

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOUSING AND HEALTH SERVICES
COORDINATION COUNCIL MEETING

Room 3501
Brown Heatly Building
4900 N. Lamar Boulevard
Austin, Texas

April 8, 2015
10:06 a.m.

COUNCIL MEMBERS PRESENT:

TIMOTHY IRVINE, Chair
DONI GREEN, Vice Chair
MARTHA BAGLEY
SUZANNE BARNARD
DAVID DANENFELZER (MICHAEL WILT)
REV. KENNETH DARDEN
MICHAEL GOODWIN
AMY GRANBERRY
PENNY LARKIN (LAURA GOLD)
MARK MAYFIELD
SARAH MILLS
ANNA SONENTHAL
JEFF WILLIFORD (LUIS ACUÑA)

ON THE RECORD REPORTING
(512) 450-0342

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

MR. IRVINE: Good morning, and welcome to the April 8 meeting of the Housing and Health Services Coordination Council, affectionately dubbed the "Husky" by my agency. It's going to catch on because our name is too long. The time is 10:06, and we'll begin with roll call. Suzanne Barnard?

MS. BARNARD: Here.

MR. IRVINE: Megan Cody?

(Not present.)

MR. IRVINE: David Danenfelzer?

MR. WILT: I'm here on his behalf, Michael Wilt.

MR. IRVINE: Okay. Great.

Sarah Mills?

MS. MILLS: Present.

MR. IRVINE: Martha Bagley?

MS. BAGLEY: Here.

MR. IRVINE: Penny Larkin?

MS. LARKIN: Present.

MR. IRVINE: Anna Sonenthal?

MS. SONENTHAL: Here.

MR. IRVINE: Jeff Williford?

MR. ACUÑA: Luis is here in lieu of Jeff Williford.

1 MR. IRVINE: Okay. Excellent.

2 Doni Green?

3 MS. GREEN: Here.

4 MR. IRVINE: Mike Goodwin?

5 MR. GOODWIN: Here.

6 MR. IRVINE: Amy Granberry?

7 (No response.)

8 MR. IRVINE: Felix Briones?

9 (No response.)

10 MR. IRVINE: Kenneth Darden.

11 REV. DARDEN: Present.

12 MR. IRVINE: Mark Mayfield? I know he's on
13 his way up.

14 MR. IRVINE: Kenneth Koncaba?

15 (No response.)

16 MR. IRVINE: Okay. So we have a quorum and
17 we're ready to start.

18 Has everyone had a chance to see the minutes
19 of the prior meeting? I'd entertain a motion to approve.

20 MR. GOODWIN: So moved.

21 MR. IRVINE: Anybody feel brave enough to
22 second?

23 MS. GREEN: Second.

24 MR. IRVINE: Second. Any discussion?

25 (No response.)

1 MR. IRVINE: Hearing none, we're ready to
2 vote. All in favor say aye.

3 (A chorus of ayes.)

4 MR. IRVINE: Any opposed?

5 (No response.)

6 MR. IRVINE: The minutes are approved.

7 Why don't we take a few moments for sort of
8 logistical issues and introductions. I think we've
9 introduced everybody pretty much around the table. How
10 about the folks around the side of the room, if you want
11 to say who you are and who you are here for.

12 (Audience introductions.)

13 MR. IRVINE: And let the record reflect that
14 Amy Granberry is present.

15 The way that we conduct this meeting is pretty
16 informal. Anybody who has a question, a comment, wants
17 to come to the table and participate, feel free. My only
18 requests are, one, that you actually come to the table
19 and speak close to one of these microphones so that your
20 remarks can be recorded and that you say who you're here
21 on behalf of.

22 Let the record reflect that Mark Mayfield is
23 also present.

24 That's pretty much all we've got by way of
25 preliminaries. And I see that item number 2 is not here

1 to tee it off yet, so let's jump to item 3. Spencer,
2 have you got an update on 811?

3 MR. DURAN: Yes.

4 MR. IRVINE: And let the record also reflect
5 deep appreciation for Mike Goodwin and donuts.

6 MS. RICHARD: Do you want to see who's on the
7 phone, Tim?

8 MR. IRVINE: Yes.

9 (Phone participant introductions.)

10 MR. IRVINE: Take it away, Spencer.

11 MR. DURAN: Thank you, Tim. Spencer Duran,
12 Texas Department of Housing and Community Affairs,
13 Section 811 manager.

14 I just have an update and a few announcements
15 about our program. First, Texas has signed the fiscal
16 year 2012 cooperative agreement with HUD to operate the
17 Section 811 program. The fiscal year '12 was the first
18 811 grant that we applied for. We were awarded in
19 February 2013 and it took all that time to now get our
20 cooperative agreement signed with HUD.

21 So as one of the largest states and also as a
22 state that was part of the original 13 who were awarded,
23 we did a lot of the heavy lifting to get the program kind
24 of whipped into shape to one that is workable with our
25 multifamily portfolio, including our Housing Tax Credit

1 program, and so now we're really excited to have that
2 agreement signed with HUD.

3 We've been moving along and developing the
4 program as if that was just a formality, and in a lot of
5 ways it was because we were just going to be pushing on
6 ahead getting our 811 program rolled out, but that is a
7 big milestone for the program.

8 So Texas, along with twelve other fiscal year
9 2012 grantee states, we worked together to ensure the
10 program would be responsible to each of our state's
11 unique needs and that the program complied with the law.
12 So essentially, going back to that 2012 award, Texas was
13 awarded \$12,340,000 for 811 activities, and we estimate,
14 it's a rough estimation, but we estimate that will give
15 us about 360 units across the seven participating
16 metropolitan statistical areas.

17 The second big announcement is we received
18 notice on March 3 that Texas has been awarded an
19 additional \$12 million under HUD's fiscal year 2013
20 round. So this is kind of all the years but this is the
21 years that HUD allocated the funds. So we were one of 25
22 states that was awarded under that subsequent FY '13
23 round. And again, it's a rough estimate, but we think
24 that we'll fund about 290 units, giving us a total
25 approximation of 650 units.

