9 and DADS contacted the top ten public housing authorities
10 and asked whether or not they would participate in Money
11 Follows the Person.

12 We have expanded that. And we probably have 18
13 housing authorities in the works right now. What we
14 increased the number of vouchers or units for people
15 living in institutions by about 200.

16 And we are in the process -- I think we have
17 got six MOUs signed and we are in various stages of
18 entering into those contracts. It has been extremely
19 successful.

20 MS. RICHARD: Thanks. And then, Paula, I think
21 you also recommended that we plan to have those work group
22 meetings again in November. We will do the second round
23 in November. And I believe that you asked that that work
24 group really focus on how we might develop, create a
25 state-funded program.

1 MS. MARGESON: That was one of the
2 recommendations of the TAC, a state-funded rental
3 assistance program. And I said that in concept is a
4 really great idea. But you know, that might be moving
5 heaven and earth in my opinion.

6 But anyway, we are probably going to need a
7 whole meeting just to talk about that. How in the world
8 we would begin to get some kind of grasp of how that could
9 be done.

10 And even approaching the Legislature to try to
11 get some key players on board with it. So that is why I
12 think that is going to be a real target for our next
13 meeting.

14 MR. ASHMAN: A state funded what?

15 MS. MARGESON: Rental assistance program. A
16 state funded rental assistance program. That was one of
17 the TAC recommendations.

18 MR. GOODWIN: Is it aimed at rental assistance
19 for anybody, or is it aimed at persons with disabilities?

20 MS. MARGESON: I think it is -- you know what?
21 I don=t want to just jump out there and say. I will say
22 that our focus group is targeting people with disabilities
23 and the elderly.

24 And so I am assuming that when Terri or --
25 Terri, when you pull those recommendations and assign them

1 to the different work groups, I am assuming that since you
2 pulled that one, that had to do with primarily those
3 target groups. Right?

4 MS. RICHARD: Right. The entire TAC report was
5 really focused on service enriched housing for people with
6 disabilities and the elderly. You know, which falls in
7 line with the Council=s definition of service enriched
8 housing. All of those work groups and recommendations are
9 to support that, service enriched housing and that
10 specifically.

11 MR. GOODWIN: We need one legislator to take a
12 dollar from every hunting license that is sold. They do
13 it for everything else. Nothing goes to the parks.

14 (Simultaneous discussion.)

15 MR. GOODWIN: Seriously. That is how they fund
16 a lot of stuff. It was supposed to go only to the parks
17 and things that are state funded. And they have been
18 siphoning it off forever.

19 MS. RICHARD: I just wanted to thank everybody
20 for participating in those. It has been great. We have
21 had some good discussions so far. So thanks.

22 MS. MARGESON: We had a lot of community
23 participants on our call, which I thought was really
24 interesting.

25 MS. RICHARD: And I know Robin, you were on the

1 last call. You were on both calls, right?

2 MS. LEO GRAND: I was on the first call. The
3 first team.

4 MS. RICHARD: Great. We appreciate it.

5 MS. GREEN: And I think today=s work group
6 needs some friends.

7 (Simultaneous discussion.)

8 MS. RICHARD: There are a couple of people that
9 will be -- one who is actually going to come here. So
10 hopefully --

11 MR. GOODWIN: May I ask one more question on
12 the last subject? Has anyone put any numbers? It is
13 great to say, hey, fund vouchers through a state program.
14 That is a state voucher program.

15 But do we have any numbers? If you are going
16 to get a Congressman on board and say, hey, why don=t you
17 do that, the first question he is going to -- well, how
18 much are you talking about? And if we give him a blank
19 stare, we are dead.

20 MR. IRVINE: You know, I think that when you
21 start living out of the realm of simply coordinating
22 existing activities, and into the realm of proposing
23 legislative activities, you move into a very dicey area,
24 especially for the state agency representatives on this
25 body. And I personally view that -- at least the state

1 agency=s roles are very constrained in that regard.

2 I mean, there is a law that says you can=t use
3 state funds to influence the passage of legislation. So
4 to my way of thinking, it is really better to position it
5 more in terms of information and reporting.

6 And I would think that step one in any report
7 would be, what is the universe, what is the need?
8 Quantify it. You know, have reasonable parameters that
9 would say, all right. If this is the universe, and you
10 are using established cost structures, what is the
11 financial impact.

12 I agree with you completely. That is the first
13 set of questions anybody would ask.

14 MS. GREEN: And I think that may be one of the
15 reasons why money follows the person has generated so much
16 interest. Because it is fairly easy to quantify the cost
17 savings. Because we know that the cost of CBA or Star
18 Plus is approximately a third of the cost of institutional
19 Medicaid.

20 And you can add in the housing support and
21 still make a very compelling argument that, you know,
22 providing that support and allowing someone to move out of
23 an institutional setting really conserves Medicaid
24 revenues. Where it gets to be more of a challenge is
25 where people who have not been in institutional settings.

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And it is much more difficult to make the case that there is cost savings if they are working with a population that is not currently receiving any services or you know, maybe receiving services that were kind of soft therapeutic. How do you quantify that? That is where it gets to be really hard.

MR. IRVINE: On to the next one. Let=s see, next, an update on the Department of State Health Services rental assistance program.

MS. SONENTHAL: Hello, everyone.

MR. IRVINE: Come on up, sit here where you can be picked up on a microphone.

MS. SONENTHAL: Okay. I made a PowerPoint. Terri asked me to give an update on the exceptional item.

MR. IRVINE: You must identify your name and capacity.

MS. SONENTHAL: Sorry. I am Anna Sonenthal. I work for the Department of State Health Services. And I have got some coworkers here with me. This is Christa Dougherty and Tegan Henke. We all work together.

Terri asked me to give an update on the exceptional item. And then, she sent me a list of questions, kind of clarifying what I do, where it came from, things of that nature. So I made something for

1 everyone. Just, I thought that would be easier.

2 MS. MARGESON: Did you make a real PowerPoint?

3 MS. SONENTHAL: I did. I guess I can sit down.

4 (Pause.)

5 MS. SONENTHAL: All right. So I will go ahead
6 and start. I kind of wanted to give a breakdown, because
7 Terri asked for me to clarify what my role is. And so I
8 gave kind of a breakdown of how I work for the Department
9 of State Health Services.

10 So we see on the first slide, the Department of
11 State Health Services. And then under that is the Mental
12 Health and Substance Abuse Division. And then under that
13 is Adult Mental Health Program Services. And that is who
14 I work for. That is where I work.

15 And particularly, my projects are regarding the
16 local mental health authorities, the LMHAs. And so under
17 that, I have TRR. That stands for Texas Resilience and
18 Recovery. That is our service delivery system in which we
19 give services and in which the LMHAs provide services.

20 So that includes levels of care and things of
21 that nature. The different services that are provided in
22 each level of care.

23 And then something that under TRR is they are
24 all required to provide supportive housing services. So
25 when I say, I help, or I do supportive housing projects,

1 it is in regards to the LMHAs and the supportive housing
2 services that they provide.

3 And the next slide, supportive housing subject
4 matter, that is me and Carissa. She just started with us
5 recently. But she is going to be working on housing
6 projects as well.

7 So what we do, what I do is, I provide
8 technical assistance. And so providing resources to the
9 LMHAs, and helping them meet their goals that they have.
10 And I wanted to kind of say, each LMHA, we are the
11 overseeing organization for them. But they are all very
12 individual.

13 Some of them may have very robust housing
14 programs. Some of them may be just getting their feet off
15 the ground, as far as housing, and not even really -- you
16 know, they are just getting there but they all have the
17 same requirements. But they are all very individual,
18 unique and different as far as supportive housing.

