

HOUSING AND HEALTH SERVICES  
COORDINATION COUNCIL MEETING

Conference Room 116  
221 E. 11th Street  
Austin, Texas

Wednesday,  
September 14, 2011

MEMBERS PRESENT:

TIMOTHY K. IRVINE  
BILL CARPENTER (for NICK DOUSTER)  
JEAN LANGENDORF  
PAULA MARGESON  
DONI VAN RYSWYK  
S.G. BARRON  
STEVE ASHMAN (for MARK GOLD)  
FELIX BRIONES  
KENNETH DARDEN  
MARC WYATT  
PAIGE MCGILLOWAY  
LINDA LOUCKS (for JIM HANOPHY)  
AMY GRANBURY  
MIKE GOODWIN

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
Public Comment	none
Approval of Meeting Minutes from June 10, 2011	7
Presentation of Financial Feasibility Model Case Study Report	8
Discussion of CMS Real Choice Grant Submission	40
Election of Vice Chair for FY2012	3
Discussion of 2012-2013 Biennial Plan Creation	56
Creation of Council Subcommittees for FY2012	--
Discussion of Next Steps & Staff Assignments	--
Council Meeting Dates for FY2012	77
Adjourn	77

P R O C E E D I N G S

1  
2 MR. IRVINE: Good morning everybody. Thank you  
3 so much for coming. My name is Tim Irvine. I am the  
4 acting Director of the Department of Housing and Community  
5 Affairs, so I -- by law I guess I have to work with you.  
6 My personal desire --

7 (General laughter.)

8 MR. IRVINE: -- my personal desire, I want to  
9 work with you, and I'm excited to work with you and I'm  
10 energized about working with you.

11 I really, really admire and follow closely the  
12 work that you've been doing. I've predominantly been  
13 involved in the development of affordable housing programs  
14 on the tax credit side over the last year or two, so there  
15 are a lot of synergies with what I've been doing and the  
16 work that this important committee is doing. So expect to  
17 see me here as a regular participant.

18 The first thing I guess we need to do is we  
19 need to call the roll, but we're going to do it in an  
20 atypical manner. We're going to go around the room and  
21 introduce ourselves, and that way we'll have a little bit  
22 of an idea who each are, at least you probably already  
23 know it, but I will also have an idea of who you are and  
24 what you're bringing to this great endeavor.

25 And I also understand that one of the orders of

1 business later on is going to be perhaps selecting a vice  
2 chair. You'll find that I am susceptible to be pulled off  
3 at a moment's notice with things like wildfires and so  
4 forth, so -- and I understand Paula Margeson has agreed  
5 that she would, if conscripted --

6 (General laughter.)

7 MR. GOODWIN: So moved.

8 (General laughter.)

9 MR. IRVINE: Do we have a claim on that one?

10 FEMALE VOICE: Aye.

11 MR. IRVINE: Okay. So let's call the roll.

12 Paula, why don't you start off my introducing,  
13 and then we'll go around to your right.

14 MS. MARGESON: Okay. I'm Paula Margeson, and  
15 I'm sort of representing the independent living movement  
16 on this Council, which is a disability movement that  
17 started in the late '60s that believes in full integration  
18 for people with disabilities of all types.

19 MS. VAN RYSWYK: I'm Doni Van Ryswyk. I'm with  
20 the North Central Texas Council of Governments, and I work  
21 with the Area Agency on Aging. And I am representing the  
22 promoting independence advisory committee, and we look at  
23 different strategies to help folks with disabilities who  
24 are in institutional settings to return to the community.

25 MS. GRANBURY: I'm Amy Granbury. I work for

1 Coastal Bend Alcohol and Drug Rehabilitation Center, and I  
2 serve as the health services representative on the  
3 Council.

4 MR. GOODWIN: I'm Mike Goodwin. I'm  
5 representing housing development.

6 MR. ASHMAN: I'm Steve Ashman, I'm here for  
7 Marc Gold with the Department of Aging and Disability  
8 Services. I'm with the promoting independence office.