1 And I want to emphasize approximation because
2 we're serving downtown Austin all the way to the rural
3 areas in the Valley, so there's a huge difference between
4 the rents that are being charged all across all
5 participating MSAs and we don't know exactly what the
6 property participation and the actual tenant
7 participation is going to be and their distribution
8 around the state, also the income levels of the tenants
9 is a big factor. So it's going to be just kind of an
10 estimate at this point, but needless to say, we have a
11 good amount of funding, our program is progressing, and
12 we're really excited about moving the project forward.

13 To give you kind of an update as to what's
14 going on right now, we as a state put two points in the
15 Qualified Allocation Plan for the Housing Tax Credit
16 program and that has netted us a lot of interest in 811.
17 We will know which properties selected those two 811 QAP
18 points and also those that actually go their allocation
19 of credits in July. So at that point we'll have a good
20 idea of how much participation we got from the developer
21 community.

22 In addition, our TDHCA Board allowed for a
23 property to select the two QAP points and then defer
24 those 811 units onto existing properties in their
25 portfolio, so that saves us the ramp-up time for a

1 property to have to physically be constructed, so we hope
2 to start leasing up in August. We do have interest in El
3 Paso for three properties there and we're training
4 relocation contractors who are the people that are
5 referral agents who are the folks that refer people to
6 the 811 program. We'll be training them in May at in-
7 person training to make sure that everyone who is on the
8 ground who is working directly with the target population
9 has all the tools and training they need to successfully
10 refer people to the program.

11 Anna Sonenthal, along with all of our other
12 health and human services partners, DADS and everybody
13 else, has been doing a really good job at identifying
14 those local organizations, such as the local mental
15 health authorities or the DADS relocation contractors.
16 All of those individual organizations are going to be
17 creating the 811 applicant pipeline, so we want to get
18 them trained. We'll be doing the in-person training in
19 May.

20 So we've got our properties coming along,
21 we're going to have our local referral agents trained
22 soon, and hopefully we'll start getting tenants in units
23 very soon.

24 MR. GOODWIN: Are you opening it up to
25 existing properties that didn't submit new applications?

1 MR. DURAN: Yes. So if you go to the TDHCA
2 website under the programs section there's a series of
3 red tabs, and you click on programs, Section 811 is one
4 of those program tabs. On the web page under the
5 announcements section you can see where you click on the
6 announcements and then you can go to existing development
7 application. And the language on the left side is geared
8 towards those tax credit developers who are deferring
9 those units, but if you have a property that's
10 interested, please give me a call and we can talk about
11 it, and what I'll likely do is have you just kind of as a
12 pro forma activity just sort go and complete that
13 existing development application because that will give
14 me something to look at.

15 Because we have criteria that we set up to
16 make sure that properties are high quality, located close
17 to public transportation, newer construction, high
18 occupancy rates, so any existing projects, we want to vet
19 them to make sure they're good projects, but I would love
20 to do that.

21 MS. GREEN: So Spencer, with the new funds,
22 the fiscal year '13 funds, will the program structure be
23 the same in terms of the geographic scope, the priority
24 population?

25 MR. DURAN: Yes. We essentially just emulated

1 our 2012 program design. It's the seven largest MSA.
2 Also our health and human services partners, those are
3 areas that they can assure that services will be
4 available and it kind of saves us from having to
5 little --

6 MS. GREEN: Capacity building?

7 MR. DURAN: Capacity building. Thank you.
8 It's a lot more efficient for us to get those vouchers
9 out the door quickly if we have a lot of need, which we
10 know the urban areas do have a lot of need -- I'm
11 sorry -- those MSAs have a lot of need. The rural areas
12 that are in those MSA counties are still eligible.

13 MS. GREEN: Can people be considered outside
14 of those areas if they want to move into the area?

15 MR. DURAN: Yes. The only kind of obstacle to
16 that, you know, would be you have to apply through a
17 referral agent, and the reason that is in place is
18 because we want to make sure if someone moves into an 811
19 property that they do have those services available. The
20 referral agent knows their role in the program so the
21 communication, we need to have the service coordination,
22 so it's a closed kind of applicant pool. So you have to
23 be referred through a referral agent, so if that person
24 was able to get referred, even if they do live outside of
25 an eligible MSA but they wanted to move into an eligible

1 MSA, then I don't see any problem.

2 MR. GOODWIN: Is it correct you're not with
3 software yet in the property requirement? Because that
4 would seem to be the hardest.

5 MR. DURAN: Right. So Mike is asking a
6 question. So one of the issues with 811 is it's only an
7 issue if you are not used to doing project-based vouchers
8 or if you're operating just a regular non-blended tax
9 credit property. So in order for a property to
10 participate in the 811 program, they have to have access
11 to TRACS which is the HUD system where an individual puts
12 in an application to the property and that's called a
13 50059, and that contains all the basic information, the
14 income, demographic, household size, all of that, and
15 that has to be transmitted to HUD and then that's how
16 TDHCA will then make the payment.

17 So the question is a lot of properties across
18 Texas don't have access to TRACS already so that is an
19 issue that properties will have to do to participate.
20 But all of the big property management software companies
21 they're going to have a TRACS module that they could add
22 on, so it's an issue but we don't think it's an
23 insurmountable barrier.

24 In addition, we have recently hired Southwest
25 Housing Compliance Corporation to give us support on the

1 TRACS side of things, so if you know about all this
2 project-based voucher stuff, they are essentially a
3 performance-based contract administrator, so they're
4 going to be helping us and the properties process those
5 50059 vouchers.

6 MR. MAYFIELD: How different is this than just
7 your basic housing choice voucher program?

8 MR. DURAN: It's pretty similar to a housing
9 choice voucher program in that there has to be a
10 calculation of the subsidy. So if you're just a tax
11 credit property you charge a fixed rent, but with this
12 voucher program, like other voucher programs, you have to
13 calculate the tenant's portion of rent, the gross rent
14 and then the subsidy amount, so the calculation is a
15 little bit different in that regard.