19 MS. RICHARD: There are 39 of them right now?

20 MS. SONENTHAL: Yes. And this includes North
21 Star. So, correct. Yes. It includes North Star. And
22 then we provide trainings. And then I help do trainings
23 as well. And then just the implementation of their
24 supportive housing services.

25 So one thing, that we began as a statewide

1 call. During those calls, I go over the SAMHSA supportive
2 housing tool kit. And we are moving, you know, in the
3 direction of evidence-based practice. And this is an
4 evidence-based practice, to help them provide supportive
5 housing services.

6 And so we go over the curriculum in the calls,
7 and they are every month. And so that is what we use for
8 that.

9 The next slide -- so at each local mental
10 health authority there are -- well, there could be housing
11 specialists. There should be housing specialists. Some
12 of those housing specialists wear different hats. You
13 know, they are probably a caseworker.

14 And then some people just have one dedicated
15 housing specialist, depending on what their program looks
16 like. And they are all required to provide supportive
17 housing. They do skills training, rehabilitation.

18 They can provide supportive housing services
19 through skills training and rehabilitation. It doesn't
20 just mean helping someone find an apartment and getting
21 them to live there.

22 They can teach them how to budget, manage their
23 symptoms, anything that is blocking them from getting and
24 obtaining housing; finding housing, maintaining housing,
25 just went over that.

1 So we provide oversight. They have targets,
2 and they have outcome measures in their performance
3 contract. They have performance reports that they turn
4 in.

5 And I put Form H -- and I'm going to talk about
6 the exceptional item in just a second. But that is a
7 specific performance report that they turn in, those
8 people who are awarded the funding.

9 And site visits -- I do site visits. I mean,
10 there's lots of people that do site visits. But
11 specifically in regards to supportive housing. I will ask
12 them how they are doing. We will go over their numbers,
13 things of that nature.

14 Trainings. In their performance contracts, all
15 of the LMHAs are required to provide training -- or they
16 are required to be trained in supportive housing. I need
17 my water. Sorry. My voice is kind of going out today.
18 Excuse me.

19 Okay. So they are required to be trained in
20 supportive housing. And this can look different for each
21 LMHA. We provide trainings to the state.

22 And I believe it was May, we had Ann Denton
23 provide a supportive housing training for all of the local
24 mental health authorities, and many of them signed up and
25 received the training.

1 Let=s see, technical assistance calls. I can
2 do those individually with each LMHA, or like I said, we
3 have the monthly calls as well. We have guest speakers on
4 those calls that talk about various things.

5 We have actually had TDHCA, Spencer, he is not
6 here right now. But he has been on my call before. And
7 talked about TBRA and just gives them insight and
8 resources into the housing world.

9 Okay. So I am going to move on to the
10 exceptional item and give you guys some more details about
11 that. And stop me if you have any questions. And then I
12 will have time for questions at the end.

13 But I kind of put -- this is how the
14 exceptional item was sort of birthed. There are housing
15 needs in Texas. There is just some facts for you. And so
16 DSHS just saw that there was a need with our specific
17 population for the LMHAs.

18 And the objective is for -- the way that it was
19 written is to augment the already going on supportive
20 housing services that are being provided locally at the
21 local mental health authorities. So the exceptional item
22 was arranged specifically for the local mental health
23 authorities to augment their supportive housing services
24 that they are already supposed to be providing.

25 So we received funding. There is approximately

1 \$10.8 million appropriated. So the method that we
2 allocated these funds, we did a needs and capacity
3 assessment.

4 It was not a formal RFP, because it was
5 specifically for the local mental health authorities. And
6 so it was kind of shaped as one, though. And they
7 basically explained their need. They explained who they
8 collaborate with. They competed for the money.

9 And so we looked at that. We had a team of
10 just people on various teams, review the applications and
11 18 LMHAs were funded. And it was distributed at the
12 beginning of the fiscal year.

13 So some quick facts about it. It is for FY >14
14 and >15 only. It is temporary funding. It is not -- yes.

15 It is just temporary. Only the LMHAs are permitted to
16 apply. They are required to have a dedicated staff
17 member.

18 So in their proposal, although this funding
19 does not pay for the dedicated staff, they have to have a
20 dedicated staff. It is for rental and utility assistance
21 only. So that is the only thing that that money can and
22 will be used for, is rental and utility assistance. And
23 they are required to use the SAMHSA, the supportive
24 housing tool kit in implementing their program.

25 Okay. Implementation, they were -- it was

1 distributed September 1st. The awardees are working
2 really hard toward a smooth implementation. We have been
3 having monthly calls and asking lots of questions and just
4 working really hard as far as getting people housed.

5 Let=s see. And we have oversight regarding
6 this program. So there is quarterly reports. And that is
7 what I talked about, the Form H. So Form H, they are
8 required to report on a number of things, including their
9 numbers. Making sure that the funds are being spent.

10 And something else I wanted to say, I didn=t
11 put in this PowerPoint. But they are also, all of the
12 awardees are required to become TBRA providers. Just
13 because that is extra funding too, and it is a different
14 program, also temporary. But they are required to become
15 providers as well.

16 So we require them to have transition plans.
17 So for each individual that is using or that is receiving
18 this funding for rental and utility assistance, they have
19 to have a transition plan.

20 We want to know that they are not going to be
21 homeless at the end of the two years. So kind of from the
22 get go, we need to know, you know, what their plan is, as
23 far as getting them into permanent supportive housing.

24 And regular reporting of encounters. So they
25 are already reporting encounters. But we were looking at

1 various reports, just to see how the funding is being
2 spent.

3 And then Terri asked me to talk about
4 collaboration, what we do as far as collaboration. We
5 collaborate with TDHCA on 811 tenant based rental
6 assistance, and project access.

7 I did put it on there. Sorry. The awardees
8 are required to become TBRA providers. And that is all I
9 have. So if you have any questions.

10 MS. MARGESON: I'm sorry. You probably said
11 this and I was typing. How long is the rental or utility
12 assistance available to an individual? Is it 18 months?

13 MS. SONENTHAL: Yes. For longer, we have short
14 term and longer term assistance. And so we wrote kind of
15 in their contract that you know, no longer than 18 months.
16 But the funding is available for two years.

17 MR. DANENFELZER: You mentioned the LMHAS have
18 sort of different services that they provide. So how do
19 you go about tracking performance under these contracts if
20 each one is unique? It seems it may have a unique list of
21 services that they actually produce.

22 MS. SONENTHAL: That is a great question. So
23 they are all actually required to perform a certain amount
24 of services. And when I said that they are different, I
25 can see how that would be confusing. I was just kind of

1 emphasizing that they are all individuals and in different
2 places with the services they provide.

3 But their performance contracts are fairly
4 uniform as far as you need to be providing, you know,
5 supportive housing, supportive employment, things of that
6 nature. And so we have reports that monitor that. And
7 they provide encounters every month.

8 MS. MARGESON: When you say supportive
9 employment, are you talking about actual job coaching,
10 that kind of supportive employment?

11 MS. SONENTHAL: You know, I can=t speak to
12 supportive employment, because that is not my project.
13 Tegan.

14 MS. HENKE: Yes. So we do have, we do follow
15 SAMHSA supportive employment tool kit as well.

16 MR. IRVINE: Come up and say it so Penny can
17 hear you. And identify yourself.

18 MS. HENKE: I am Tegan Henke. I am with DSHS
19 and also work with Anna. Yes. We do provide supportive
20 employment services.

21 So we follow the same SAMHSA recommended tool
22 kit. So they have a tool kit for supportive housing.
23 They also have a tool kit for supportive employment.