9 MS. SCHWEICKART: Ashley Schweickart,  
10 coordinator of the Housing and Health Services  
11 Coordination Council.

12 MS. HEMPHILL: Suzanne Hemphill, Council staff.

13 MS. LOUCKS: I'm Linda Loucks and I'm  
14 representing Jim Hanophy, who's the assistant commissioner  
15 for the Department of Assisted Rehabilitative Services.

16 MR. CARPENTER: I'm Bill Carpenter. I'm  
17 representing Nick Douster today. I'm with the Department  
18 of State Health Services. I work in the adult mental  
19 health programs division specializing in assisting people  
20 with housing who have mental illness, and also assisting  
21 individuals who are homeless.

22 MR. IRVINE: I'm Tim Irvine with the Department  
23 of Housing and Community Affairs.

24 MS. LANGENDORF: You're being way too modest.  
25 He's done a whole lot for people with disabilities in your

1 tenure here with the Department of Housing and Community  
2 Affairs.

3 MR. IRVINE: I shape one every night.

4 MS. LANGENDORF: I know. That's what I'm trying  
5 to say. He knows from personal experience.

6 My name is Jean Langendorf and I'm with Easter  
7 Seals Central Texas, but that's not why I'm here. I'm  
8 appointed as a rural representative, and that comes from  
9 because I live very rural, although I do -- we do do  
10 services also in rural Texas.

11 MS. MCGILLOWAY: Good morning. My name is  
12 Paige McGilloway, and I serve as the representative for  
13 the Texas State Affordable Housing Corporation, one of the  
14 state's appointed entities to serve on this Council.

15 MR. WYATT: Good morning. Marc Wyatt. I'm  
16 representing Texas Department of Rural Affairs for two  
17 more weeks.

18 (General laughter.)

19 MR. DARDEN: My name is Kenneth Darden. I'm a  
20 minority representative, a gubernatorial appointee in the  
21 Houston, Texas area.

22 MR. BRIONES: Felix Briones, the benefits case  
23 manager with the Mary Lee Foundation, and a consumer, and  
24 I'm also a Governor appointee.

25 MR. IRVINE: Excellent. So we have a quorum.

1 We're officially in business. I guess we jumped the gun.  
2 I should be a better parliamentarian. We appointed our  
3 vice chair by a claim already.

4 (General laughter.)

5 MR. IRVINE: Unless anybody has second  
6 thoughts, that will stand as official business.

7 It's tradition at TDHCA that we open every  
8 meeting with an opportunity for public comment, and I  
9 don't see anybody in the room from the general public, but  
10 I really hope that we'll get to the point where we meet in  
11 a larger environment and that we will have more public  
12 comment and public inclusion, because, you know, the  
13 issues that we're dealing with are issues that are really,  
14 really important to a lot of Texans.

15 The benefits of a fully integrated community  
16 are just profound. The importance of inclusion cannot be  
17 stated too strongly. We really -- we need to be bringing  
18 in the public and letting them hear and letting them have  
19 a voice and really bringing them to understanding and  
20 support. So we'll encourage that.

21 Does anybody else want to just comment as a  
22 member of the public? This is the free-for-all moment.

23 (No response.)

24 MR. IRVINE: Okay. We need to approve the  
25 minutes. Do we have a motion to approve the minutes of

1 the prior meeting?

2 MR. GOODWIN: So moved.

3 MS. VAN RYSWYK: Second.

4 MR. IRVINE: All those in favor signify by  
5 saying aye.

6 (A chorus of ayes.)

7 MR. IRVINE: Any opposed?

8 (No response.)

9 MR. IRVINE: The motion is carried.

10 Okay. Next, well, we have a presentation on  
11 financial feasibility case study reports. This is  
12 something that Suzanne has been looking at over the course  
13 of the summer, and it's, you know, pretty self-evident  
14 that service-based housing is something that really does  
15 present financial challenges.