16 It's also different than the Section 8 Housing
17 Choice Voucher program in that these vouchers are not
18 portable, so TDHCA signs a contract called a rental
19 assistance contract, or a RAC, with the property and that
20 property will say we're going to pledge ten units to
21 participate in 811, and so within those ten units, as
22 vacancies occur we'll be filling those units with new
23 households. So these are project-based vouchers, they're
24 not portable vouchers like Section 8 Housing Choice
25 Vouchers are.

1 MR. MAYFIELD: I'm just trying to think, I
2 remember last meeting this was talked about and our
3 organization runs a housing choice voucher program in the
4 Marble Falls Housing Authority and I was just trying to
5 think about eligibility. What makes a program or a
6 property eligible for these?

7 MR. DURAN: A property is eligible if you're
8 monitored by TDHCA, that's basically it. If you're also
9 in one of the MSAs, it's just geographically -- you have
10 to be in one of the seven MSAs, but essentially the
11 property itself would be if it's monitored by TDHCA.

12 MR. IRVINE: Can you come up to the table so
13 that the microphone can pick you up?

14 MS. RICHARD: Can you go by where the donuts
15 are?

16 MS. MURPHY: Sure.

17 MS. RICHARD: I know you won't eat any.

18 (General laughter.)

19 MS. MURPHY: Mark, as a landlord I think your
20 experience as a property owner participating in 811 is
21 going to be remarkably similar to accepting a housing
22 choice voucher from the local housing authority.

23 MR. IRVINE: We're very fortunate to have
24 Spencer managing this program, and what's your phone
25 number?

1 MR. DURAN: Well, I'll give my email address
2 and all my contact information out to everybody. I'll
3 make sure that everyone has it.

4 MR. IRVINE: Great resource and he's really
5 very, very helpful.

6 Is that the extent of your presentation?

7 MR. DURAN: Yes. I could talk about this all
8 day long, so if anybody has any questions.

9 (General laughter.)

10 MR. IRVINE: Well, that's a nice segue to
11 Patricia Murphy, our chief of compliance, who is now
12 going to give us sort of an overview of compliance
13 issues, and I think kind of focus on some of the aspects
14 of compliance that are of interest and importance to this
15 group.

16 MS. MURPHY: So I'm going to go over kind of
17 an overview of the area of TDHCA that does the compliance
18 monitoring, and I know some of you are quite familiar
19 with the compliance division.

20 So within the compliance division there's four
21 different sections. There's a section that does contract
22 monitoring, that monitors like our Amy Young Barrier
23 Removal program, like our Tenant-Based Rental Assistance
24 program, first-time homebuyer programs, those types of
25 activities. There's also a section of the compliance

1 division that does the monitoring for our community
2 affairs programs, like our CSBG and our utility
3 assistance programs, our weatherization programs.

4 And then mainly I'm going to focus on the
5 other two areas of the department that oversee monitoring
6 for our multifamily portfolio. So there's a section of
7 the compliance division that's responsible for physical
8 inspections, and there's another section of the division
9 that's responsible for monitoring the leasing activities
10 of our properties that have participated in our
11 multifamily programs.

12 So the physical inspection section, they get
13 involved when the property has completed construction.
14 So a property is awarded funds, they generally have about
15 two years to complete construction or rehabilitation, and
16 prior to their final draw or their 8609 or final signoff
17 from the department, our staff goes out and does a final
18 construction inspection, and we ensure that all of the
19 amenities that they committed to are present. So if they
20 say they're going to have a swimming pool and a tot lot
21 and a tennis court or whatever they're going to have, we
22 make sure that all of that is there.

23 In addition, we make sure that the property is
24 physically compliant with accessibility requirements, so
25 percentage of the units have to be equipped for persons

1 with disabilities, and the common areas, the leasing
2 office, the facilities and the amenities, they all have
3 to be accessible for persons with disabilities. So we do
4 a detailed construction inspection to review to make sure
5 all of that is in compliance before having a final sign
6 off on the property.

7 In addition, the physical inspection section
8 of the department at least once every three years
9 conducts what's called a Uniform Physical Commission
10 Standards inspection, a UPCS, and that's really a
11 habitability inspection. So they go into 20 percent of
12 the low income units and they look at the carpet, they
13 check the paint on the walls, they check the gaskets on
14 the refrigerators, make sure the toilets flush, there's
15 no cracks in the windows, they do a detailed habitability
16 type of an inspection. So that's kind of the physical
17 inspection area of our division.

18 The compliance monitoring section, at least
19 once every three years that staff goes out and they do a
20 sample of 20 percent of the low income resident files,
21 and they review those files to make sure that the
22 households are income eligible and their income is
23 documented as below the applicable income limits. They
24 make sure that the rent that's charged the households is
25 less than the applicable limits. They make sure the

1 property owner has a correct utility allowance in
2 place -- which I could go into more detail about that if
3 you're interested.

4 They make sure the property is doing
5 affirmative marketing, providing social services, that if
6 they've agreed to lower income and rent tiers, like if
7 they said we'll lease ten units to 30 percent households,
8 they make sure that all of that is happening as well.
9 There's a variety of other things they monitor for like
10 some of our properties have to have a nonprofit
11 materially participating, and if it's a property that's
12 subject to that requirement, they check that as well.

13 For any type of a monitoring event, whether
14 it's the construction inspection, the UPCS inspection or
15 the file review, if there are findings of non-compliance
16 the owner is notified in writing and provided a 90-day
17 corrective action period. So they have 90 days to
18 establish that they were in compliance, that there was
19 some sort of a mixup of they got more check stubs and the
20 person does qualify or something to clarify that they are
21 in compliance or get back into compliance.

22 At the end of that 90-day period, if indeed
23 the property was out of compliance with the program's
24 requirements, for the Housing Tax Credit program, if it's
25 a federal requirement -- on our properties through our

1 Qualified Allocation Plan that Spencer was just talking
2 about we impose some state requirements, so those things
3 are one issue -- but any federal non-compliance, like the
4 households are not income-eligible, the rents are over
5 the limits, the property is not suitable for occupancy,
6 those types of issues are reported to the Internal
7 Revenue Service on what's called Form 8823, and then it's
8 up to the IRS to determine if the property claimed the
9 tax credit and is going to have to pay that money back.
10 So that's kind of how that monitoring piece works for the
11 Housing Tax Credit program.

