TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOUSING AND HEALTH SERVICES
COORDINATION COUNCIL MEETING

TDHCA
Room 116
221 East 11th Avenue
Austin, Texas

October 18, 2017
10:03 a.m.

COUNCIL MEMBERS PRESENT:

TIMOTHY IRVINE, Chair
DONI GREEN, Vice Chair
LINDSAY BAERWALD
SUZANNE BARNARD
BRADLEY BARRETT
REV. KENNETH DARDEN
JESSICA HISSAM
VERONICA NEVILLE
MICHAEL WILT
ELIZABETH YEVICH

I N D E X

P R O C E E D I N G S

MR. IRVINE: For the record, I am Tim Irvine with Texas Department of Housing and Community Affairs, and I will I guess be more of an MC than a chair, since this is not an official meeting.

For those of you who are new here, we welcome you. This is a meeting where we always encourage participation. The only requirements for participation are, one, that you come to the table so that the microphones can pick up whatever you are saying and it can get recorded; and two, is that you provide your name and on whose behalf you are speaking, so that the record will reflect accordingly, whose views we are listening to.

We do have an agenda that we will just kind of use to organize our discussion. We can take no action because this is not an official posted meeting, so we will dispense with minutes, and jump straight to our first report, which I believe is CSH.

But before we do that, it is a small enough group, let us just kind of go around the room, say who we are, who we are with and kind of what we do.

I will kick it off. I am Tim Irvine, I am with TDHCA, I am kind of a utility infielder, working housing programs, community affairs programs, and a variety of other programs, and thrilled to be on this council.

MS. BARNARD: Suzanne Barnard, Texas Department of Agriculture, I am the director for the Community Development Block Grant program.

MR. DARDEN: Kenneth Darden, I advocate for minority issues.

MS. BAERWALD: Lindsay Baerwald with the Texas Department of Agriculture, specifically the Go Texan marketing campaign.

MR. IRVINE: We will not make the reporter identify --

(General laughter.)

MS. HISSAM: My name is Jessica Hissam, I am with HHS through the Adult Mental Health Unit. I do primarily housing and assorted community treatment programs.

MS. GREEN: I am Doni Green. I am with the North Central Texas Council of Governments, and I am Director of Aging Programs.

MR. WILT: I am Michael Wilt with Texas State Affordable Housing Corporation; a ten as utility infielder; I would be a switch hitter between external relations and communications.

MS. YEVICH: I am Elizabeth Yevich, and you have lost me with the sports talk, but I --

(General laughter.)

MS. YEVICH: -- TDHCA.

MS. BOSTON: Brooke Boston, with Texas Department of Housing and Community Affairs, and I work with a variety of programs, including 811 and Project Access.

MR. SINNOTT: Andrew Sinnott, with the Texas Department of Housing and Community Affairs. I work in the Multifamily Finance Division with multifamily loan programs.

MS. PREHEIM: And I am Jessica Preheim. I am with CSH.

MS. DeLOACH: Bridget DeLoach, director of Our Texas program with CSH. We are a nonprofit organization that uses supportive housing as a solution to some of our community's more persistent challenges, to include homelessness, and we are happy to be here today to present to you all.

MS. SYLVESTER: Megan Sylvester, I work in the legal division of TDHCA, I am a federal compliance counselor.

MS. TRACZ: I am Cate Tracz, also with TDHCA, and I work in the Housing Resource Center with Elizabeth.

MS. BEATY: I am Sidney Beaty. I am also with TDHCA. I also work in the Housing Resource Center with

Elizabeth.

MS. BARRERA: My name is Helen Barrera; I am also with the Housing Resource Center.

MS. HALL: Debbie Hall, with HHSC, and I am with the Office of Aging and Disability Resource Centers.

MS. HOLLOWAY: Marni Holloway, I am the director of Multifamily Finance for TDHCA.

MR. RUSSELL: Patrick Russell, research specialist for Multifamily Finance, at TDHCA.

MS. ZATARAIN-FLOURNOY: I'm Josefa Zatarain-Flournoy with the Alamo Area Council of Governments, the Alamo Service Connection.

MR. IRVINE: Welcome.

MS. YEVICH: And I think we might have a few people on the phone. Who is -- I know we have Jean.

Jean Langendorf, I believe you are on the phone?

MS. LANGENDORF: Yes, I am.

MS. YEVICH: Okay.

MR. IRVINE: Who else?

MS. LANGENDORF: Disability Rights, Texas.

MR. IRVINE: Anyone else on the phone still?

MS. POHLMAN: Hi, this is Joyce Pohlman from Health and Human Services. I also work on the 811 program.

MR. IRVINE: Okay.

MS. YEVICH: And I think there is one more person on the phone.

Sebastian, are you still there?

MR. LaROCHE: Yes. Sebastien LaRoche with Methodist Healthcare Ministries. We provide services for the uninsured and underserved in South Texas, in 74 counties.

MR. IRVINE: One of the things I will say before we kick it off is that, one of the beauties of getting you on the record is, as our minutes are produced you will have a ready resource; you will have contacts that have identified themselves and who they work with, what they do.

And I think that really, like most councils, if you are really going to be effective, the majority of the real hard work occurs outside of meetings.

Meetings are merely a time to touch base and share information and get motivated. But the real hard work is done outside. So you will hopefully build on these contacts and introductions.

Want to tell us who you are?

MS. ZISCHKALE: My name is Lindsey. I'm with the Texas Institute for Excellence in Mental Health.

MR. IRVINE: Excellent. Okay, welcome.

All right. Now, CSH, come on up to the table and tell us what is going on.

MS. DeLOACH: So good morning again. I am Bridget DeLoach.

CSH was engaged -- how long ago now, Jessica?

MS. HISSAN: 2016.

MS. DeLOACH: -- to work toward establishing a loaning collaborative across HHSC, as well as ADRC. And so we established a housing -- and I want to make certain I get the acronym correct -- Housing and Services Program Academy. And it included a combination of online and virtual trainings, as well as in-person trainings.

So today we are here to sort of talk about the services that were provided and also update you on some results, then, you know, possible next steps as we move forward.

So I will jump right into the online piece, and I will allow Jessica to close us out with more information on the in-person training.