16 And why don't you just jump into your report?

17 MS. HEMPHILL: Sure. Absolutely.

18 So in your packets --

19 FEMALE VOICE: And if you want to stand, you  
20 can. If you don't, you know --

21 MS. HEMPHILL: Okay. I'll probably stay  
22 sitting because it's -- we've got a lot of information to  
23 cover.

24 So in your packets you have the service-  
25 enriched housing case studies development finance report.

1 And it's pretty long, a lot of good information. So I'm  
2 going to try to briefly go over what we've found in our  
3 interviews.

4 MS. SCHWEICKART: And I'll just briefly state  
5 that, if you guys recall, at that last meeting in June we  
6 talked about we were conducting these interviews. One of  
7 the ideas that came about was that even though this is  
8 going to be a multi-pronged roll out of the information,  
9 that the first piece would be a case studies report. So  
10 that's what this is.

11 MS. HEMPHILL: Yes. Absolutely. So this is,  
12 to me, the statutory directive, to create a financial  
13 feasibility model that assists in making a preliminary  
14 determination of the financial viability of proposed  
15 service-enriched housing projects.

16 So throughout the summer Council staff met with  
17 service-enriched housing developers throughout Texas to  
18 gain a clear understanding of how these organizations  
19 structured the financing on each property. We sought to  
20 get a wide perspective from developers, so we met with  
21 for-profit developers, non-profit developers, foundations  
22 producing service-enriched housing in urban and rural  
23 areas of the state.

24 So the organizations we interviewed, Cesar  
25 Chavez Foundation, Diana McIver Associate Companies,

1 Easter Seals Central Texas, Foundation Communities, Green  
2 Doors, Hamilton Valley Management, New Hope Housing,  
3 Samaritan House, and the Texas Housing Foundation. And we  
4 believe these organizations serve as potential examples  
5 for other housing providers for how to successfully  
6 navigate the maze of service-enriched housing development  
7 process.

8 So, starting at the beginning, the development  
9 process. There's a lot to consider before you even start  
10 and break ground. The development activity, whether you  
11 want to pursue new construction, acquisition,  
12 rehabilitation of an existing property.

13 And some of the developers we met with, New  
14 Hope, told us that new construction is preferred over  
15 rehab. They can build to suit, meet the needs of their  
16 tenants, and avoid unknown costs involved with rehab.

17 Foundation Communities uses a strategy to  
18 purchase extended stay hotels. Rooms are already designed  
19 as efficiency units with kitchenettes, making the  
20 conversation to single room occupancy units much easier  
21 and less expensive.

22 Easter Seals uses a strategy to purchase a set  
23 number of units within a condominium property that is  
24 still in predevelopment stage. Then the units can be  
25 modified to meet the needs of the tenants.

1 Moving on to the ownership structure and  
2 affordability period. Foundation Communities, New Hope  
3 and Easter Seals all create distinct housing entities for  
4 each of their properties and transfer ownership of the  
5 property to each individual entity after purchase.

6 Some of the other organizations partner with  
7 tax exempt entities so that would be to forego property  
8 taxes and that would be partnering with organizations like  
9 community housing development organizations or housing  
10 finance corporation.

11 There's also potential in the strategy to  
12 ground lease a property from a public entity or tax exempt  
13 entity. Foundation Communities did this with Spring  
14 Terrace and the City of Austin holds a 99-year ground  
15 lease on the property. This is also in their Arbor  
16 Terrace property with the Austin Housing Finance  
17 Corporation holding the lease.

18 Now as we go, feel free to interrupt if you  
19 have questions or comments or want some clarification on  
20 something.

21 Moving on to the development timing and site  
22 control. Applying for federal and state government  
23 funding sources is a lengthy process. Assembling multiple  
24 financing sources can take years.