24 So part of our employment services include job
25 coaching or actually, some of the rehabilitative services

1 that will help people be able to obtain and maintain
2 employment services. So related to their mental illness
3 that may be preventing them from reaching full employment.

4 MS. GREEN: Do you know if the awardees are
5 required to become TBRA providers, are they allowed to
6 serve their consumers only, or can they serve as an access
7 point for other TBRA target populations, such as people
8 living in institutions?

9 MS. SONENTHAL: The LMHAS serve their
10 population, people who are consumers at the LMHAS only.

11 MR. IRVINE: I don=t want to speak definitively
12 to that, but I mean, somebody that is in our TBRA
13 reservation system, as far as I am concerned, they could
14 serve anybody that came in. It actually does raise a Fair
15 Housing issue when you target a segment of population.
16 There are provisions that you can make for
17 prioritizations. But we encourage serving everybody.

18 MS. GREEN: That would be tremendous, in those
19 communities where there are not TBRA providers. Because
20 my assumption is that new providers will be created
21 through this program. And if they can serve as a portal
22 for other populations, that would be great.

23 MS. SONENTHAL: I think I will just plant
24 myself up here, too. But just to speak to that, I think
25 that all of our providers who will become TBRA providers

1 will be required to follow all of the regulations and the
2 rules that go along with becoming that.

3 So of course, we don=t want to violate any Fair
4 Housing laws. So as they become providers, they will be
5 required to follow those requirements as well.

6 MR. ASHMAN: Are only the 18 authorities going
7 to be TBRA providers, or all 39?

8 MS. SONENTHAL: As far as they are required?
9 It's only the 18. Yes.

10 MR. ASHMAN: And why only 18? Did you only
11 receive 18 applications, or did you have to deny some?

12 MS. HENKE: Yes. We denied some; we kicked out
13 some applications. We received a finite amount of
14 funding, so it is difficult to decide who could get it and
15 who can=t.

16 MS. SONENTHAL: Right.

17 MS. HENKE: So we --

18 MS. SONENTHAL: We looked at a variety of
19 things. We looked at their need. We looked at, you know,
20 how well their needs and capacity assessment was, who they
21 are collaborating with.

22 We wanted to make sure that these people are
23 going to be successful. We looked at a lot of different
24 things and the team reviewed everything.

25 MS. HENKE: And as Anna was saying, you know,

1 some of the programs are in different stages of
2 development. So we have some who are really models for
3 the State of Texas and are doing really great things. And
4 then we have some LMHAS who are lagging behind and need a
5 lot more time and attention.

6 So you know, that's one thing we have been
7 focusing on, is while -- and that played into our decision
8 about funding. So how prepared are they to use this
9 funding in the way that the Legislature intended it to be
10 used.

11 MS. SONENTHAL: Right.

12 MS. HENKE: And so, you know, all of those
13 factors went in. But we are really trying to move the
14 system forward through the use of evidence-based
15 practices, monitoring fidelity, looking at outcomes, and
16 things like that.

17 So, you know, we are taking baby steps, and we
18 are really trying to move our system forward.

19 MR. WILLIFORD: And I have one question.

20 MS. SONENTHAL: Okay.

21 MR. WILLIFORD: Just as someone new to the
22 conversation, I just wanted to say I appreciate how well
23 laid out this is. It is very clear and easy to follow.
24 And I am feverishly scratching down acronyms over here.

25 MR. GOODWIN: Give up. They've got more

1 acronyms than you have paper and ink.

2 MR. WILLIFORD: So I appreciate the briefing
3 and the information. One question I did have, and I think
4 Mr. Irvine hit on it a little bit. But as far as
5 eligibility criteria for recipients of this assistance,
6 there is no further refinement of eligibility other than
7 the LMHA general client?

8 MS. SONENTHAL: There is. But it is not -- it
9 is fairly broad. It is that they be in level of care one
10 through four and that they are homeless or imminently
11 homeless. And those definitions we use from HUD. I don=t
12 have them on me right now.

13 But I think that, did you distribute the needs
14 and capacity assessment to this group? I heard that that
15 happened, but apparently it didn=t. But anyways, we can
16 distribute that, if that is something that you guys are
17 wanting.

18 So yes, we use those definitions: homeless,
19 imminently homeless and levels of care one through four.

20 Yes, sir.

21 MR. GOODWIN: When you say they must be TBRA
22 providers, does that mean with the funding you gave them,
23 or they got to come up with new sources of money to fund
24 their own rental assistance programs?

25 MS. SONENTHAL: Actually, as far as I know -- I

1 have spoken with TDHCA people -- to become a TBRA
2 provider, it doesn't necessarily mean that you even
3 utilize the funds; you just learn about it, and we want
4 them to utilize the funds -- go ahead.

5 MR. IRVINE: Yes. We have moved from a model
6 where we award our housing assistance funds based on
7 contracts to more of a model where it is a reservation
8 system. And we make our HOME funds, including TBRA
9 activities with HOME funds, available through those
10 reservation systems.

11 And there is a fairly easy process to get into
12 the reservation system as an approved provider. And then
13 once you are an approved provider, anybody who comes to
14 you, who has need, once you have identified that need,
15 subject to availability, you can reserve funds for those
16 activities.

17 MS. SONENTHAL: And our goal in having them be
18 TBRA providers is just so that they educate themselves on
19 the other resources that are out there. And TBRA, I mean,
20 it doesn't necessarily focus on, you know, the chronically
21 homeless of the population, which is something that this
22 money -- we feel like they work really well together.

23 And so we wanted them to just be aware, educate
24 themselves. Know what funding is out there, so that -- I
25 mean, it is huge, I mean, you saw the numbers. There is a

1 huge need, especially for our population that we are
2 serving. And so we wanted to make sure that they are
3 aware and utilizing every resource that they can.

4 MR. DANENFELZER: What steps or analysis can
5 you undertake to figure out -- I mean, obviously, there is
6 going to be some geographic holes here, because you had
7 what, 18 out of, did I hear 39 groups. What kind of
8 assessment can you do to those groups that either didn=t
9 apply, or applied and failed, to figure out why they
10 failed.

11 And then, what steps can you do to make sure
12 maybe next time they are more competitive. So you can
13 fill in those geographic gaps maybe, if there is a second
14 round of this funding.

15 MS. SONENTHAL: That is a great question. We
16 are actually in close contact with all of the local mental
17 health authorities. And that is part of my job is to do
18 site visits, figure out what is going on. I know why a
19 few of them didn=t apply. Some of them, I don=t know why
20 they didn=t apply.

21 But we are, like I said, they are all providing
22 supportive housing services. And so with this funding,
23 like Tegan said earlier, it was limited. Not nearly close
24 to 39 applied for it. But we wanted to make sure that it
25 was doing the most that it could -- that the funding was

1 going to be doing the most that it could.

2 And so for those, that is something that we are
3 continuing to continually looking at. How can we help you
4 provide better supportive housing services, what are your
5 obstacles. Those are things that we address on the calls.

6 That is why we collaborate with TDHCA. Just to help them
7 with that.

8 And so we are in communication with them, we
9 are in contact and we see their encounters. And we see
10 people who are not providing the services. We see people
11 who are providing really great services. And so just in
12 constant communication.

13 MS. HENKE: I am going to plug in a little bit
14 too, on this one. Because she is actually starting to do
15 a lot of site visits. So her intention is to go to all of
16 the LMHAs, whether they were awarded or not awarded funds
17 through this appropriation of exceptional item. And so
18 she is going to different geographic areas, starting next
19 week, I believe.