You all should have in front of you this report. It is our final report on the work that was done over this past year. And so I would like to bring your attention to Table 1, which does a really good job of breaking down month by month the trainings that were provided.

So let us talk about the all-access and community connect. All-access provided individuals an opportunity to log on any time to CSH's website and to work within our supportive housing training center. And so they were able to receive training on a variety of topics from what is Housing First; how do you implement that into your community, all the way to how do you engage your landlords and developers.

And so this was something that they could use at their will and all their convenience. So I will talk to you about some of the results from that piece of the offering.

Forty-two distinct individuals activated their CSH all-access pass. Two-thirds of these individuals participated and accessed resources two or more times. So that's a pretty good turnout, we believe. What that means is that they were able, at their own time, to seek information outside of what was created for them in the webinar.

And the webinar's topics were established on their system maps, so whatever they determined that was a topic and of an interest to them. Topics accessed through the CHS paths included harm reduction and other service strategies; property management and service coordination;

and services for veterans and veterans' families.

So these particular topics were outside what was designed in those other trainings. So this really gave them an opportunity to diversify their learning and maximize their training capacity.

And then on the academy webinar series, these were those scheduled online sessions that happened with the CSH lead facilitator. Participation in this series averaged around ten to 12 per session, and again this was a little bit lower than we would have liked to see, and these were not unique individuals.

What we identified was the ten to 12 that participated in each session more than not were often the same individuals. So on this end -- and it could have been scheduling difficulties, it could have been a variety of reasons, but we did notate that as a challenge in the webinar component.

Respondents indicated they would benefit from more how-to tools and broadening the conversation with other members of the community. So what this means is that they really like the idea of being together at a scheduled time with others that do the work that they do. So we are looking for -- more peer-to-peer training opportunities was something that they identified.

And then finally, having both that all-access pass and the webinar series really did help them to access information throughout the entire year of services.

So I will turn it over to Jessica now, and she will talk more about the in-person training, which she actually facilitated many of the sessions.

MS. PREHEIM: Yes. So this was kind of a multi-person project with CSH, so I worked on some of the in-person trainings along with Jane Bilger, who is actually out of our Chicago office. And then on the online, we actually had Katherine, who is one of our loan officers from Texas, did a lot of focus on some of the webinar online. They really focused on fund development, getting projects going, how you actually finance them.

She actually was one of the leads on this project to start with, but she was nine months pregnant at the end of this grant so did kind of go out of that.

So I went in with Jane and we focused on -- there was five focus cities on this; so the five groups were Houston, we had Dallas, Fort Worth, which was also kind of the regional area; San Antonio, East Texas and Coastal Bend.

So these were HSP Academies that were facilitated by a lead that was established, and they kind of were a mix of both people from ADRCs, developers, public housing authorities, and they were really groups that wanted to focus on collaboration.

So it came out of the online training that they wanted an in-person session to be able to ask questions in real time, and they wanted to focus on supportive housing, kind of the basics.

And the supportive housing basics was more to really invite community partners, that they wanted to engage, to the table for this training. So we did a half-day session on what is supportive housing, and really what it means to operate a supportive housing project.

So we came in, did some group activities as well and really gave real-life examples from across the country. This was attended by -- there was really was a variety of people in each city. It was anyone from developers, we actually had some county judges in attendance, we had ADRCs, we had parents, people with like experience, we had mental health providers -- so every city was a really big mix of both knowledge and experience.

But they went over very well, and they wanted us to follow that supportive housing session up with another session that was based on, how do you really get developments off the ground, and what does a real partnership mean.

It doesn't necessarily mean that you need to be the jack-of-all-trades at an agency and do everything yourself. But what does it mean to -- I think in East Texas they said to me, the grass top, so near communities, they said that they were all the grass roots, but they needed to find their grass top to be their advocate.

So really that advocacy piece of trying to get a project going. So we went in and really talked about the different elements of what it takes to get a development going, what funding lines are available in the state of Texas and both federally, and then try to bridge people into those conversations.

After that, it was requested that we do some follow-up, so we had an online session that was actually facilitated by Jane -- since we were kind of in the middle of the hurricane at the time -- where people could actually have time to internalize the trainings, come back to Jane, and ask for specific questions and answers.

So she developed a resources guide based out of all of those questions that gave examples of, what does an MOU look like. What does a service agreement look like for a PSH project, or a Permanent Supportive Housing project. What can a homeless preference look like at a housing authority; really diving into some of that material, and real life examples.

So we did publish that, and it was -- and we have had some follow-ups since, so people have been reaching out to us individually for guidance, kind of to try to connect dots at this point and connect people to different resources.

MS. DeLOACH: So they will maintain their access to the all-access pass from the end of this year, so they can still seek some additional resources if they choose.

Do you want to talk about very quickly some of the landlord networks and some of the other big key takeaways?

MS. PREHEIM: Yes. The big thing is, I think, that what came out of the training is people realized that they are all -- everyone is doing a lot of really good work to try to get new landlords involved, but the message is not always the same in every community.

So a lot of communities really want to come together and have unified marketing tools that they can bring to landlords, so the message is getting conveyed the same way to landlords across communities.

Another thing is they really -- you know, the political will in trying -- how to have your champion in your community for what you are doing, and then really to partner with public housing authorities. That was another big thing that came out of almost every community, is how to establish preferences, how to make the ask and how to scale your ask to the housing authority that is in front of you.

So we have had some follow-up. I come from the housing authority world, so I have been fielding some of those calls as well, and just trying to connect people to resources and kind of try to educate them on how it actually works for a housing authority when you are actually making your ask.

MS. DeLOACH: And then I think lastly, just time and capacity, which is not unique to most of us, was an area of concern: How you scale it and make it something that is meaningful and impactful.

So thank you again for the opportunity.

MR. IRVINE: Thanks.

MS. YEVICH: Thank you. I think you all did a great job. I was fortunate enough to attend -- well, I think it was the next-to-last training session that you had in San Antonio, and I will say the last training session was in Corpus Christi, and I was afraid you all would not do it, and it was literally the day before -- the hurricane was already coming in, and they had to drive from Corpus back to Houston the day it was coming, yes.

MS. PREHEIM: We made it. Just to get back to Houston.

MS. YEVICH: Yes, right.

(General laughter.)