12 In addition, for all types of non-compliance
13 for all types of programs that we oversee, if at the end
14 of that 90-day period the owner has not responded or has
15 not complied with the required corrective action to
16 implement their social services or do their affirmative
17 marketing, or whatever they're supposed to be doing, and
18 they don't resolve their issues, we refer the property
19 owner to an internal enforcement committee that has the
20 ability to assess administrative penalties if the owner
21 refuses to come into compliance. So that's also a pretty
22 effective tool in getting compliance with our properties.

23 One other piece that's an important piece of
24 an overview about the compliance division is that when
25 someone applies for funding through TDHCA, we do kind of

1 like a background check on them that we call a previous
2 participation review. So Mark is a participant in our
3 program so if he applied for additional funding from us,
4 we take a look at his performance so far in our programs
5 to see how has it been going. And for owners that have
6 issues that are unresolved or they failed to come into
7 compliance or they're not responding to compliance
8 notices -- which is not Mark, but other owners we have
9 some -- that are in that category, then that gets taken
10 into consideration before we do repeat business with
11 someone. That's kind of an important function that the
12 compliance division plays as well.

13 So that's kind of a down and dirty overview of
14 what we do, and I'm not sure if there was something more
15 specific that this group was interested in hearing about
16 or something that I can go into more detail about.

17 MS. GREEN: Since our concern is with service-
18 enriched housing, I'd be interested in hearing more about
19 how you review for I think you said social services, and
20 it sounds like most of the review -- perhaps all of the
21 review is based on physical inspection and file review.
22 Do you interview residents to determine if they have
23 access to long-term services and supports? How
24 specifically do you monitor for the social service piece?

25 MS. MURPHY: Great. So every property that we

1 monitor has a recorded land use restriction agreement, so
2 it's a deed restriction on the property and it specifies
3 what that property owner has agreed to do. So before we
4 go out to monitor, we review their land use restriction
5 agreement and if it requires social services, we make
6 sure that those services are being provided. And
7 typically on most of our properties the services are not
8 the type of things that this 811 program is going to
9 provide; those services will get monitored through the
10 provisions in the 811 program.

11 But a more typical social service activity on
12 a tax credit property is something like an after school
13 program, that kind of thing is a very common requirement
14 for one of our tax credit developers. So we monitor that
15 not necessarily by interviewing residents but while we're
16 there doing the file review you notice when school gets
17 out an activity center opens and kids come streaming in
18 and there are services being provided. So we actually
19 witness that kind of thing.

20 In addition, our property owners are required
21 to maintain documentation, so for example, let's say a
22 property owner has agreed to provide financial literacy
23 services, so we would make sure that they have
24 documentation that they have someone come in and provide
25 credit consumer counseling classes, that they advertise

1 that service to their residents, in addition, they have a
2 sign-in sheet to show who attended that kind of service
3 and seminar. So that's the more typical kind of social
4 services that we're monitoring for and the types of
5 documentation that we see.

6 We do on occasion receive complaints from
7 tenants that say, you know, when I moved in here it was
8 presented to me that there would be after school care
9 available and it's not. One requirement in our rules is
10 that they must notify the tenants of what services
11 they're required to provide. That's a form that's given
12 to the household at the time they sign their lease so
13 they know I've agreed it's both amenities and services, I
14 have agreed to provide these services, so that if they're
15 not being provided the tenants know I'm supposed to have
16 access to a first-time homebuyer program, or whatever it
17 is, and they have our contact information to call and let
18 us know it's not happening.

19 Does that answer your question?

20 MS. GREEN: It does, although my interest is
21 more in the long-term services and supports for folks
22 with disabilities, so I'm interested in whether residents
23 have access to home-delivered meals if they need them or
24 home health or attendant services. And I think the
25 concern is that -- and I'm not as familiar with the

1 application process as I should be, but I think in some
2 cases developers will say I will collaborate with Agency
3 XYZ to ensure that our tenants are connected with social
4 services that may be valuable to them, and I think it's
5 really difficult to monitor for compliance with those
6 types of issues because you wouldn't be posting an event,
7 you would need to have some kind of collaboration with
8 essential agencies, and I'm not sure how you would get to
9 that without talking with residents who may be in need.

10 MS. MURPHY: There's about 2,000 properties in
11 our portfolio and there are not many that have committed
12 to and are required to provide that type of service.
13 That's kind of more of our supportive housing. So for
14 those particular properties we do find that the housing
15 provider is very mission-oriented and they have good
16 documentation and I get a vibe that those services are
17 happening and being provided, but a more typical housing
18 tax credit property owner is not providing that kind of
19 service.

20 MR. IRVINE: I would say that the basic
21 structure that we use is people are competing for tax
22 credits and they say I'll provide all these specific
23 amenities and I'll provide these specific services, and I
24 get points for doing those kinds of things, and I've
25 committed to you that if you give me tax credits, this is

1 what I'm going to do. And if they win they get an award,
2 and then we reduce that agreement, their commitment to a
3 land use restriction agreement. It's a recorded legally
4 enforceable document -- even tenants can enforce it
5 directly.

6 And what we monitor for is are you complying
7 with your commitment as evidenced in your land use
8 restriction agreement. That level of monitoring and
9 scrutiny I think involves sort of a range of common sense
10 like somebody says I'm going to provide this particular
11 service and the way that they provide that particular
12 service is they've got a couple of pamphlets sitting
13 around in their lobby that refer you to some third party
14 that might provide that service, that's not providing
15 service. We want to see something specific that you're
16 doing, we want to see records that document that you're
17 actually doing it.

18 So that's the way that we approach that. I
19 don't think that we get into are you doing it the best
20 possible way or whatever, we're just looking at did you
21 substantively do what you committed to do. And because
22 tenants receive the notices that Patricia described, if
23 they don't feel they're getting what is required, they
24 can make a complaint to us and we'll go look into it.