20 And then she has -- because I think one thing
21 that we have seen is that our rural centers have struggled
22 a lot more in implementing housing programs and having
23 supportive housing staff. Because as Anna talked about
24 the multiple hats, it has been a challenge. So she has
25 separate calls for urban centers and our rural centers.

1 Just to talk about the very different challenges that they
2 do face.

3 And, I mean, that will help us to be able to
4 better address different geographical gaps that we have.
5 And I am also implementing some new data collection
6 systems. I think that will help our analysis as well. We
7 will be able to have a better -- more information on our
8 homeless needs -- the needs of the homeless population
9 within our LMHA population.

10 MS. SONENTHAL: And I have asked for specific
11 reports to be ran, actually, so that we can have a better
12 idea of what everyone is -- I mean, there is already
13 reports. But we talked with our data person to just --
14 data person to run specific reports. So we have a really
15 good grasp of what is going on.

16 MR. IRVINE: Okay. Yes.

17 MS. LAVELLE: I am Tanya Lavelle with Easter
18 Seals. I have a question. If a local mental health
19 authority decides to give assistance to a particular
20 client, can they renew past the one year?

21 Do they have the ability to do that, so
22 somebody could possibly get funding for two years? Or are
23 they encouraged not to, or is that something that you do?

24 MS. SONENTHAL: We have said, you know, the way
25 we worded it was, no longer than 18 months. But there is

1 always the exception, and we want to work with those
2 people. If somebody needs six extra months of assistance,
3 you know, we are not going to go -- we want the people to
4 succeed. We want them to be housed. We want them to be
5 healthy. And so we are working individually with all of
6 the LMHAS and trying to answer their individual questions.

7 MS. HENKE: We are trying to be flexible by
8 putting like a dollar amount average on things, too. So
9 we have an average length of stay. Some may be more.
10 Some may be less. We have an average dollar amount. So
11 some folks may receive more; some folks may receive less,
12 with this idea that it can be as individualized as
13 possible.

14 MS. SONENTHAL: Right.

15 MR. ASHMAN: So are you going to have them cost
16 shift on to TBRA to preserve the general -- the state
17 funds as soon as they possibly can?

18 MS. HENKE: You know, that might be an option
19 that some of them will pursue.

20 MR. ASHMAN: You can serve more people that
21 way.

22 MS. HENKE: Yes.

23 MR. ASHMAN: And there is HOME funds available
24 right now.

25 MS. HENKE: Yes. We are trying to -- you know,

1 we want to maximize everything we have got. And I know
2 TBRA has a longer time that they can spend on it than they
3 can on our funds. So if that is possible, I think that we
4 are encouraging folks to maximize outside dollars so that
5 we can serve as many people as possible.

6 MR. ASHMAN: I am thinking state funds, TBRA,
7 and then 811, if and whenever that comes about. Or
8 project access vouchers, if there is adequate funding, but
9 preserve your dollars, and serve more people.

10 MS. SONENTHAL: Right.

11 MS. HENKE: And those are the collaborations
12 that we are really encouraging, because we are trying to
13 get our LMHAS, you know -- as we are building these
14 programs, we are trying to get them to think more long
15 term, more the long-term needs of folks, because a lot of
16 needs can=t quite be met in the small amount of time.

17 You know, two years sounds like a lot of time,
18 but it really isn=t when you are trying to build somebody
19 up, and try to meet some of their needs and help them, you
20 know, long term reach that goal. So, yes. We want to
21 maximize the outside dollars as much as possible.

22 MS. SONENTHAL: Right.

23 MR. IRVINE: Okay. Yes.

24 MS. GAY: I=m Darla Gay with the Austin/Travis
25 County Reentry Roundtable, and I have a couple of

1 questions. One is, is the amount of funding that is
2 available on a regional based on cost of living, or is it
3 one amount for a rural versus an urban area.

4 MS. SONENTHAL: That is a great question. And
5 it is one figure that we came up with and it was an
6 average of cost of living within the state of Texas. And
7 so they have targets, the amount of people to be served
8 with that amount of money.

9 But we realize it does kind of vary, which is
10 why, as Tegan has talked about, we have an average. We
11 have an average number, you know, of people being served,
12 an average length of stay. But that is what it was based
13 on.

14 MR. ASHMAN: Which is why it would be important
15 if you mirror the rent, the maximum rents of TBRA and or
16 project, Section 8 around there, so they can transition
17 from product to product.

18 MS. GAY: Yes.

19 MS. SONENTHAL: Right. And that is in the
20 supportive housing tool kit actually. They are supposed
21 to be utilizing and following that. It is supposed to
22 look like what HUD says it should look like.

23 MS. GAY: I had a couple of follow-up
24 questions. So on the eligibility, do you know, or did you
25 require screening criteria based on criminal backgrounds.

1 Or do you know what there are LMHAs who are awarded this
2 funding are doing about that?

3 MS. SONENTHAL: You know, there is some liberty
4 there. They have, I guess, a different population that
5 they are dealing with, with different obstacles.

6 As far as we are concerned, what we put as that
7 their eligibility is that they are homeless or chronically
8 homeless, and levels of care one through four. And so I
9 think that each LMHA is kind of -- they are supposed to be
10 following the supportive housing tool kit.

11 They are supposed to be looking and modeling
12 after 811, or not 811, things of that nature. And so it
13 would probably look a little different from center to
14 center, but that's what they are supposed to be modeling
15 after.

16 MS. HENKE: And the tool kit provides
17 information on how to deal with folks who have a criminal
18 background that's preventing them from obtaining housing
19 as well. So, for example, if their criminal history is
20 related to their mental illness, that can be -- it can get
21 in the way of Fair Housing, because you could say that
22 their disability -- it is part of their disability that is
23 preventing them from getting housing. And that is
24 outlined in the supportive housing tool kit as well.

25 So we are trying to make sure that folks know

1 all of those -- I don=t want to use the word "tricks,"
2 because that makes it sound underhanded, but have those
3 tools in their tool kit to help advocate for people --

4 MR. ASHMAN: Reasonable accommodation.

5 MS. HENKE: Yes. Thank you.

6 MS. GAY: I just -- I would encourage the
7 state, anytime you have a funding stream, to use that
8 funding opportunity to lay out some policy direction with
9 some language in your funding that would give guidance on
10 some policy direction on that, because I think what we are
11 seeing is it is harder to serve people with criminal
12 backgrounds.

13 And so they will screen those folks out, which
14 are the folks that remain chronically homeless and on the
15 street. Public safety is in jeopardy. And so I would
16 not -- I would encourage the service provider to not be
17 the one to put that restriction.

18 I know the next phase is finding the houser
19 that will accept that funding stream. But let=s get there
20 instead of restricting at the front end.

21 MS. SONENTHAL: And just for your information,
22 just in speaking with the LMHAs, I know that they are
23 providing services to people with criminal backgrounds.

24 MS. GAY: Yes. But they have restrictions.

25 MS. HENKE: And I think that there is something

1 we could do proactively, too, in running some of the
2 reports that we have, because we are implementing a more
3 robust assessment instrument that will look at criminal
4 history.

5 So we can cross-reference that with people who
6 have a need for housing and look at whether they are
7 actually receiving counters related to housing. So I
8 think we can look at that from a data perspective.

9 That might be useful. And then, you know, help
10 policy inform that or look at that from a quality
11 management perspective.

12 MS. GAY: Well, the focus is around permanent
13 supportive housing. It does discuss housing first, which
14 is eliminating all of those barriers in order to get
15 persistently severely mentally ill into stable housing.