MS. YEVICH: But job well done.

MR. IRVINE: Yes.

MS. YEVICH: Yes.

MR. IRVINE: Questions?

MS. GREEN: How are the teams selected? Did they undergo competitive procurement?

MS. PREHEIM: So actually that was a little before my time, so last year there was -- what I understand is there was two levels to this grant: prior there was a team selected at a local level so there was an ADRC lead, and then the communities put in an application to create teams.

So there could have been more teams in our cities, for example Austin was not a team; they went in and then they established as a community what their team members would be. And Houston for example, the housing authority was actually the lead on that, and they ended up expanding one of their preferences for people who are kind of an 811-like program, so people who are stepping out to a money-follows-the-person program, stepping out from -- to a less restrictive level of care. But it was different in every city.

I will say a challenge was, there was some turnover on the team level, so we are kind of regrouping. And I think those teams were consistently changing.

VOICE: When you talked about folks following up with you to make asks, so specifically these are folks who would be asking their local housing authority to create a preference in their next PHA plan?

MS. PREHEIM: So they are actually looking for the language itself, what it can look like, kind of not recreating the wheel. I think I really stress to people that you do not have to be super original. You can use other peoples' work, because other people have done it and done it well.

So they have been reaching out to us for examples of this and how the ask came about, its scale; how to scale it correctly. You don't want to ask for 800 vouchers when your turnover for your local housing authority is 800 a year. You might not get a good turnaround on your efforts. So we have been talking, having those conversations.

VOICE: Okay, great.

MS. GREEN: What might be the possibility of extending the all-access pass beyond the end of December? And you spoke to the turnover issue, which is just endemic, I mean, every profession, and particularly with ADRC, because I think there is such value to the housing navigators and others. I was interested to hear you mention services for veterans, which is a priority population.

MS. PREHEIM: Yes.

MS. GREEN: So I am wondering if there might be a way for some of the newer housing navigators or newer ADRC staff to tap into the training.

MS. DeLOACH: Sure. There is always an opportunity to extend that, and maybe not annually but quarterly as well, depending upon what the need is. So we can right-size it to fit your need.

MS. GREEN: Because with the webinars, are they recorded?

MS. DeLOACH: Correct, and archived and available.

MS. GREEN: Yes. Even being able to access a presentation archive I think would be really helpful.

MS. PREHEIM: And it is actually a complete virtual online database, so there is everything from harm reduction to critical time intervention, to what is supportive housing and what is Housing First; so there's different things that people would actually go on -- Medicaid, how do you expand Medicaid to be a Medicaid biller, Medicaid academies, there is a whole variety in that package.

MS. DeLOACH: It is pretty robust.

MR. IRVINE: Anything else?

MS. DeLOACH: Thank you again.

MR. IRVINE: Thanks.

MS. POHLMAN: Sorry. This is Joyce Pohlman, and I know Debbie Hall is in the room also. I know that there is housing training that is being done with the ADRC.

Debbie, are you there to talk about that?

MS. HALL: Yes. On the 8th and 9th of November, Joyce. And Jessica is here, and she will be there.

MS. DeLOACH: It will probably be me, yes. We are going to be going up and doing -- it's going to be a two-day. We are going to do a one-day actual training, and we really are going to focus again on supportive housing but more advocacy and how you can be a really good advocate to get projects off the ground, and we are going to have a lot more hands-on training on collaboration.

And then we have been asked on day two to facilitate some group activities to really get common marketing tools up and running for the ADRCs, so that there is a common message that is going out, and really leave people with something in their hands.

So we are going to be working on that the second day. So we are looking forward to that; that is going to be planned, starting -- planning is going to be tomorrow.

(General laughter.)

MS. DeLOACH: So I will have more information this week if you guys have questions.

MS. HALL: Well, we appreciate your coming in and doing that, and I'm just going brag that money-follow-the-person is important. Thank you.

VOICE: Thank you.

MS. POHLMAN: You are welcome.

MR. IRVINE: Thank you so much.

MS. YEVICH: Did we have some more people join in on the phone? If so, could you please identify yourself.

MS. RICHARD: Terri Richard.

MS. YEVICH: Terri Richard.

MR. IRVINE: I've heard of you.

(General laughter.)

MS. RICHARD: I can't stay away.

MR. IRVINE: Okay. Next if Marni and Andrew would like to come to the table, the next thing we are going to talk about is the qualified allocation plan. For those of you unfamiliar with it, we administer a low-income housing tax credit program, and it has two completely different kinds of tax credits.

The qualified allocation plan is the set of rules that is adopted each year and governs our administration of what we call the 9 percent credit, the competitively awarded tax credits. And without going into explaining how tax credits work, I will tell you that the mechanism converts a tax credit award into investable cash that will finance about 70 percent of the cost of building affordable housing.

So it's a large program. Its annual activity is on the magnitude of between 650 and $700 million a year. So it generates about 5- to 6,000 units of new affordable housing each year.

MS. HOLLOWAY: Just on the 9 percent side -- the 4 percent side is probably a smaller dollar amount, but about a thousand more units last year, so we are producing a really large part of the affordable housing inventory all across the state.

The qualified allocation plan for 2018 is actually not largely changed from 2017; we have tried to really minimize the changes that we are making, and a lot of it is just clarifications or clearing up mistakes, getting some better language in here.

There are a few changes that I will just run through at a really high level, and then of course I am happy to take any questions that may come up.

One thing to know is that the QAP is about the 9 percent program. Our Chapter 10 rules are about all of the multifamily programs.

Andrew is going to talk about Chapter 13, which is the direct loan program, and then we also have Chapter 12, which is our multifamily bond rules. So all of these rules work in concert to produce all of those 6-, 7,000 units a year.

So for the QAP, probably the first big change, at least for us internally, is a change to how we are looking at who is impacted by our $3 million cap. We have a cap annually of $3 million of housing tax credits. So we are making some changes there. We are concerned that some groups may be taking advantage of a loophole that was in our rules previously, so we are trying to close that loophole.

MR. IRVINE: Before you go on, one thing everybody needs to understand is when we talk about $3 million, that is per year.

MS. HOLLOWAY: Right.

MR. IRVINE: And since credits are claimed over ten consecutive years, $3 million is really $30 million.