25 Obtaining site control was important.

1 Interviewees pointed out from at the time applicants  
2 submit initial funding proposals, the pre-applications, to  
3 the time funding is awarded can take between 8 to 12  
4 months. So given this fact, the Chavez Foundation stated  
5 it's important to have a patient seller.

6 Housing development programs associated with  
7 HUD and the Federal Home Loan Bank Housing Tax Credit  
8 Program all require an applicant for funding to provide  
9 site control as they're proposing to develop or rehab. So  
10 that can also be a lengthy process.

11 Elongated time lines mean they have multiple  
12 proposed deals in the pipeline at one time in different  
13 phases of the pre-development and development process.  
14 For example, New Hope was breaking ground on their 4415  
15 Perry property, which they received 2010 housing tax  
16 credits for, as they were simultaneously applying for 2011  
17 tax credits and conducting research on possible properties  
18 for the 2012 cycle.

19 Property location and community opposition. So  
20 it's important for properties to be in close proximity to  
21 amenities required by tenants. The organizations we met  
22 with recognized surrounding -- the importance of the  
23 surrounding community and to have an extensive public  
24 outreach process. It's important to do some research and  
25 look into the zoning changes that might be required, as

1 well as understand that there might be NIMBYism, or not in  
2 my backyard attitudes.

3 We also looked at the differences between urban  
4 and rural and the provision of services. Urban providers  
5 typically need access to transit, and in rural areas some  
6 of the providers we met with discuss unique challenges,  
7 the need to provide services on-site or also challenges  
8 associated with infrastructure, so having water, sewer and  
9 roads at the property.

10 Partnering with private lenders and tax credit  
11 syndicators. Operating debt-free properties allows for  
12 lower rents. Green Doors and Samaritan House utilize  
13 private loans to fill the gap between funds raised and  
14 total development costs. Chavez Foundation talked about  
15 the importance of taking on debt, which encourages strong  
16 management and the organization's ongoing investment in  
17 the property.

18 Partnering with service providers. Services  
19 provided, whether on-site or off-site were, in a large  
20 part, provided by off-site service entities, or outside  
21 service entities. It's difficult to maintain services  
22 without partnerships. That was the theme we came across  
23 time and time again.

24 Many housing funding sources do not allow  
25 service provision as a part of their operating budget.

1 Facilitating partnerships with service providers was cited  
2 by multiple interviewees as a challenging and gradual  
3 process, which many times does not come together until the  
4 very end of the development time line, after construction  
5 is underway or even completed.

6 So now if you want to turn to page 14, Council  
7 staff worked to create a funding sources and uses table.  
8 So we hope that this is useful in dividing funding sources  
9 into what they can be used for, development assistance,  
10 rental assistance, and services. And I'll be going  
11 through those funding sources now.

12 So development funding. The primary funding  
13 sources are crucial to development of service-enriched  
14 housing. They tend to be the basis around which a deal is  
15 structured. Without these sources, developments would not  
16 move forward.

17 So the first funding source, HUD Neighborhood  
18 Stabilization Program.

19 MS. SCHWEICKART: That starts on page 15, so  
20 everyone can follow along if they want.

21 MS. HEMPHILL: Yes. So this -- funds can be  
22 used to purchase, demolition, redevelop, rehab, or land  
23 bank foreclosed, blighted or vacant properties in order to  
24 stabilize communities.

25 Foundation Communities utilize NSP funds

1 awarded to Texas Department of Housing and Community  
2 Affairs to acquire a vacant extended stay hotel in Austin.  
3 One advantage of NSP funds is that they can be used to  
4 fund increased property amenities such as microwaves in  
5 units.

6 Funds can only be used in eligible census  
7 tracts for the eligible purposes as defined by HUD.  
8 Eligibility criteria differ between NSP funding rounds.  
9 So it can be difficult to find a property that meets the  
10 eligibility within the right census tract.