25 Sometimes people make commitments that they

1 committed to something that really wasn't practical, and
2 we do from time to time entertain requests where somebody
3 said I agreed to provide this service and I want to
4 substitute some different service for that. And as
5 tenant mixes change, as local providers change, as all
6 those kinds of things change, we will consider those
7 requests, but effectively, they've still got to do the
8 things that support that they're upholding their end of
9 the deal.

10 MS. GREEN: And maybe my interest is beyond
11 the scope of the current QAP. I don't know if points are
12 awarded for those kinds of things.

13 MR. IRVINE: I think it really is. I think
14 we've got, as Patricia said, some mission-driven
15 providers, I think there are probably some of them in
16 this room right now, and they do lots of things that go
17 way above and beyond what their LURAs have in them.

18 Come on up. Pull up a chair there on the
19 corner by Sarah where you can reach that microphone.

20 MS. FINE: I'm Tracy Fine with National Church
21 Residences, and we have a decent presence here in Texas.
22 We have 23 senior properties. We employ a service
23 coordinator that does an enormous amount of connecting
24 services to our residences. When we are trying to
25 preserve those properties we partner with hospitals to do

1 onsite physical health support services and a variety of
2 services. But for those of us that are interested in
3 supporting projects that are heavy in supportive
4 services, I do recommend thinking about how you can
5 advocate to see that in a QAP. The current QAP really
6 does not benefit developers that are heavy in services as
7 it's currently written.

8 MS. MURPHY: Well, I guess I feel a tiny bit
9 obliged to chime in and caution that the IRS has some
10 specific rules about what kinds of services can be
11 provided, and the building owner, if they are providing
12 medical services it doesn't qualify as residential rental
13 housing.

14 MS. GREEN: And that's not what I'm looking
15 for. I'm just looking for a source of connection.

16 MS. MURPHY: Right.

17 MR. GOODWIN: Doni, I think 811 is what I'll
18 say is a stretch for TDHCA, it's a new era of the types
19 of services that will be provided under their mantel.
20 Before the things that Patricia has been talking about
21 are after school programs, homework programs, financial,
22 not the deep services like you're talking about. And I
23 think there's some legal issues that may arise because
24 back in the day 811 was the only program in which a
25 property owner could discuss or inquire of specific

1 disabilities. Although we had disability apartments and
2 units, you were forbidden from inquiring. If somebody
3 says I have a disability, there are steps you can go
4 through for verification, but in the 811 program in order
5 to provide the correct connections, you do have the
6 ability to inquire, and then, in fact, are required to
7 meet the requirements of the program to have the
8 connection with the services.

9 MS. GREEN: And that's not necessarily what
10 I'm shooting for but we've worked with properties that
11 have service coordinators and they make all of the
12 difference in the world, and it's not a matter of saying
13 to a tenant do you have a disability, it's just saying if
14 you have concerns about bills, preparing food, getting
15 around in your home, I can help. And it sounds like
16 there aren't really points associated with that.

17 MS. FINE: There are not points associated
18 with that. That's something that National Church
19 Residences is going to really advocate for. I think
20 there's been such an emphasis on trying to respond to
21 litigation -- I'm sure you're all familiar with that --
22 but I think some of the biggest things have gotten put to
23 the side to respond to the lawsuit. And National Church
24 Residences is going to be advocating to benefit
25 developers that have service coordinators that really

1 focus on the resident as opposed to the developer or the
2 census tract that the project is in. We hope to see that
3 needle move; we'll see what happens.

4 MR. MAYFIELD: I kind of sense that you're
5 asking a lot about where the rubber hits the road in
6 delivery of services and things, and I'll tell you, it's
7 very difficult out in rural areas. We do have service
8 coordinators within our staff, and trying to get out to
9 some of these remote areas and these services being
10 promoted in these remote areas is extremely difficult. I
11 mean, we provided a space in Llano County that they moved
12 out of. It was free to them just to be able to get to
13 the people and now the people in Llano County have to go
14 to Burnet County for this service, no public
15 transportation. And it's just extremely difficult to try
16 to do that in rural areas, this is a big state.

17 (Chatter from phone participants.)

18 MS. RICHARD: Excuse me. Those of you on the
19 phone, if you wouldn't mind please mute your phone.
20 Please don't put us on hold, but mute your phone. We
21 sure would appreciate it. Thank you.

22 MS. GREEN: And I realize how complex the QAP
23 process is. I'm still trying to process your
24 presentation; maybe this time next year I'll get it. But
25 I think if we really want to encourage developers to

1 offer service-enriched housing that some incentives would
2 be really helpful, particularly around that service
3 coordination piece, not that that person would go in and
4 give someone a bath but would be familiar with what
5 Medicare covers under these conditions, what Medicaid
6 covers under these conditions, and just help them tap
7 into those programs upon request, make them more readily
8 accessible on a voluntary basis.

9 MR. IRVINE: I would say that this is a never-
10 ending process building a better QAP, and it's not
11 something that happens exclusively in that late
12 summer/early fall time when we're intensely engaged in
13 drafting, it's something that happens all year long.
14 I've been working on drafting things for the next QAP
15 already. You know, sit down and wish and dream and get
16 your word processor out and put something together that
17 says I think people ought to get points for doing this,
18 and be as specific as you want.

19 I mean, for example, having somebody onsite as
20 a resource during normal business hours is one thing,
21 having somebody onsite as a case management person that
22 would be an optional person for tenants to access on a
23 24-7 basis would be a completely different thing. One
24 might get one level of points and one might get another.
25 So I'd say start getting specific and we'll look at

1 dialing it into the draft QAP.

2 MS. SONENTHAL: I just had a question to
3 understand the QAP process. So just what you guys are
4 saying, because you said there's specific requirements
5 for what's considered residential services, could someone
6 potentially get more points if they were partnering with
7 a social service organization, if they have like MOUs
8 with agencies so they're not necessarily providing it but
9 in the QAP they would get extra points because they're
10 partnering with service-enriched providers?