MS. HOLLOWAY: Under set-asides, specifically the USDA set-aside and the at-risk set-aside, it looks like we are making a lot of changes here. Really what we are doing is aligning more closely with statute and making sure that we are bringing all of the statutory requirements into the QAP.

So not a lot of changes. Actually we just closed the public comment period for the QAP. We had about -- just over 40 commenters.

MR. IRVINE: Forty-two.

MS. HOLLOWAY: Last year we had just over 60, the year before we had 90. So we think we are getting better at it.

MS. LANGENDORF: Can I ask a question?

MS. HOLLOWAY: Certainly.

MS. LANGENDORF: Jean Langendorf, Disability Rights Texas.

Would you all talk about the changes you have made regarding the 811 program, where it was a threshold in your rules and now you are turning it back into -- which was progress -- after you have turned it back into --

MS. HOLLOWAY: Took it back to scoring.

MS. LANGENDORF: Yeah.

MS. HOLLOWAY: Absolutely.

MS. LANGENDORF: I ask why we would go backwards. Thank you.

MS. HOLLOWAY: Yes, absolutely. We had planned on taking that up as I get to that point in the rule, if that is all right?

MS. LANGENDORF: That is fine. It is just that you were saying the big thing, and for the disability community that is, in my opinion, huge --

MS. HOLLOWAY: Right.

MS. LANGENDORF: -- that change.

MS. HOLLOWAY: Right. I understand. We will absolutely talk about that.

We have made some changes on sponsor characteristics -- so these are historically underutilized businesses and nonprofits -- and split it into two categories depending on the involvement level of that HUB or that nonprofit, just to provide a few more options.

We have made some changes in Opportunity Index, made some clarifications in a couple of places where we have found last year there was some confusion. We took out museums altogether because we were getting just craziness from museums. And we added development sites that are in the current service area. The Meals on Wheels or similar program is also part of the Opportunity Index now.

Due to legislation in this most recent session, we have taken out educational quality as a scoring item or a tiebreaker. It remains a threshold item under undesirable neighborhood characteristics, but it's no longer a part of the qualified allocation plan at all.

MS. GREEN: Can you go back to the Meals on Wheels? I missed that. So there's preference for those that are located near?

MS. HOLLOWAY: It was service area for Meals on Wheels. So if the development would be served by Meals on Wheels or a similar group, they have an opportunity for a point under the Opportunity Index.

MS. GREEN: Because we support home-delivered meals, and we require that our providers serve every part of our service area. And so I am not sure why the location would be germane, because the nature of Meals on Wheels is that the meal is transported to the consumer's home regardless of whether it is next door or 15 miles away.

MS. HOLLOWAY: Right. Right. Absolutely, but there are -- I mean, Texas is a huge state, and there are conceivably parts of the state that aren't -- that don't have that kind of service available. So that is why the distinction, it has to be within the service area.

So if your organization is providing meals within this area but not 100 miles away, then that development that is 100 miles away could not use your service to gain that point.

So we would actually -- I have spoken with the state board, organization, whatever it is for Meals on Wheels, and spoke with that group and answered a lot of questions for them, and they have actually provided public comment supporting this scoring item.

You look like I haven't answered your question. I'm sorry.

MS. GREEN: No, I am just trying to wrap my head around it.

MS. HOLLOWAY: Okay. And again if there are any questions later on, please feel free to reach out to me.

MS. GREEN: In my mind it would be a better fit with like congregate meals, where there would be amenities that would be readily available. And I am not arguing against home-delivered meals. I love home-delivered meals.

MR. IRVINE: I think the difference is really between the characteristics of your location as opposed to the services you are providing. If you are in a location that is near to a lot of things that are beneficial to people, then that helps you to obtain points by saying, I qualify for all of these things off of the Opportunity menu.

And being in an area served by a Meals on Wheels or similar type of program is location-specific, because obviously not all locations have those kinds of programs; and if you are in a location that does have those kinds of programs, you can claim that point.

I think that the concept of providing meal service in a development, like congregate meals, would probably align better with substantive services that the development is providing.

MS. GREEN: So Meals on Wheels would be in the same category as like grocery stores, in other words.

MR. IRVINE: Exactly.

MS. HOLLOWAY: We have made some clarifying changes on underserved area, because there was some confusion on it last year. At 11.9, I don't even know -- but the 811 issue, last year we had moved in 811 from the QAP -- it was in the QAP in 2016 as a scoring item. And it is kind of the nature of the QAP that everybody is going to claim every possible point.

So we thought let's just put it into threshold, because everybody is going to take those points, so let's just put it into threshold, which moved it to Chapter 10.

We wound up with a good deal of confusion about which developments would have the 811 units, and a good deal of pushback about, who has control and who is able to tell that development they must provide those units. If they are a HUB, are they able to do that. So it brought up a lot of issues.

And one of the concerns was that by making it a threshold requirement, we are requiring all of these developments to participate in this program that they may not wish to for a number of reasons.

So what we did was we moved it back into scoring, both for the QAP and for the Direct Loan Program. The rule now in the QAP and in the Direct Loan Program is almost word for word what was in threshold.

So if you are going to claim these points -- going to claim these two points, you will give us an existing development first. If you do not have an existing development that qualifies, then you will give us the development that is in the application.

If you cannot give us that, then you will go to Option C, which is basically setting aside 5 percent of your units for persons with special needs, which has been in the QAP for a number of years. What this does is move it to a choice to take that point rather than a, you must take that point.

Part of what has come up is that 811 carries with it requirements that come with federal funding that some developers are not able or willing to take on. The other thing that was saw quite a bit of is lenders or equity providers saying, no, when we underwrote that existing building over there, we did not include this program, we did not consider this in our underwriting so, no, we will not let you do it now.

So knowing that these things have come up in the past years, it made more sense to move it to scoring so that developers have the ability to opt out if that is what they have to do. And they can, you know, try to find those two points somewhere else.

But again, if someone thinks they can qualify for a point or two points they are going to take it, either on the 9 percent side or on the Direct Loan side, they are going to check that box, and do it.

MR. IRVINE: Actually I would flip the semantics around a little bit. What it is, is it is an incentive to do the front-end legwork to figure out how you can deliver 811 units and thereby opt in, because you are simply under tremendous pressure to be as competitive as possible, and you really cannot afford to leave those point items on the table.