11 HUD Section 811, supportive housing for persons  
12 with disabilities. Program funds can be used for the  
13 development, construction, rehab or acquisition of  
14 housing. An operation of supportive housing for very low  
15 income persons with physical disabilities, developmental  
16 disabilities, chronic mental illness or any combination of  
17 the three.

18 Easter Seals reported routinely using 811 funds  
19 for non-traditional deals such as the purchase of units  
20 within condominium developments. Program requirements are  
21 flexible in that services are not required to be provided  
22 by the developer, but rather established with partnerships  
23 with outside service providers. They reported seeking  
24 additional outside funding to cover amenities such as  
25 balconies and in-unit laundry facilities.

1 HUD Section 202, supportive housing for the  
2 elderly program. This provides funding to non-profits for  
3 the development and operation of supportive housing for  
4 very low income persons 62 years or older. The Chavez  
5 Foundation uses Section 202 funds to construct senior  
6 housing. And this provides additional funding for rent  
7 subsidies. It's grant funding so there's no repayment or  
8 debt service required.

9 There are restrictions on the eligible uses.  
10 It can't be used for property infrastructure, which can be  
11 an obstacle in rural areas, and certain amenities are  
12 disallowed, such as dishwashers. And Chavez Foundation  
13 reported walking away from deals because they didn't have  
14 adequate infrastructure.

15 Section 8, moderate rehab single room occupancy  
16 program. Funds can be used by public housing authorities  
17 and private non-profits for the rehab, operating costs and  
18 rental assistance payments to serve very low income single  
19 homeless individuals. Tenants pay no more than 30 percent  
20 of their income towards rent.

21 Samaritan House utilize Section 8 mod rehab  
22 funds for the rehab of a donated nursing home facility.  
23 The development was completed with additional funds from a  
24 capital campaign and created a 60-unit single room  
25 occupancy development serving persons with HIV/AIDS.

1           This targets SRO buildings and provides rental  
2 assistance for 10 years. This type of subsidy helps make  
3 projects sustainable and allows the organization to serve  
4 residents of higher need.

5           Next up, the IRS low income housing tax  
6 credits, which provides an indirect federal subsidy in the  
7 form of tax credits to non-profit organizations and for-  
8 profit developers to finance a development of affordable  
9 rental housing for low income households.

10           Tax credits provide an up-front tax credit  
11 which is sold to investors providing a project subsidy to  
12 reduce or eliminate debt service on their property and  
13 therefore reduce rents. Tax credits are extremely  
14 competitive and require significant up-front investment.

15           They require a limited partnership ownership  
16 structure with a general partner, typically the developer,  
17 and a limited partner, an investor, which may have  
18 differing long-term goals. The limited partner seeking to  
19 safeguard their investment and looks for the maximum tax  
20 off set, whereas the general partner will be interested in  
21 a property's long-term operation.

22           New Hope Housing uses the tax credit program as  
23 a primary financing mechanism and stated that credits are  
24 essential to the construction of their properties.  
25 Interviewees pursuing tax credits have to prove the

1 viability of their properties, showing lenders that they  
2 will receive a return on investment. Gaining the trust of  
3 syndicators and lenders can take time.

4 Tax credit compliance for Foundation  
5 Communities adds 30- to \$50,000 per year in operating  
6 expenses. This type of a program is useful in projects  
7 where the need for subsidy is greater, such as new  
8 construction.

9 The US Department of Agriculture rural housing  
10 programs, Section 515 program provides loans with interest  
11 rates as low as 1 percent to developers of affordable  
12 rural rental housing. The programs serves very low, low  
13 and moderate income households, the elderly and persons  
14 with disabilities. Funds can be used to buy and improve  
15 land and to provide necessary facilities.

16 So Hamilton Valley Management works primarily  
17 in rural Texas and utilizes these funds. The program was  
18 noted as a primary contributor to affordable housing in  
19 rural Texas, but the USDA budget model has little to no  
20 room for services.