11 MS. MURPHY: Potentially, yes.

12 There's one more thing I would say. Our
13 housing developers are in affordable housing for a
14 reason, and even without the incentive or the
15 requirement, they're a good bunch of folks and they want
16 to collaborate and coordinate. So even before you get
17 something in the QAP, if we can express and tell owners
18 this is how you can coordinate and collaborate with
19 service providers in your area, they would be excited to
20 know that. All of our properties are required to do
21 marketing and outreach to persons with disabilities, and
22 as Mark was saying, it's hard to find where do I go to
23 find these services. So as much as we can get that
24 information together, we do a regular training for our
25 housing tax credit property owners and we have a session

1 on supportive services and people want to coordinate and
2 collaborate and comply, not just because they have,
3 because that's where their heart is. They went into
4 affordable housing because they want to do affordable
5 housing.

6 MS. SONENTHAL: I'll give you my contact
7 information because they're literally all over the State
8 of Texas and we'd do well to know about that.

9 MS. MURPHY: So that's a great example. Like
10 one of our properties might send a letter saying I want
11 to let you know we have units available that are equipped
12 for persons with disabilities and we want to let people
13 know about this, and it's not getting into the right
14 person's hands, you know, kind of thing. But they would
15 be happy to have information about how to collaborate and
16 coordinate before it's even a requirement.

17 MR. IRVINE: Questions?

18 MR. MAYFIELD: Again, it's some of the
19 unintended consequences of the QAP that Tim very much
20 understated. It's a constant work in progress, it is
21 constantly evolving, and the unintended consequences that
22 come. And of course, scoring is competitive and you try
23 to keep it to where some of the urban areas that have an
24 abundance of these services that can be tapped into. You
25 get out into the rural areas where that service is not

1 there, you can't say you're going to provide this service
2 and try to qualify for the point to provide that service
3 if the capacity to provide the service that's been
4 represented is not there.

5 We work with developers, we're not a
6 developer, we work with developers and there's a lot of
7 pushback sometimes of this because if you take these
8 provision of services seriously within your organization,
9 most of our developments are in rural areas and these
10 rural areas are sometimes hard to have these services
11 available at the level that you sign off on, and it's a
12 tough deal.

13 MR. IRVINE: That rural issue is really
14 important, and one thing you should understand as you go
15 back and brainstorm about ways you might suggest changing
16 the QAP is we do have urban and rural set-asides within
17 each service region. So you can have point structures
18 that have some differences and it's appropriate.

19 There's also more than one way to approach
20 these issues. Certainly the issue of competitive scoring
21 items is probably the most direct thing that most people
22 gravitate to, but then there's also the issue of what are
23 reasonable, not excessive threshold requirements. Should
24 every development have some minimum capacity in place
25 because they're all required to serve the entire

1 community.

2 So if you want to talk about it with us
3 outside the room and brainstorm about it, we're glad to,
4 but we really do encourage you coming up with ideas.

5 MR. WILT: I have one more question, Tim.
6 Michael Wilt, Texas State Affordable Housing Corporation.

7 What percentage of properties fail to correct
8 or respond int that 90-day window and are referred to
9 that enforcement body?

10 MS. MURPHY: Pretty small. I don't have a
11 percentage off the top of my head.

12 MR. WILT: Is there a numerical number on a
13 yearly basis, roughly?

14 MS. MURPHY: We could certainly gather that
15 data, I wasn't prepared to answer that.

16 MR. WILT: That's fine.

17 MS. MURPHY: On the Department's website under
18 the Board tab there's all the agreed orders that have
19 gone through the administrative penalty process and have
20 been through that process, and those are ones that
21 actually resulted in an agreed order. Most properties
22 actually end up correcting their issues as soon as they
23 get a letter from the legal department saying you need to
24 come in, and they jump right on it and fix whatever they
25 need to do.

1 And other people that have an issue that they
2 know they have an issue and it's going to take them an
3 extended period of time to get themselves back in
4 compliance, and so that committee is able to negotiate an
5 agreement with them about what are reasonable milestones
6 for fixing whatever issue you have kind of function
7 there.

8 MR. WILT: Thank you.

9 MS. MURPHY: Sure.

10 MR. IRVINE: Any more questions?

11 (No response.)

12 MR. IRVINE: Well, incredible resource.
13 Patricia is known nationally as one of the leading
14 experts on tax credit compliance, and she's in this
15 business because she's committed to it too.

16 MR. MAYFIELD: Sometimes we say she's thorough
17 to a fault.

18 (General laughter.)

19 MS. MURPHY: That's my job.

20 I'm going to leave some cards by the door and
21 I'm going to go back to work. Thank you.

22 MR. GOODWIN: Tim, in your defense, I would
23 remind people of the parable of a racehorse was what he
24 originally designed and then when the committee got to it
25 and started to vet it, it turned into an elephant because

1 you wanted stronger feet and you wanted a longer reach
2 and you wanted a tail to fan things around a little
3 better. He has to have some leeway too to make the
4 racehorse work.

5 MR. IRVINE: You know, somebody here said -- I
6 don't remember who it was -- that 811 was kind of a
7 turning point, and I think that the way that we have
8 historically thought about these kinds of issues needs to
9 undergo a change, and we are probably one of the people
10 that legislature and others look to as ground zero to
11 lead that effort and come up with good ideas. So I
12 really encourage that kind of effort and thinking.

13 Okay. Time for an update on staff activities.

14 MS. RICHARD: Wanted to give you all a quick
15 update that I'm earning my keep, trying to support this
16 council, and so I just wanted to give a quick update.

17 You know, several meetings ago we had the
18 Technical Assistance Collaborative create training
19 materials and you all talked about how we could use those
20 training materials and it was in a variety of ways, and
21 so we created some videos, some housing 101 videos, but
22 then there was also some in-person face-to-face training.
23 And so I've always seen it as my role to help inform
24 housing folks about services and services folks about
25 housing, and so I just wanted to give you a quick update:

1 the word is getting out that we have those training
2 materials and that we're available.

3 So I've kind of been out and about and Doni is
4 getting ready to go out and about and do some training.
5 So one of the things that we have done is we've
6 participated in housing panels. Megan and I went to
7 Dallas. There were a number of folks in the room, all
8 trying to put their heads together on how to create more
9 affordable housing up in the Dallas area, so we did a
10 presentation using the training materials to really try
11 to educate folks about housing.