And what we found was occurring when it was a threshold item was that people had really not done necessary legwork; they had not educated their syndicator and investor.

They had not looked at the impact on their partnership agreements, they had not figured out the details that were necessary to ensure that they could deliver 811 units, and then we were finding out late in the game, Oh, my gosh, it's a cluster; we have not really figured out how we can meet this threshold requirement we swore we met.

So I think that what this really does is it redirects people to front-end work. But I think in terms of outcome it is going to be roughly equivalent; I think it is going to generate a large number of units, because everybody wants the points.

MS. LANGENDORF: Could you all provide a comparison between the previous QAP and then the one where you put it in this threshold? Because you are talking about other programs that you also affected by having it in the rules for multifamily.

And obviously from our concern is the outcome of the number of units for a program that is being rolled out quite slowly. Obviously, because units are not available, there is a lot of people on the waiting list, so there is a big concern about getting individuals served through this program, and the more units, obviously, provide a greater opportunity and we get more people served.

So it does seem like going backwards. I understand your saying the developers do not like it. Well, we also have the priority of serving people with disabilities, which the State needs to --

This is like the only program that was put in new to try to address people in institutions and others. And it's turned to in every report by HHSC and everyone else, but when you look at the numbers, it is rolling out slow.

I know you are going to compare it to other states, it has been a slow program to roll out. But it was a step forward to add it for all multifamily, to try to get more units.

And it appears to be a step backwards, so it would be very helpful to see the comparison between the difference prior to making a threshold, how many units you have got, and then the year that you made it a threshold item for all multifamily, would be very informative, I think, for everybody.

MS. HOLLOWAY: So a couple of things. As I mentioned, it is going into the QAP as a scoring item, and following on Tim's comments, if someone can possibly get those points, they are going to, and they are going to figure out how to make that happen.

It is also going into the Multifamily Direct Loan Rule, which is out for comment right now, with the exact same language for scoring under the Direct Loan program.

The only time in this past year that one of our developments did not have to at least address the 811 question, if not provide us a unit, was if it was a 4 percent or a bond at 4 percent only transaction, and that is because of the regulatory requirements there.

So this change, putting it into the QAP as a scoring item, putting it into the Direct Loan rule, as a scoring item means that we will continue to have access to the same number of units that we did last year, because last year it was all 9 percents or Direct Loan only, or Direct Loan layered deals, that had 811 units.

So we are thinking that this change should not impact the number of units from 2017. Comparing it to 2016 I think is -- we were approaching it differently in 2016. It was a different rule then in the QAP, so I don't -- certainly we can look at what those numbers are in comparison, but I think that moving forward for ‘18 will look very much like numbers for ‘17.

MS. LANGENDORF: Why would you not make it a threshold in the QAP?

MS. HOLL0WAY: So the QAP is really all about scoring. There are very few threshold items in the QAP that, beyond the statutory requirements around the two mile near rule, or things like that.

Everything else is really scoring. I do not know that there would be any benefit to put it as a threshold item within the QAP; but that said, at this point it is really too late for this year to consider that kind of change.

It is something that we could probably consider for next year, but for this year because we have already published the draft and we have closed comment and there has not been an opportunity for the rest of the community to comment on that shift, we would not be able to do it.

MS. LANGENDORF: Okay. So the comments that were provided are basically you are going to go with what you drafted.

MS. HOLLOWAY: I --

MS. LANGENDORF: I mean, why comment?

MR. IRVINE: I would not --

MS. HOLLOWAY: No. That is not at all what I said. We are working through the public comments right now, and actually frankly have not gotten to the reasoned responses.

So we will of course absolutely take a look at the comments that are received and evaluate them and likely have another rules committee meeting to further evaluate them before we take the final rule to the board.

MR. IRVINE: And I would chime in that the 811 program and the tax credit program are intrinsically quite different. And we need to be mindful, not only of the competitive posture and the way that that should drive the increasing number of 811 units, but when you start layering complex federal programmatic requirements on what is basically a private sector investment decision, you start changing the calculus of how these deals syndicate.

And what we really want to do is to continue to attract high syndication rates to make it an attractive market for private sector investment, because that will ultimately generate more units and in turn, because of the competitive posture of the applicants, it will generate more 811 units.

MS. LANGENDORF: But, Tim, the whole 811 program nationally is predicated on partnering it with the tax credit program. I mean, that's how the program was redesigned from what used to be 811 funds being utilized as development money. It is no longer available, it is now what is designed -- I mean based on what HUD did with the 811 program, to partner with the tax credit.

So that kind of does away with the whole design of what the feds put together, based on what you are saying.

MR. IRVINE: I respectfully say that it aligns very much with the design. I think that it will still bring a lot of 811 units into the program.

MS. HOLLOWAY: Okay. Anything further on 811?

(No response.)

MS. HOLLOWAY: The next change is that we have expanded the number of cities that are eligible for proximity-to-the-urban-core points. We have made some adjustments on -- clarifying adjustments on local government support; commitment of funding by a local political subdivision, and the neighborhood, the quantifiable community participation section.

Also made some clarifying changes on community support from the state representative, and in the concerted revitalization plan, we have expanded what can qualify as a plan, which we are hoping will allow for further development in this areas that local governments are working on.

For the concerted revitalization plan in rural areas, it looks like a big change, but basically what we did was align it better with the requirements for rural areas that are not as likely to have a formal plan.

We have made some changes regarding costs for adaptive reuse and rehabilitation that are generating a lot of comment and likely will be adjusted later, I would imagine, through the public comment process.

So that is really it for the QAP. There are not many changes in Chapter 10, at least for the parts that my group is responsible for. We have adjusted the definition of supportive housing to be more descriptive of what a supportive housing development really looks like to us and to the development community.

We have also made a change in our accessibility requirements. I do not know if all of you have seen the new visitability requirements that we are hoping will produce more units that family members or friends or neighbors will be able to come and visit if you have a townhome, is really basically the goal of that new rule requirement. I think we will get some good changes, not just for 20 percent of the townhome units but for all townhome units, moving forward.

Again, the public comment period has closed for the QAP and those parts of Chapter 10. I cannot imagine that we would not have, although it is not scheduled yet, another meeting of our rules committee prior to the final rule being taken to our board at the November board meeting.