21 Chavez Foundation also utilizes the program to  
22 create housing in rural Texas. Resident services are then  
23 provided by their sister agency, LUPE.

24 Moving on to secondary or gap financing.  
25 Secondary funding sources are generally more flexible in

1 their uses and regulations. After securing primary  
2 funding for a deal, developers then begin to assemble  
3 secondary funding sources. Sometimes they're truly gap  
4 financing and sometimes they're large significant amounts  
5 of funding.

6 So local sources can include a variety of  
7 things such as Community Development Block Grants, HOME,  
8 housing finance corporations, tax increment financing  
9 districts, city funds including general revenue and  
10 general obligation bonds. Local funding sources can be  
11 more flexible and better suited for layering into complex  
12 housing deals. CDBG and HOME funds are awarded to  
13 entitlement cities and counties to ensure decent  
14 affordable housing.

15 Easter Seals has historically utilized City of  
16 Austin G-0 bonds, CDBG funds, and HOME funds to provide  
17 additional amenities in their Section 811 project units.  
18 Similarly, Foundation Communities layered a combination of  
19 HOME and CDBG funding into their Skyline Terrace and Arbor  
20 Terrace properties.

21 Local funding sources tend to have the same  
22 rules and reporting requirements, which are much less  
23 restrictive than federal sources. Chavez Foundation found  
24 favorable loan terms with local NSP funds. Their loan  
25 terms begin repayment once the property's debt service

1 coverage ratio exceeds 1.2.

2 Federal Home Loan Bank. They provide direct  
3 grants and subsidized loans to assist Federal Home Loan  
4 Bank members to partner with local housing organizations  
5 to fund affordable housing. Grants are often used to fill  
6 a gap in available financing.

7 Chavez Foundation, Foundation Communities,  
8 Green Doors and then Texas Housing Foundation all  
9 routinely utilized Federal Home Loan Banks to complete  
10 deals. Funds are used as gap financing because their  
11 grants are flexible enough to cover amenities or  
12 infrastructure.

13 HUD's homeless assistance continuum of care  
14 supportive housing programs. SHP funds can be used for  
15 the development or operation of transitional housing,  
16 permanent supportive housing, safe havens and services to  
17 reduce the incidence of homelessness. Samaritan House  
18 uses \$200,000 annually for supportive services to their  
19 Villages at Samaritan House property only.

20 TDHCA HOME funds, so that's HOME investment  
21 partnership's program, receives funding from HUD and  
22 provides loans and grants for affordable housing  
23 development. HOME funds are frequently combined with  
24 housing tax credits.

25 Used in combination, HOME funds can further

1 reduce mortgage payments creating lower rents and  
2 increasing affordability. For developers wishing to serve  
3 low income households below 60 AMI, HOME funds are a  
4 financing mechanism to reach very low income households.

5 TDHCA housing trust fund provides loans,  
6 grants, or other comparable forms of assistance to  
7 finance, acquire, rehabilitate and develop decent, safe  
8 and sanitary affordable housing. Trust fund dollars come  
9 from state general revenue and can be used in a variety of  
10 housing needs.

11 Easter Seals historically use trust fund  
12 dollars for capacity building to begin developing  
13 affordable housing. Trust fund also provides an  
14 affordable housing match program which was utilized by the  
15 Chavez Foundation to access funds when their primary  
16 development funding source required a match.

17 As general revenue, trust fund dollars have  
18 less restrictions than federal sources and thus are more  
19 flexible in their usage, and many times directed to meet  
20 the state's greatest unmet housing needs.

21 Charities and foundations. As service-enriched  
22 housing development can layer as many as 10 to 15 funding  
23 sources for a successful deal, non-governmental sources  
24 such as private foundations can play an important role in  
25 providing gap financing.