16 So I am just encouraging the state as it
17 relates to, once you have funding, if you can lay out some
18 language in your funding that says that we expect these
19 kinds of things to happen and we will give you the
20 technical assistance to help you with that -- we just
21 don't want the barrier to be at step one. Let's get to
22 step two so we can work with landlords.

23 MS. SONENTHAL: That is a good idea.

24 MS. GAY: The other thing is on your housing
25 specialists. We have done some work here in Austin on

1 that. And I think that compartmentalizing your housing
2 specialists within funding streams is not helpful, because
3 what we are finding is our housing specialists can really
4 talk about those tricks and how to maximize that.

5 And then in urban areas, we are going to look
6 in Austin, how do we maximize our messaging on a global
7 scale instead of program by program, because what we are
8 seeing in Austin, with a 97 percent occupancy rate and
9 very high rental rate, it is very easy to shut down to
10 people with barriers. They don=t even have to use a
11 criminal background now. They can say, you know, three
12 times your income, and that is the first barrier.

13 So we are now having -- we have a housing
14 specialist network in Austin, where all of our housing
15 specialists, regardless of which agency or which funding
16 stream, are coming together to learn from each other. And
17 I would really encourage, anytime that you can do that
18 with your different funding streams, I think you are going
19 to maximize the tricks of the trades in those communities.

20 MS. HENKE: That is really good.

21 MS. SONENTHAL: Yes. Thank you.

22 MR. IRVINE: We need to keep it moving, because
23 we are running out of time here. We are coming up on our
24 12 o'clock deadline.

25 We need to hear several reports. And because

1 of the interaction or interrelation of QAP and 811, I
2 would suggest that maybe Becky could go next and update us
3 on CDBG.

4 MS. DEMPSEY: I will keep it under five
5 minutes. Will that work? I brought some handouts --
6 Paula, I'm sorry; it's not Braille, but I am going to tell
7 you everything that is on this page, so you are not going
8 to miss out on anything.

9 The Texas Department of Agriculture is
10 responsible for handling the non-entitlement portion of
11 the Community Development Block Grant. These are HUD
12 funds that come to the states in two forms. The
13 entitlement portion goes to predominantly urban areas.

14 So for example, Austin/Travis County gets their
15 own allocation from HUD directly. The non-entitlement
16 funds come to the state. And they are disbursed via a
17 competitive process, through a series of funds.

18 We have eight main funds. They are
19 primarily -- as I said earlier, we sort of provide the
20 infrastructure to the housing projects that are done, not
21 only through TDHCA but across the state, predominantly in
22 rural areas.

23 It's nice to have a house, but if you don't
24 have running water and sewer and streets and so forth, it
25 doesn't really do much good. And so these funds are

1 competitive in nature, as I said.

2 They are put out for allocation or for
3 application based on some previously set time frames.
4 Those are in our guidelines. A lot of these are -- the
5 rules in fact set the guidelines for a lot of these funds.

6 The Community Development Fund is our largest.
7 It gets about 61.7 percent of the annual allocation,
8 which by the way this year is \$62.5 million. We did not
9 receive a decrease -- Texas did not receive a decrease as
10 we expected. But we are happy to receive the 5 percent.
11 So over the last two years, we have received a 25 percent.
12 So the 5 percent was welcome.

13 The Community Development Fund is a two-year
14 application cycle. So all of the applications come in one
15 year; that's why there is an October 12 application
16 deadline.

17 We took those applications in October. We are
18 funding with the first year=s allocation the first group
19 of applications. When the 2014 allocation comes down the
20 pike, we will fund the rest of them to the degree that we
21 have eligible funds.

22 The Texas Capital Fund is our next largest one.
23 It is the economic development piece. These all tie back
24 to HUD=s national objectives. And all of the applicants
25 are required to meet one of those national objectives.

1 But this is the job creation piece.

2 So HUD sets a cap at \$35,000 per job. The
3 State of Texas sets a cap at \$25,000 per job. So we don=t
4 want to pay any more than that. We would like to pay
5 less.

6 And in fact, based on the number of jobs that
7 this fund has assisted with creating over the past about
8 seven years, it is averaging about 15 to 16,000 cost per
9 job. So that is obviously -- some of them are quite a bit
10 less than that. So we are real pleased with that.

11 The Planning and Capacity Building Fund is just
12 as it says. It helps rural communities in their planning
13 efforts to do some strategic planning on zoning and
14 streets and things of that nature.

15 The Small Towns Environmental program is sort
16 of a self-help program if you have got a very small
17 community, with a lot of really excited volunteers. And
18 it is a project that you know, a nonprofessional can do,
19 like digging a ditch for a water line, for example. There
20 is some money available for that.

21 The Disaster Relief Fund is just as it said.
22 It is very descriptive. In the past 24 months, we have
23 awarded almost \$10 million just in drought relief, because
24 the Governor has declared disaster areas in many
25 communities as a result of the drought.

1 Urgent Need is much the same as disaster
2 relief. It is to mitigate some of those urgent issues
3 that may come up in a community during the usual course
4 and scope of maintenance of equipment.

5 Community Enhancement Fund is new. That will
6 be rolling out later this fall. And it is kind of a way
7 to sandwich in some additional money through funds that
8 don=t come out of the annual allocation.

9 They actually come back to the Agency by virtue
10 of monies that have not been used by communities. They
11 don=t need all of the money they applied for, and they
12 actually turned some money back in, which we are always
13 excited to see.

14 The last of the funds is the Colonia Funds.
15 These are statutorily, in fact, there is some set-asides
16 included in that. But those are statutory requirements.
17 And there are three little sub-funds as part of Colonia.

18 In a nutshell, that is pretty much what we do.
19 We manage over 800 contracts with a staff of about 30.
20 And they do everything from providing technical assistance
21 to site visits to scoring applications to babysitting
22 folks on the phone that just don=t know how to do it. Any
23 questions?

24 MR. ASHMAN: I did have one. And I realize
25 CDBG is more for community infrastructure, but I do see

1 some residential uses for it, too. Do you know the
2 percentage of funds out of your \$62 million, actually,
3 your \$100 million, how much are going actually for
4 residential purposes?

5 MS. DEMPSEY: Very little, and primarily in
6 colonias. The reason for that is, our largest fund is --
7 the priorities are determined at the local level. And so
8 those funds are allocated based on some formulas within
9 each COG.

10 So each of the 24 COGs has a regional review
11 committee that is appointed by the governor. The members
12 are appointed by the governor. They have public hearings.
13 Everyone is invited to participate.

14 And those COGs, North Central Texas needs are
15 going to be much different than what they would be at
16 South Central Texas, or some of the border COGs. So when
17 the border COGs make -- they determine that they have
18 greater need to refurbish some housing. If they
19 prioritize those, obviously, they are going to craft their
20 scorings so that those applications get a greater scoring
21 factor for those priority needs.

22 So it really works well in providing a need
23 where it is needed most. Or meeting a need, rather.

24 MR. ASHMAN: Good. Thanks.

25 MR. IRVINE: And if Kate Moore could come

1 update us on 811.

2 MS. MOORE: I think so. Hi Steve. Good
3 morning, I am Kate Moore with the Texas Department of
4 Housing and Community Affairs. I am the Section 811
5 manager. And actually, I am going to start with an update
6 on the Real Choice Systems Grant. This is going to be my
7 last update on this grant.

8 This is a grant that we partnered with the
9 Department of Aging and Disability Services on. It is a
10 grant that we received from CMS, the Centers for Medicaid
11 and Medicare Services, for the acronym. And it is
12 essentially a planning grant for us to do some work around
13 creating more affordable housing for people with
14 disabilities.