After that we send it over to the governor; the governor reviews it, edits it as he sees fit, and then has to have it back to us by December 1, and at that point it is final.

MS. GREEN: So what is the incentive for properties to adopt the visitability standard? The rule requires that at least 20 percent --

MS. HOLLOWAY: It is a threshold item, so it is a requirement. In the past, for townhome units we have this rule that 20 percent of the units had to have a bedroom on the first floor and a bathroom that met Fair Housing requirements. And we were winding up with lots of rule waivers, lots of issues at the tail end, lots of problems.

And it was only getting us 20 percent of the units. It was not getting us everything. So what we have basically done is said that, townhomes and duplexes and single-family homes in these other types of properties that are generally considered exempt from Fair Housing design guidelines are not exempt.

So there must be a bathroom that meets Fair Housing guidelines, there must be a no-step entrance, there must be a path to the bathroom, and the light switches and outlets and those kinds of things, two units that can be reached on a Fair Housing compliant house.

So it is interesting because at first there was some pushback from the development community, and then my question to them always was, Are you building townhomes without at least a half bath on the first floor? And they are, Well, no. Well, so how much trouble would it be to put in a no-step entrance? Well, not so much.

So I think that in the long run this will get us to a much, much better place to have all of those units be visitable, rather than having 20 percent of the units be visitable.

MR. WILT: Marnie, yes. Michael Wilt with TSAHC.

This question is for Joyce, hopefully she is on the phone, and myself, but can you just give us an overview of how PSH is addressed in the QAP? How to promote it, or --

MS. HOLLOWAY: So within the QAP, for supportive housing?

MR. WILT: Uh-huh.

MS. HOLLOWAY: Supportive housing still has a point advantage on tenant services.

MR. WILT: Okay.

MS. HOLLOWAY: So that has not been changed.

Part of what has happened when we took out educational quality -- some of you will remember that we had not allowed full points for educational quality for supportive housing transactions, trying to balance them if there is something on -- historic -- anyway, so those have come out, those limitations have come out.

It is -- we cannot, within the QAP, favor one type of property over another: you know, a family property or a senior property or a supportive housing property. We cannot give that type of property or that development an advantage. It really has to be a level playing field.

And that is where I think we are headed. We may not be there entirely yet, but for instance, last year we made a change on concerted revitalization plan that got it this equal number of points as opportunity index.

Because previously the opportunity index deal would always win. Now there is an opportunity for those concerted revitalization plan deals to gain the same number of points.

MR. IRVINE: So basically by putting together I think things like the urban core, which is expanded to smaller cities now, and the possibility of pairing that with either a concerted revitalization plan or an opportunity -- high-opportunity scoring site, and then layering on the point incentives for supportive housing, there is basically a path that enables the supportive housing deal that not only meets the superficial requirements but is actually situated in a place where it's got good access to services and transportation and all of those other things, to put together a competitive application.

MS. HOLLOWAY: And the other thing I would point out -- and Andrew I am sure will talk a little bit more about this -- when the Direct Loan rule was new for last year, one of the things that we created within that Direct Loan rule is basically a permanent set-aside for supportive housing or soft repayment deals. So this are units at 30 percent AMI or below.

That set-aside is funded with interest payments from TCAP loans, so we have this sort of constant income stream going into this set-aside specifically for supportive housing.

The other thing that is new for this year and is going to be even more next year is National Housing Trust Fund. Those are federal funds for households at 30 percent of AMI or less. So of course that fits in very well with that supportive housing population, and we are going to have 8.8 million next year, something like that for National Housing Trust Fund.

So we are starting to see, outside of the 9 percent world, more and more opportunities for funding for supportive housing that are not tied to the QAP, that are not tied to the competition.

MR. WILT: How much is in that set-aside?

MR. SINNOTT: Right now there's 8.3 million in the supportive housing soft repayment set-aside, and then next year in NHTF alone will be 8 million plus TCAP -- interest on TCAP repayment, which should be north of 2 million, I guess.

MS. GREEN: So you mentioned that you have revised your working definition of supportive housing?

MS. HOLLOWAY: Uh-huh.

MS. GREEN: So what is the new one?

MS. HOLLOWAY: The new definition I think is much tighter about what a supportive housing development is. It is far more descriptive, it is something that we worked on with the TAAHP membership and supportive housing providers through the TAAHP membership to get to that definition.

So I am hoping that it will be useful for the community moving forward. I think if someone is truly working on supportive housing, that this is not going to bump them out.

MS. GREEN: So is there any incentive for service coordination? -- because I think that is often where the rubber meets the road, is having someone who can guide tenants through that maze.

MS. HOLLOWAY: In the Tenant Support section is in Chapter 10, so the required tenant support services, there is something about service coordination in there. So all of our multifamily developments are required to meet certain minimums on mandatory development amenities and the mandatory tenant services are basically the menu of items that they have to get however many to get them up to the score that is required for their development.

And that is something that applies to all of our multifamily deals; you know, acq/rehab, new construction, 9 percent, 4 percent Direct Loan, all of them have --

MS. GREEN: Because a lot of times it's not just having services available, it is having someone who can help the tenant access the services, because if you do not know how to apply, you know, who qualifies --

MS. HOLLOWAY: The other thing, though, to keep in mind -- and, again, we have worked with TAAHP on the definition and done some other work -- you know, these++ rules also apply to every other development that we finance that is not supportive housing, that's just, you know, households between 50 and 60 percent of AMI; they all have to meet all of these rules too, so that the complication for us becomes how to administer all of those different kinds of transactions all over the state.

MS. GREEN: And where can we read the definition?

MS. HOLLOWAY: It is in 10 Tab, Chapter 10, Subchapter A. Right now, the easiest place to find it is -- is it posted on the website, or is it just on public comment?

MR. SINNOTT: It is in the public comment center, "Closed for Public Comment."

MS. HOLLOWAY: So if you go to our main web page, on the left-hand side it says something about TDHCA Public Comment Center. If you open that page, there are rules that are -- or items that are open for public comment and the ones that have recently closed.

So if you go to the ones that are recently closed and look at Subchapter A, it is right there.

MS. GREEN: Thank you.