12 I have done relocation specialist training at
13 the invite of DADS folks and the Aging and Disability
14 Resource Center folks. And kind of to follow up with
15 what Patricia was talking about, the developers knowing
16 more about those resources that are available, and so one
17 of the things that the housing navigators that are with
18 the Aging and Disability Resource Centers are doing is an
19 inventory. And so one of the things that I have been
20 really trying to get the word out is about our vacancy
21 clearinghouse which is a listing of all of our
22 properties. And so I said the inventory, it would be
23 great to start with the housing tax credit properties and
24 so that is a way to be able to reach out to the
25 properties, in addition to the properties reaching out to

1 services, so really trying to get folks communicating.

2 I don't know how many of you have heard about
3 Club Houses. They're all over the world, and there is
4 one that is here in Austin and it's particularly for
5 people with serious mental illness. It's an organization
6 that's run by people with mental illness, and so I went
7 and did a presentation for them. I know that they are in
8 the process of trying to get additional Club Houses.
9 They provide employment services, they help people find
10 housing, they do a number of things to try to support
11 folks. And it's typically a day program where they go,
12 they have computers and a lot of different resources. So
13 I went and talked to them about housing resources.

14 I know, Doni, you shared with me that the
15 State Plan on Aging that DADS does includes training
16 about housing. I don't remember what year, but they have
17 a plan to try for us, TDHCA, to do some training on
18 housing.

19 I've been trying to follow the Sunset bills,
20 as challenging as that has been for all my agencies, to
21 try to look at how things may change or may affect the
22 council with the sunset of all the health and human
23 service agencies.

24 And then also participating in Senate Bill 7
25 that was from the 83rd Legislature, and that was a bill

1 that directed DADS to look at redefining the system for
2 persons with intellectual and developmental disabilities,
3 so I've been doing some housing education in that group.

4 And then I went to the 2-1-1, it's called
5 TAIRS, the Texas Alliance of Information and Referral
6 Services, and had a housing booth there where I was able
7 to give out information about housing.

8 We met with Senator Nelson's office the day
9 after the meeting we had in January and talked to her
10 staff person about the request for proposal that we're
11 getting ready to go out and do to replicate the Housing
12 and Services Partnership Academy. I wanted to let you
13 know that's been drafted, it's with our contracting
14 folks, and so that should be released within the next
15 couple of weeks. And what we included is what we had
16 discussed at the January meeting, it's not only to
17 replicate the partnership academy that was the onsite
18 day-and-a-half training, but also to provide pre and post
19 and to do some of the followup. And I think Tim and
20 several folks suggested also to reach out to the 16 teams
21 that came to the 2013 academy to see where they are and
22 to provide some additional technical assistance for those
23 folks. So we hoping that the request for proposal will
24 go out in the next few weeks.

25 I also played videos at the State Independent

1 Living Council conference that they had here in Austin.
2 There were over 300 people, and I think almost every one
3 of them stopped by the booth because it was very busy,
4 and we were able to set up and play the videos and we got
5 the word out about the videos.

6 And what else? Starting to do research for
7 the 2016-17 biennial plan, so just wanted to give you an
8 update on a few things that I'm doing to try to support
9 all of you. So if you have any other suggestions,
10 recommendations, things that you'd like for me to do, let
11 me know.

12 MR. IRVINE: Thanks. I actually had an idea
13 that sort of drifted into my mind while you were
14 presenting that, and it was suggesting what we've been
15 talking about with regard to Patricia's presentation and
16 the suggestion from the National Church Residences about
17 some changes in the QAP. Virtually everybody who is
18 onsite management at a tax credit property has been
19 through Patricia Murphy's famous First Thursday training.
20 That's the training where we tell you this is what you
21 need to have in your file, this is how you income qualify
22 somebody, this is how you calculate utility allowances,
23 this is how you do all that stuff.

24 And I think it would be very cool if we could
25 partner with some of our health and human services

1 agencies to develop a very similar type of training for
2 the exact same people where they might not necessarily
3 become a professional level resource for these kinds of
4 services that Doni was talking about, but they would at
5 least be equipped with a binder of resources and an
6 awareness of these kinds of things where they could be
7 available to help tenants. You know, if somebody comes
8 and says I need help with X, Y or Z, and they say we
9 understand that, we've got a local resource. Or you
10 know, to Mark's point on the rural situation, we don't
11 have a local resource, the closest resource might be in
12 Georgetown or whatever.

13 I think it would be really cool to come up
14 with that kind of training, and maybe instead of
15 providing it over at Housing and Community Affairs, we
16 could provide it over here as something that's more
17 health and human services focused.

18 That's all I've got.

19 Okay. The legislature is in session again,
20 what, 53 days to go, but who's counting?

21 (General laughter.)

22 MR. IRVINE: We have a lot of bills that are
23 moving forward that certainly impact our agency. I think
24 the preponderance of them result from desires to modify
25 aspects of our housing programs, especially the tax

1 credit program and the HOME program. They're all
2 beginning now to make their way into committee hearings.
3 All the bills we've seen so far have been House bills,
4 we've not really seen any of the Senate bills move.

5 The bills that we are tracking are in the
6 packet. Right?

7 MS. RICHARD: No, they weren't.

8 Mr. IRVINE: If anybody has questions about
9 the bills that we're tracking, feel free to call and we
10 can certainly tell you about them.

11 Anybody got anything of interest or note
12 that's happening in your legislative worlds?

13 MR. GOODWIN: We're still trying to get ours
14 elected in San Antonio.

15 MR. IRVINE: By the way, I met one of your new
16 reps yesterday, was it Bernal? Sharp, sharp guy, very
17 impressive.

18 MS. SONENTHAL: I don't have necessarily a
19 legislative update, but I want to just give you a heads
20 up. We're applying for the CABHI state grant, and I
21 forget which organizations or which committees I'm
22 talking to about this.