15 And the main activity that was associated with
16 that, starting two years ago that this was started, was
17 applying for Section 811. So the federal government,
18 through the Melville Act, had done some changes to the
19 Section 811 program, which is HUD=s historic program that
20 serves people with disabilities. And it allows state
21 housing finance agencies, in partnership with the state
22 Medicaid agency to apply for those funds for the first
23 time.

24 And so CMS was excited about this as well, and
25 this is an opportunity to take the Real Choice Systems

1 Grant and help some states that were interested in
2 applying for Section 811.

3 And so we had a great opportunity because we
4 received those funds, and we were able to hire some
5 contractors to help us craft our application and our
6 interagency agreement, which is a partnership agreement
7 that we have with the State Medicaid agency and all of the
8 Health and Human Services agencies underneath that, and
9 DADS has been delegated as the lead on the program.

10 So we did complete that activity, and we were
11 successful. We were one of 13 states that were awarded
12 Section 811 funds. We were awarded \$12 million. We found
13 that out in February. I will talk a little bit more about
14 that in a second.

15 I want to talk about the rest of the Real
16 Choice activities first, because we proposed a couple of
17 other activities that were not really related to Section
18 811 with the Real Choice grant.

19 One of those was to do a housing and services
20 partnership academy. That was because we had recognized
21 that, at the state level, we thought we were doing a
22 pretty good job of collaborating together with the housing
23 and the health services agencies to determine how we can
24 best serve people with disabilities. And we wanted to
25 replicate that in local communities.

1 And so we held an academy in May. And we had
2 16 communities that participated. They had to apply to
3 participate. And they had to have a housing provider.
4 They had to have a Medicaid or service provider, and a
5 consumer on their team. So they could have put to five
6 folks.

7 And they got together and learned a lot about
8 housing and a lot about services. We had a lot of folks
9 here. A lot of folks here in the room here were there to
10 educate these local communities about resources available
11 to them.

12 And they were encouraged to create local goals
13 to meet whatever goals, whatever community that they
14 wanted to serve. Some had very specific disability
15 populations that they wanted to serve. Others were very
16 general. They just wanted to create more affordable
17 housing for people with disabilities in their communities.

18 And so we have been providing ongoing technical
19 assistance to those teams that participated, those 16
20 teams. And all of that is wrapping up as the end of the
21 grant, but that went very well.

22 Another one of the major activities is that we
23 partnered with 211 Texas, which is part of HHSC, to create
24 a housing and services online clearing house. And so it
25 is a part of the 211Texas.org website, which is already a

1 great website that has a lot of resources for Texans in
2 need of all types of services.

3 Our particular portion of that website only has
4 community based affordable housing and services resources.

5 And so I would encourage you to go take a look at it. It
6 is done. It is live. It is up. It is very exciting.

7 And so that was actually something that came
8 out of a Council recommendation from your original
9 biennial plan. And so that is why it was suggested in the
10 grant application to do that. So that is up and running.

11

12 We also, with the grant funds, created a
13 portion of the TDHCA website that gives people some very
14 specific information about resources that are available
15 for people with disabilities or those that want to serve
16 people with disabilities. It targets our programs.

17 But we also are using that as a place to put a
18 lot of the Council documents and technical assistance that
19 you are creating now, and you have created in the past.
20 And we had a lot of technical assistance documents that
21 were created through the Academy that we hope can continue
22 to be useful, and that is going to be the placeholder for
23 that as well. So that was through the Real Choice grant
24 as well.

25 So right now, the grant actually ended

1 September 29th, but we are still doing some grant
2 reporting that we still have to do. We have a white paper
3 that talks about everything with the grant.

4 We are finishing that. This is actually
5 officially sort of an advisory body to that grant. So it
6 is one of the reasons I come to every meeting and updated
7 you.

8 So I appreciate you listening and giving us
9 advice and following along with all of the activities for
10 the Real Choice grant. But I wanted to do one last update
11 of what we did. Any questions about the Real Choice
12 grant, before I move on to Section 811?

13 (No response.)

14 MS. MOORE: Okay. So Section 811, so I
15 mentioned before, so we applied for those funds. It is
16 essentially project-based vouchers that will be in
17 properties that have received financing from TDHCA.

18 So a large part of what we do is we are a
19 finance agency. So individuals, whether they are non-
20 profits or for-profits can apply for our financing to
21 build essentially apartment complexes. And they have to
22 serve -- they have restrictions on how they have to serve
23 folks. And it typically has income restrictions.

24 Even with those income restrictions, those
25 apartment complexes and those units may not be affordable

1 to extremely low income individuals. And so they may be
2 more -- like for instance, there could be a unit that is
3 five or \$600 a month. But if you are on SSI and you earn
4 \$700 a month, that may be a difficult unit for you to be
5 able to afford.

6 So what Section 811 allows us to do is, for
7 instance, let=s say there is an apartment complex that has
8 150 units. It allows us to take ten of those units and
9 put project-based assistance in it. Have a partnership
10 with the Medicaid agencies, who is helping us identify
11 people with disabilities in need of affordable housing,
12 and we have a referral systems in place where we place
13 those individuals into those units.

14 It would pay the difference between what the
15 tenant can afford to pay, which is 30 percent of their
16 adjusted income, and that rent level. And so it pays that
17 difference there.

18 And so we worked a lot with all of the Health
19 and Human Service agencies to craft who our target
20 populations were. Our target populations for Section 811
21 are people with serious mental illness, youth aging out of
22 foster care system with disabilities, and those
23 transitioning out of institutions, primarily nursing
24 facilities and ICFIDs. And so those with intellectual
25 disabilities.

1 And so those would be the ones that we are
2 targeting. And so we found out that we were funded in
3 February. We have not heard much else in that from HUD.
4 So we are still waiting.

5 So we will let you know as we know more. We
6 know that our next step is that we are supposed to
7 negotiate a cooperative agreement. Because this is such a
8 new program, there aren=t rules at the federal level.

9 And so we understand that a lot of those rules
10 and details of the program will be told to us in this
11 cooperative agreement. So we are anxious to find out what
12 those are. And so that is what we are waiting for, is to
13 learn more about our role within that.

14 But Cameron and I kind of wanted to go together
15 as well, because we wanted to update you on -- so we
16 have -- and I will probably let you describe this
17 Qualified Allocation Plan. And we have put some
18 information about in Section 811, about Section 811. So I
19 am going to turn it over to Cameron and kind of talk about
20 that. Give you some broader context first.

21 MR. DORSEY: Sure. Yes. I have spoken here
22 before. But it is always hard when there is not just a
23 bunch of developers that apply for my program to know
24 exactly what everyone=s knowledge level is. So I am going
25 to kind of give a brief overview.

1 My name is Cameron Dorsey. I am the Director
2 of Multifamily Finance with Texas Department of Housing.
3 And my area oversees the allocation of effectively all of
4 TDHCA=s multifamily development type resources.

5 So we are talking about sources that help
6 subsidize the development or construction of effectively
7 apartment complexes, typically, is what we are talking
8 about, although we have lots of variation on that.

9 The Qualified Allocation Plan, otherwise known
10 as the QAP, is the document that governs the allocation of
11 one of the largest resource this state has to help with
12 the construction of affordable housing. It is a document
13 that is governed by a whole series of statutory
14 requirements. It includes a scoring process for the bulk
15 of our tax credit resources.

16 It is an extremely competitive program. Just
17 to give you a very brief -- I am going to skip almost to
18 the end of this description, because it is much more
19 complex than this.

20 But I am going to describe how a tax credit
21 works. It is effectively a dollar-for-dollar reduction in
22 the federal income taxes of an individual or a corporation
23 or what have you. And but the way that it helps with
24 affordable housing is it results and generates equity that
25 comes in during the construction of a transaction and

1 ultimately reduces the amount of debt that an apartment
2 complex has to carry.