MR. SINNOTT: All right. My name is Andrew Sinnott. I will discuss the Multifamily Direct Loan Program.

So this, I will give you an update on where we are now and where we are going for 2018. The 2017 Multifamily Direct Loan NOFA was approximately $37 million available. There is approximately $8.3 million available remaining in the supportive housing soft repayment set-aside, with 1.4 million having been awarded.

Several applications are currently pending. Within this set-aside, as Marty said, is 2016 NHTF grant amount, which is 4.3 million. That was added to the NOFA this past summer, after we were notified that our allocation plan was approved by HUD.

We have recently executed the 2016 grant agreement for National Housing Trust Fund, so with that execution having happened, we can now go ahead and move forward with awards of that 4.3 million.

We will just be recommending our first award for NHTF, likely next month or December. The first set-asides are the CHDO set-asides, which has $4.7 million available; no awards have been made, however $6.2 million in total requests among three applications are currently under review.

Approximately 24 million is available in the general set-aside, with approximately 14.4 million having been awarded, and several applications pending.

For our 2017 annual allocation of NHTF, as we said, that amount is about 8.8 million before taking into account the 10 percent admin. We submitted the allocation plan to HUD in August; the plan was disapproved and we are in the process of submitting corrections to that plan.

We are optimistic that the process won't take nearly as long as it did for the 2016 allocation plan.

Hopefully we can get this sorted out within the next couple of months. But we plan on eventually programming that $8 million into the 2018 NOFA.

We have our Chapter 13, our Multifamily Direct Loan rule draft for 2018, and it will be going into the *Texas Register* later this month. Public comment on that will be open from October 27 through November 27.

So 2017 was the first year that this rule was in effect. We just made some minor amendments for 2018 to the rule, so nothing really -- not a whole lot changing from what we did in 2017. We anticipate bringing that rule to the board in December, after public comment ends in November.

In the draft, as Marty said, draft 2018 Multifamily Direct Loan rule, 811 will be a scoring item, in the same way that it is a scoring item in Chapter 11 of the QAP. And then the 2018 NOFA will be published hopefully in December, and a similar amount overall to what was available in 2017 is expected, with the exception of NHTF, which, as we said, that got -- we have double what we got for 2016 for 2017.

So probably 30, $35 million available for the 2018 Multifamily Direct Loan NOFA.

MS. HOLLOWAY: So just to piggyback on Andrew's comments, due to Hurricane Harvey, we recently pulled the

$9 million that had not been applied for in the 2017 NOFA out and reprogrammed that back to the single-family home group, because they are able to put those funds out much more quickly as homeowner repair or tenant-based rental assistance, so that they would have that pot of funds available to them.

So right now there are not any funds left in the general set-aside for application. We also -- we are very lucky to be able to use about $7 million of neighborhood stabilization funds this year, in order to award some applications that are in participating jurisdictions that we could not put HOME funds into, and they had run out of TCAP funds.

So it has been a year of adjustment for us. I think we are on our fourth amendment since NOFA, but hopefully next year we will be in a better place.

Also, and bringing up about Harvey, there is legislation that has been filed that would provide us an additional tax credit allocation for the impacted counties.

This of course has just been filed; we do not know what is going to happen with it or how much there is going to be. So it's kind of something to keep your eyes and ears out if you are working in or are connected to people who are working in those impacted areas that are going to be looking for redevelopment or rehabilitation funds under the tax credit program.

MS. LANGENDORF: Can I ask -- this is Jean Langendorf again. on the Direct Loan program, why we would not make the program threshold available through federal funds? Much of it is federal funds, or some of it is federal funds? Is there a reason not to make it a threshold so we could have more units>

MS. HOLLOWAY: Well, it is the same reasoning that we have used with the QAP, that because it is a scoring item, everybody is going to claim that scoring and as Tim mentioned, having it in scoring should have us getting them getting their work done ahead of time, so we are not dealing with lender letters coming in later and having a good deal of uncertainty about which developments are going to be providing the 811 units.

MR. SINNOTT: The hope is that applicants will be more proactive in researching 811 and finding out what exactly it entails, while still coming, like Tim said, to the same outcome as we had, in threshold in terms of the amount of units produced.

MS. HOLLOWAY: The other thing that we have not touched on, and I think it is closed for comment now, is there is now an 811 rule that I think will help all of us align better, moving down the road, what all of our programmatic requirements are.

MS. YEVICH: Are there any further questions?

(No response.)

MR. YEVICH: Okay. And Tim had to step out, so thank you, Andrew. All right.

We are going to move on to the IAP, Innovation Accelerator Program. We have Michael Wilt here. I do not think Veronica was able to make it, or --

Veronica, are you on the phone?

MS. NEVILLE: Hi. Yes, I am on the line now.

MS. YEVICH: Oh, great. You all are up, you and Michael, however you want to do it.

MR. WILT: Sure. I am actually just going to read Veronica's bullet points, so that --

(General laughter.)

MR. WILT: Joyce is on the phone too. We have all been involved in this, and we are excited to give an update.

Texas is one of eight states that was selected to participate in a Centers for Medicare and Medicaid services innovation accelerator program. And it promotes the community integration of Medicaid beneficiaries through improved partnerships between state Medicaid agencies and housing agencies.

So Health and Human Services is the lead agency on this, and at TSAHC, Texas State Affordable Housing Corporation, we are the housing partner, and I am the delegate on TSAHC's behalf, to serve on this. And we also have two managed care organizations that are part of this as well.

The IAP is intended to promote affordable, accessible housing for individuals receiving Medicaid, through long-term services and supports, including those with intellectual and developmental disabilities.

There is no funding that comes with the IAP, but what they do provide is technical assistance. We have technical assistance on the Medicaid side and also on the housing side. And thus far they have been fantastic in meeting with us biweekly, and they will have an in-person visit here in a couple of weeks.

We are going to use this opportunity to identify new tools for providing affordable housing and supportive services for the Medicaid beneficiary population, expand partnerships between public and private entities, and develop an action plan to expand community living opportunities for Medicaid beneficiaries.

The program support began in August 2017, and it runs through April 2018, so by that time we will have an action plan put together.

We had a kickoff meeting in D.C. I attended, Joyce was there, and about five other people, where all of the states got together and had two days of programming, and so we got to share kind of where we are, and share some ideas with the states -- the other seven states participating.