23 MS. RICHARD: We had an acronym.

24 MS. SONENTHAL: CABHI, Cooperative Agreement
25 to Benefit Homeless Individuals. But it's basically

1 services and it will be for already existing outreach and
2 substance abuse providers for wraparound kind of
3 intensive housing services for homeless individuals, or
4 not necessarily homeless but individuals who are in
5 jeopardy of losing their housing. Anyway, it could be a
6 really great thing. We'll find out if we get awarded,
7 I'm sure, towards the close of session, and if we do,
8 then I'll have our lead at DSHS come here and explain it
9 to you guys so that you know about it.

10 MS. RICHARD: It was due this week. Right?
11 So you should hear within a few months.

12 MS. SONENTHAL: Yes, hopefully. I'm guessing
13 by May SAMHSA will let us know what the awards are. My
14 interest in it is at the sites that will subcontract with
15 there will be a dedicated SOAR specialist which is
16 something really cool that I've been working with THN to
17 try to get in the State of Texas. So yes, it would be
18 great if we get it and would love to have our lead update
19 you guys on it.

20 MS. RICHARD: Thanks, Anna. A dedicated what
21 kind of specialist?

22 MS. SONENTHAL: SOAR, S-O-A-R. It's SAMHSA's
23 kind of method for people who are homeless and usually
24 mentally ill to apply to get benefits. It increases
25 their chances to get benefits dramatically. There's lots

1 of data just nationwide about it, and so a lot of people
2 are trained in it in the State of Texas but they're not
3 currently doing it because they're not getting paid to do
4 it and it's a very long process. And so to remedy that
5 would be great if people were being paid to actually do
6 SOAR applications, if that was their job, and with a
7 CABHI grant we would be able to do a pilot because there
8 will be SOAR specialists at all of those sites.

9 LAURA: I'm Laura, I'm subbing in for Penny.
10 She probably mentioned she had to leave early.

11 She asked me in regards to what DADS is
12 tracking to share with you bills that may be of interest
13 to the committee. So I'll just kind of rattle them off
14 with just a brief description.

15 HB3971 relating to the provision of notice by
16 DADS to neighborhoods in which certain group homes are
17 located to protect the safety of the residents of those
18 group homes.

19 HB607 relating to the creation of the State
20 Supportive Living Center Realignment Commission.

21 HB967 relating to a pilot project to evaluate
22 the use of radio frequency identification technology to
23 transmit information regarding residents of certain group
24 homes.

25 HB1136 relating to the creation of the

1 Transportation Safety and Access Advisory Committee.

2 HB1260 relating to creation of rule of
3 Department of Aging and Disability Services of a schedule
4 of support services that an SSLC may provide any
5 applicable fee for those services.

6 HB1541 relating to peer specialists, peer
7 services and the provision of those services under the
8 medical assistance program.

9 And finally, two more, 1809 relating to the
10 creation of an Employment First Task Force advisory
11 committee, and HB2283 relating to entities exempt from
12 regulation as a boarding home facility.

13 MS. RICHARD: Laura, don't we already have an
14 employment first task force?

15 LAURA: We do. I glanced at it briefly. I
16 don't remember all the specifics, I think it changes some
17 of the scope and the uses of it. Yes, we definitely do.
18 SB1226 was the last session creating an Employment First
19 Task Force and so I'd have to look side by side at the
20 differences, but yes, we definitely do.

21 MS. BARNARD: We do have one bill that we're
22 tracking that may be of note. Senate Bill 1408 is
23 providing state funds to mirror the CDBG program, and the
24 reason I bring it to your attention is it calls out
25 almost all of the eligible -- the commonly requested

1 eligible CDBG activities but it does not mention housing.

2 MR. WILT: Michael Wilt, Texas State
3 Affordable Housing Corporation.

4 Like Tim, we're tracking a slew of bills.
5 There's only one that specifically names us, SB1636 by
6 Lucio, and would set up a program for demolishing unsafe
7 manufactured homes and providing financial assistance for
8 the purchase of new manufactured homes. It's in
9 committee.

10 MR. ACUÑA: Luis Acuña with the Texas Veterans
11 Commission.

12 Our Housing for Heroes grant program is
13 continuing at the same funding levels, so that was
14 through House Bill 1, and the Senate version is the same
15 way, so we expect it to continue going forward through
16 the next fiscal biennium.

17 MS. RICHARD: Is that the Funds for Veterans
18 Assistance?

19 MR. ACUÑA: Yes. Underneath the funds is the
20 Housing for Texas Heros. The grant gives four different
21 funds and one of them his Housing for Texas Heroes.

22 MS. RICHARD: But the bigger overarching is in
23 your base. That's great.

24 MR. ACUÑA: And there's also some other bills
25 that are trying to increase the opportunities for people

1 to donate to the fund, so the amounts could go up.

2 MR. IRVINE: So does anybody want to meet
3 again in three months?

4 MS. RICHARD: Sarah, did you have anything?

5 MS. MILLS: We have thousands of bills.

6 MS. RICHARD: I just wanted to make sure you
7 had an opportunity. And Martha, I think we've left you
8 out too.

9 MS. BAGLEY: Well, I mean, I could tell you
10 our tale of woe, but I don't know what it has to do with
11 housing necessarily. We may not be an agency by 2017,
12 DARS may not, so there you go.

13 MR. IRVINE: I'm sure the work will continue.

14 MS. BAGLEY: Yes, in a different venue.

15 MR. IRVINE: Anybody else?

16 (No response.)

17 MR. IRVINE: When is our next meeting?

18 MS. RICHARD: July 8.

19 MR. IRVINE: July 8. Excellent.

20 (General talking and laughter.)

21 MR. GOODWIN: Same time, same place?

22 MS. RICHARD: It's usually a different place.

23 I go right after this and reserve a meeting room but
24 sometimes I still can't get it, but I'll let you know.

25 MR. IRVINE: This is a great facility, I like

1 this.

2 MS. RICHARD: I usually can get somewhere here
3 in the Brown Heatly.

4 MR. IRVINE: Thank you all so much.
5 Seriously, you know my phone number, you know our staff's
6 phone numbers, our email addresses. I would really love
7 to see the energy continue between now and July 8 and I'd
8 love to talk through some ideas to move our tax credit
9 program to the next level.

10 We're adjourned at 11:10.

11 (Whereupon, at 11:10 a.m., the meeting was
12 concluded.)