3 That has the effect of enabling the Department
4 to impose rent restrictions that help provide below-market
5 rental options to folks who can=t afford market rents. So
6 that is kind of what a tax credit is in, you know, very
7 short form.

8 In terms of the impact of the program, it
9 produces upwards of 6,000 units annually. It generates
10 about, or probably more than \$600 million in equity
11 annually for the construction of those 6,000 units. That
12 is about \$10,000 a unit in equity.

13 And we have a portfolio of over 200,000 units
14 in the State of Texas. So it is a very large and
15 impactful program.

16 Right now, we are in the rulemaking process,
17 that will result in the effective allocation process and
18 framework for folks to apply under our 2014 tax credit
19 cycle. And we are in the midst of the public comment
20 period. I believe it runs through the 28th of this month.

21 Does it run through the 1st?

22 MR. IRVINE: The 21st.

23 MR. DORSEY: Okay. The 21st of this month.

24 And we very much encourage you all to make public comment.

25 The bulk of the public comment we do receive is typically

1 from those folks who come and actually access tax credits
2 and own tax credit properties, developers and the like.

3 So we don=t get a whole lot of comment from
4 prospectives that would deviate from what their
5 perspective is. So we definitely encourage you all.

6 With respect to the 811 program, this year, you
7 all have heard quite a bit about 811, I think, over time.

8 But one of the major issues with 811 is there is no
9 really natural incentive for a for-profit, you know,
10 entity to come and access that funding. And it is really
11 a deficiency kind of in the program design itself, I
12 think, that is really difficult for us to resolve.

13 We have, actually, in at least one instance,
14 actually imposed some requirements that have eliminated
15 some of that incentive. But it was, for what we believe
16 is a good reason.

17 For example, we could subsidize, or provide
18 subsidies to existing units that already have rents at
19 like the \$300 type level, 30 percent of AMI units. But
20 that would simply result in us layering a subsidy on a
21 unit already serving a 30 percent household. And we want,
22 as a primary goal, to expand the number of 30 percent
23 households serve, rather than provide kind of duplicative
24 subsidies.

25 So obviously, that has the effect of reducing

1 the profit motive that might cause a for-profit entity to
2 apply for those source of funds. So to resolve that kind
3 of issue, we decided to, at least in draft form, in the
4 rules, include in our Qualified Allocation Plan one of the
5 most competitive resources available for the development
6 of affordable housing, an incentive to elect to
7 participate in the 811 program via points.

8 And we -- so that is in the draft QAP right
9 now. At this point, I will tell you that we have received
10 limited public comment. And the public comment we have
11 received, at least verbally at this point -- and I expect
12 to receive more in writing soon from the Texas Affiliation
13 of Affordable Housing Providers, which is an industry
14 group.

15 They would like to see other alternatives, that
16 I think, would have the effect of neutralizing the 811
17 incentive in the QAP. So certainly, I think from that
18 perspective, you all might have an interest in making
19 public comment, if you all like the way it is drafted.

20 But the hope was, in effect, to couple these
21 resources, so that we could step in where there is no
22 natural incentive and create an incentive to deploy these
23 resources. The 811 grant is \$12 million.

24 And even if we had voluntary participants, I
25 think one of the fears is without kind of the creation of

1 an incentive, is that we may not kind of hit a critical
2 mass, where we have the admin funds to actually administer
3 a very small amount of that \$12 million. We really would
4 like to, you know, maximize that resource and get all of
5 them deployed, if possible.

6 The major concern that has been expressed is
7 very understandable from my perspective, but one that is
8 not insurmountable. It is the fact that we have received
9 very little feedback from HUD since getting access to the
10 money.

11 So folks are very concerned about the
12 uncertainty. What strings are attached to this? How do I
13 structure a financially viable development and know that
14 this isn't going to have a tremendously adverse effect on
15 me, when I don't understand what the rules are when I
16 apply for this? Pretty understandable concern. And we
17 have done what we can to put folks at ease.

18 But that is the major, I think, component of
19 this year=s Qualified Allocation Plan that would deviate
20 from what we have done in years past, and that you all
21 would have a particular interest in. I think Terri handed
22 out a list of a couple of other things that we are doing
23 at one of the last meetings. So I will leave it at that.

24 And if you all have any questions, I would be happy to
25 answer.

1 MR. DANENFELZER: You mentioned that you wanted
2 to disincentivize existing units from just layering on top
3 this 811 funding. But what research was done to find out
4 whether or not those existing 30 percent units are really
5 a feasible development strategy for those who have done
6 them?

7 MR. DORSEY: You mean, whether or not those 30
8 percent units are currently causing feasibility issues,
9 such that this resource would step in and help resolve
10 that problem?

11 MR. DANENFELZER: Right.

12 MR. DORSEY: The main -- one of the main
13 concerns we had when looking at how to design the program
14 was ensuring that these resources were deployed in
15 properties where they were able to have effective ongoing
16 maintenance. That they weren't just trying to resolve
17 major problems with the development.

18 We didn't want to have a situation where this
19 resource that is very valuable for persons with
20 disabilities to access housing went to housing with
21 problems. And so we were -- I guess we didn't go down
22 that route, kind of from the outset.

23 MR. DANENFELZER: Yes. Because it seems like,
24 I mean, in -- the development community complains a lot
25 about the requirement of having to put in 30 percent

1 units, because of the feasibility issues. They don=t
2 generate enough income to cover the ongoing expenses of
3 the unit.

4 So if we have got units out there that are
5 already 30 percent limited, and struggling to maintain
6 themselves, it seems almost like, well, we want to add
7 some additional units that will be feasible. But all of
8 those existing units, which you are not really
9 incentivized to even try to rent out.

10 And we do hear complaints about that. The
11 developers just -- they don=t even try to market or lease
12 those units, because it is better to leave them down and
13 non-operating, because it is cheaper maintenance. They
14 would rather just leave them empty.

15 So if you can resolve that problem by providing
16 an 811 voucher on those units, so then they are
17 incentivized. Okay. Well, let=s get people in those
18 units. Because now I have the operating expense money to
19 cover the cost of maintaining those units.

20 MR. DORSEY: Yes. I have never heard of the
21 concern about keeping 30 percent units vacant. That would
22 actually violate the federal requirements of the tax
23 credit program.

24 MR. DANENFELZER: It violates -- but developers
25 often do. I mean, it is pretty easy. Although it is a

1 violation, it is very easy to simply say, no one is coming
2 in the door.

3 It is a hard violation to prove, that they are
4 not actively filling units. It is much easier for them to
5 say, I don=t have any tenants that qualify, from a
6 compliance standpoint.

7 MR. IRVINE: We are certainly well aware of
8 that issue, and I think we have addressed it in recent
9 years by really focusing on the nature of the incentives
10 for 30 percent units in our QAP. And also with our REA
11 rules, and specifically, our requirements for folks that
12 are deep skewing. For the 811 program though, I think it
13 is a little more of a forward-looking issue.

14 We want to focus on developments that are going
15 to be there to serve in a stable way for a very long
16 period. And we are also looking at, I think, diversity
17 issues, where you don=t want to put concentration in
18 place. It is something that we are just kind of feeling
19 our way through. And I personally really try to divorce
20 it from the issue of dealing with problems in the old
21 portfolio.

22 If you were going to use it as a resource to
23 address problems in the portfolio, then you get into all
24 kinds of sequencing issues. You can be, in effect,
25 putting subordinate subsidies into something, and

1 ultimately throwing good money after bad.