Since that time we have been meeting biweekly, and we are working through some of the IAP program support tools, we are developing an overall AIM statement which will be very crucial to this entire venture, creating that AIM statement, and we are also getting into some baseline data on the populations we are trying to serve.

That AIM statement is pretty close to done, but it is not quite yet final. Our current proposal is to focus on the super-utilizers -- the Medicaid beneficiaries who are super-utilizers, and that would include but it is not limited to individuals experiencing homelessness and individuals with severe and persistent mental illnesses; utilizers of emergency rooms or different types of institutional settings that we are trying to get out of the institutional settings and in community housing, so that they are not frequent users any more.

Veronica, Joyce, do you all want to supplement that?

MS. NEVILLE: Oh, you did a great job. Thank you.

MR. WILT: Well, you did a great job because you wrote everything.

(General laughter.)

MR. WILT: Happy to take any questions on it?

(No response.)

MR. WILT: We will continue to update you quarterly since we will be doing this through April.

MS. GREEN: So which MCOs? United, Molina?

MR. WILT: United -- Veronica, who is the other MCO?

MS. NEVILLE: United and Molina.

MR. WILT: Molina, yes.

MS. YEVICH: Thank you, Michael.

Do we have any other questions?

(No response.)

MS. YEVICH: All right. Thank you both.

Now that brings us up to public comment and we actually do have someone here for public comment.

So, Greg Hansch?

MR. HANSCH: Yes.

MS. YEVICH: If you want to just sit up here at the table, sure. Welcome.

MR. HANSCH: Right here? Yes, okay.

Good morning. Good morning. My name is Greg Hansch. I service as public policy director for the Texas affiliate of the National Alliance on Mental Illness, NAMI Texas. We have 28 local affiliate organizations throughout the state of Texas, and approximately 2,000 members, made up primarily of individuals with mental illness and family members, and our purpose is to improve the quality of life for people affected by mental illness.

My organization has serious concerns about changes being considered relating to Section 811, in the Uniform Multifamily Rules.

The proposed rule change would give housing developers the option of submitting a Section 811 application with their submission of a housing tax credit application, direct loan application, or a tax-exempt bond application.

Lowering this requirement would most certainly result in a reduction of -- in the number of future development projects participating in 811, and the number of units available for some of our most vulnerable citizens.

Housing and homelessness is a continual challenge for people with serious and persistent mental illness. And we see the proposed changes being counterproductive to making available a service or a support that is essential and vital to the recovery of these individuals.

And we also see this as counterproductive to the investments that were made in mental health in the most recent legislative session, to the tune of roughly $7 million over the upcoming biennium, and we see this change as limiting the impact of those dollars, knowing that it will be more difficult for people to get housing going forward.

And that more or less sums up what I wanted to say, and I appreciate the opportunity to provide comment. And some of our folks did write in about this as well. There are written comments not just from NAMI Texas and our local affiliated agencies but from other mental health stakeholder organizations.

MS. YEVICH: Okay. That was going to be my question, so thank you.

MR. HANSCH: Thank you.

MS. YEVICH: Okay.

All right. Well, that brings us to the end. Does anybody have any updates that you wanted to share with the group, or -- any of the council members or anybody on the phone? Any guests?

(No response.)

MS. YEVICH: And, Brooke Boston, do you have any other -- TDHCA updates? I think we have pretty much covered everything that is going on here.

MS. BOSTON: Can I say one quick thing?

MS. YEVICH: Sure.

MS. BOSTON: This is an update, we aren't going to public comment yet, but we are working on the action plan for CDBG, and one of the things that we are proposing is kind of on the edges of what this group looks at, and that is rural health care. We are looking at dedicating some of our deobligated funds, which we have a limited amount of time to spend, and to really focus those funds on projects that will improve healthcare in the rural areas, either new facilities or new equipment in the existing facilities, and that sort of thing.

So it is not exactly the mission of this group, but some of those folks here may also work in this area, as well.

MS. SYLVESTER: And are you talking about for the 2018 --

MS. BOSTON: ‘18 action plan.

MS. SYLVESTER: Right, so we do not yet have our awards -- though Congress has appropriated funds, we do not have our approved action plan for 2017 yet, so this is a little bit in the future that you're talking about. Right?

MS. BOSTON: Although public comment will be coming up relatively soon. But we have been trying to actively involve our stakeholders in this because, it is a bit of a new partnership for us, we are working with our State Office of Rural Health, which is also part of the Department of Agriculture, and so we want to make sure that we are developing this in a way that is beneficial to these stakeholders.

MS. YEVICH: Wonderful. Thanks for putting that out there now.

Okay. I think that is probably about it. The next meeting will be more than likely mid-January; a time and date has not been set yet.

As for the position, I have started interviewing this week so as soon as we have someone filled with the council position, I will let the council members know.

Also we still have a lot of vacancies that have yet to be appointed. We are hoping at some point the governor appointees will be able to make quorum, because it has certainly been a while.

We did get some new people from HHS -- I keep wanting to say HHSC -- HHS, but then I found out, well, she got appointed Friday, but I got an email this morning and I think, Debbie, were you here in place of that person?

I was just reading an email --

MS. HALL: Was that Lee?

MS. YEVICH: Yes, Lee. Lee Schroeder just got appointed. We got the notification on Friday, but then she emailed me this morning, she could not be here, and you would be here in her place.

But I do not think you are the official --

MS. HALL: I am not.

MS. YEVICH: No. Okay. So there will be another new person from HHS. So at some point hopefully, maybe by the first of the year, we will have governor appointees, a full slate, and a new person. So here's to 2018.

And I think the unofficial meeting is now officially adjourned.

(Whereupon, at 11:18 a.m., the meeting was adjourned.)

C E R T I F I C A T E

MEETING OF: Housing & Health Services Coordination Council

LOCATION: Austin, Texas

DATE: October 18, 2017

I do hereby certify that the foregoing pages, numbers 1 through 57, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Leslie Berridge before the Texas Department of Housing and Community Affairs.

/s/ Madeleine Mercier 10/25/2017
(Transcriber) (Date)

On the Record Reporting
3636 Executive Cntr Dr., G22
Austin, Texas 78731