2 So we really want to focus on what makes the
3 811 program good, robust. And makes it add more units,
4 not subsidize existing units.

5 MR. ASHMAN: Well, and I guess I will just add
6 that it probably shouldn't have been underwritten if they
7 didn't pencil out at 30 percent. But, you know, I would
8 rather expand the number of units that are available for
9 30 percent.

10 When you look at your own housing plan, and the
11 demand for that market, it is pretty substantial. So
12 whether it is disabled or not, just that income level, and
13 those folks in need of housing, it is extremely important.

14 MR. GOODWIN: The developer's comment is -- the
15 other half of that is that program could turn a troubled
16 property into a model tax credit property. I don't -- it
17 was, and forgive my use of this term. When we first had
18 the accessibility issue in the HUD properties, people
19 envisioned a brigade of wheelchairs rolling down the
20 street. And that is not the case, you know, and the
21 program is doing pretty well in serving the community.
22 And the fears have gone away.

23 Well, in this case, I don't think there will be
24 this avalanche of non-performing properties with 30
25 percent requirements applying for the 811. I think you

1 will have a lot of -- hopefully, you would have a lot of
2 forward-looking developers that see this as a way to get a
3 project that they might not ever otherwise pencil out,
4 that will now work for them.

5 And we can develop this project. And in some
6 cases, where you don't have 30 percenters, it is a way
7 that I crack my 5 percent vacancy nut, if you will, in an
8 existing project. At the same time, putting a 30 percent
9 component in a project that doesn't currently have it. So
10 we increase this community that we are serving.

11 MR. IRVINE: Well, the QAP is on our website.
12 I encourage everybody here to read it. We do have a Board
13 meeting tomorrow. You can certainly come and offer
14 comment at any one of our Board meetings. The adoption
15 meeting for the QAP will be in the November meeting. So,
16 you know, jump in. Weigh in. Comment.

17 MS. GAY: Darla Gay with round table. Okay, so
18 I am trying to see that. So the 811 project is being
19 crafted without rules right now, but looking at how to tie
20 the 811 into future projects? Or existing projects?

21 MR. DORSEY: The way we have it drafted is,
22 they would elect to participate with a new project. But
23 there is an option for them to negotiate the use of that
24 subsidy on an existing project that is in their portfolio,
25 in order to more quickly deploy the resources.

1 MS. GAY: That was my concern.

2 MS. MOORE: And, in our application to HUD, we
3 indicated that we would have a Notice of Funding
4 Availability go out. And so this is, this may or may not
5 be related to how that would work. So you know, we may
6 still have that process go forward as well, where existing
7 properties could apply, whether or not they are
8 participating in this cycle.

9 MR. IRVINE: Yes. I think that --

10 MS. MOORE: So finding that for sure.

11 MR. IRVINE: I think the 811 program goes
12 forward on its own merits and structure.

13 MS. MOORE: Yes.

14 MR. IRVINE: What we are simply doing is, we
15 are adding a proposal in the QAP to give a competitive
16 incentive, not a financial or operating incentive, a
17 competitive incentive for somebody to include some units
18 in the 811 program.

19 MS. MOORE: Yes. I don=t see why that NOFA
20 wouldn=t go forward. I think because we have uncertainty.

21 We know what we applied to say we would do. But we
22 haven=t heard from HUD any guidance on it.

23 MS. GAY: And so I am confusing a different
24 project. Is the 811 what you submitted to HUD to LMHAS
25 only?

1 MS. MOORE: No.

2 MS. GAY: Or will it be competitive in tone?

3 MS. MOORE: It has three target populations.

4 MS. GAY: That is what I mean.

5 MS. MOORE: Yes. And so it is persons with
6 serious mental illness, of which we will get referral to a
7 local mental health authority. It has youth aging out of
8 foster care system with disabilities, and those
9 transitioning out of institutions.

10 So that is working with DADS. And so it is
11 limited though, to seven MSAs, so we didn't do it
12 statewide. Yes.

13 MR. ASHMAN: And the properties have to have
14 TDHCA fund financing.

15 MS. GAY: Right. My concern is how quickly we
16 were going to say, we are going to deploy this. Because
17 projects that are forward -- is, we are talking 18 to 24
18 months.

19 MR. DORSEY: Yes. We looked at putting an
20 incentive in our current QAP that would tie back to
21 another property in their portfolio, just on its face.
22 And we had some serious legal concerns about doing it that
23 way.

24 So it is more of an optional. I think, the
25 natural incentive is, however, to go ahead and use an

1 existing property in their portfolio, if we provide the
2 option to do so.

3 MS. GAY: And so one final comment that is kind
4 of more toward the QAP. Which I know this is more toward
5 the QAP. But neutralizing the developers coming in and
6 trying to find a way to neutralize that, or defuse the
7 incentive that you are trying to build into the
8 competition.

9 And we have seen that happen in Austin, where
10 we pass one ordinance that says we are going to do some
11 set-asides if you want to do certain things. And then
12 suddenly, it gets all deployed differently. And it
13 doesn't come back to the population being served.

14 So I just -- you know, I appreciate you
15 recognizing that, some of this, and maybe neutralizing
16 that. Really, people look on the reason why you want to
17 have a competition with that.

18 MR. DORSEY: Yes. The reason I simply
19 mentioned that there was other public comment and, you
20 know, we typically don't get a lot of public comment from
21 the advocacy community for persons with disabilities.

22 And I think we just want to encourage as many
23 different perspectives to come into the process as
24 possible, so that we are making well reasoned, more
25 educated decisions as we move forward. And

1 recommendations for our Board.

2 MR. DANENFELZER: And I realize there is a lot
3 of other planning going on. And there is a lot of
4 trainings that go on around the QAP as it rolls out. And
5 is the application cyclical.

6 Since this is a coordinating council, what kind
7 of coordination is there between the other agencies like
8 DADS to assist in those trainings, especially as
9 developers start looking at this new 811 project and say,
10 how do I integrate this, and what does this mean? How do
11 I manage it? Since 811 is very new for TDHCA.

12 MS. MOORE: We actually are developing training
13 manuals.

14 MR. DANENFELZER: Okay.

15 MS. MOORE: And that we have a contract with
16 TAC, the Technical Assistance Collaborative for 811
17 experts to do that. And so one of the training manuals is
18 for property managers and for owners, to know what their
19 responsibilities and duties will be for the 811 program.

20 MR. DANENFELZER: Yes. Because I could see
21 developers, especially at the QAP roundtables or, more
22 importantly, at the trainings for application, being like,
23 what is this program, and how do I run it? Because if I
24 am going to go for these points, what does that mean?

25 MR. DORSEY: Yes. You are right. I mean,

1 well, they definitely ask those types of questions.

2 And we have already had calls, you know,
3 conference calls, where we have pulled a bunch of
4 different development groups in and kind of tried to
5 understand what their concerns were, tried to describe the
6 program and see kind of where our gaps are in the
7 description; you know, what do they care about.

8 MR. DANENFELZER: Okay. Thank you.

9 MR. IRVINE: Well, we've gone past our 12
10 o'clock hour.

11 Anybody got any final comments or requests
12 going forward? Input for next meetings?

13 (No response.)

14 MR. IRVINE: Well, if there's no further
15 business, we will adjourn, with the caveat that you are
16 once again admonished to go and continue to collaborate
17 outside of meetings.

18 I think some of the discussion that was going
19 on on some of these sidebar issues is incredibly value,
20 and there's only so much work you can do in two hours,
21 where if you can catalyze outside discussion, that is
22 where it will really happen.

23 So with that, it's 12:08, and we are adjourned.

24 (Whereupon, at 12:08 p.m., the meeting was
25 adjourned.)