1           New Hope was established in 1993 through the  
2 Christ Church Cathedral Episcopal capital campaign when  
3 the decision was made that for every dollar raised the  
4 Cathedral -- for the Cathedral, a dollar was matched for  
5 community reinvestment. New Hope's emphasis on  
6 fundraising continues and the organization feels strongly  
7 that a fundraising focus has contributed to their success.  
8 Impressively, 27 percent of New Hope's funding comes from  
9 foundations.

10           Private lending can also serve as a resource  
11 for developers that are unable to secure grants or loans  
12 for the entire development costs. Green Doors financed  
13 their Pecan Springs development with a variety of sources  
14 including private lending.

15           Chavez Foundation discussed the increased  
16 responsibility and property management required by debt  
17 service. The Foundation felt that a moderate amount of  
18 debt can encourage responsible property management and  
19 control of operating expenses.

20           Moving on to services and rental assistance  
21 received to the developer. In addition to partnering with  
22 outside service providers, securing service funding as a  
23 developer can ensure that tenants with special needs will  
24 remain stably housed in a community-based setting rather  
25 than relocating to an institution. Securing rental

1 assistance is critical for developers to be able to serve  
2 extremely low income tenants.

3 SAMHSA, Substance Abuse and Mental Health  
4 Services Administration, provides discretionary funding  
5 grant opportunities for projects assisting persons with  
6 mental illness and/or substance abuse disorders. In 2009  
7 SAMHSA's Center for Mental Health Services provided  
8 \$400,000 to Foundation Communities to implement the Health  
9 Options for Moving Toward Empowerment, or HOME, project.

10 Foundation Communities is utilizing project  
11 funding to assist 30 to 40 individuals annually and 160  
12 unduplicated chronically homeless adults over the five-  
13 year project period.

14 HUD Section 811 and 202 programs provide  
15 project-based rental assistance to cover the difference  
16 between the HUD-approved operating cost for the project  
17 and the tenants' contribution towards rent, typically 30  
18 percent of adjusted income.

19 Rental assistance funding is necessary for the  
20 financial feasibility of these developers' projects, as  
21 HUD's income eligibility standards for Section 811 and 202  
22 is restricted to households earning no more than 50  
23 percent of area median income.

24 Easter Seals also mentioned that the households  
25 they serve typically had a static income. As SSI or SSDI

1 payments is the only source of income they obtain, making  
2 Section 811's rental assistance component essential for  
3 these households to retain community-based living  
4 arrangements.

5 HUD project-based Section 8 funding. HUD  
6 provides Section 8 rental subsidies to the project owners  
7 in an amount equal to the difference between the HUD-  
8 approved rent and the required rental contribution from  
9 eligible tenant families, typically 30 percent of their  
10 income.

11 Diana McIver Associates and the Texas Housing  
12 Foundation both cited the use of project-based Section 8  
13 funding awarded to their property by the local public  
14 housing authority.

15 HUD Section 8 mod rehab single room occupancy  
16 program. HUD enters into annual contribution contracts  
17 with local public housing authorities in connection with  
18 the moderate rehab of residential properties. These  
19 housing authorities make Section 8 rental assistance  
20 payments to participating landlords on behalf of homeless  
21 tenants who rent the rehab units, and again, rental  
22 assistance generally covers the difference and tenants pay  
23 30 percent of their income.

24 Foundation Communities received this funding in  
25 2001 for their Garden Terrace property, and it provides 50

1 units serving homeless persons.

2 HUD competitive HOPWA, it's a special program  
3 of national significance. This is for innovative projects  
4 that target assistance to under-served populations  
5 including racial and ethnic minorities, women, and persons  
6 in rural areas.

7 In 1998 Samaritan House received its first  
8 grant award through Tarrant County Community Development  
9 Division, which was used to create the Genesis Project.  
10 The Genesis Project places the tenants of their single  
11 room occupancy property into individual apartments  
12 scattered throughout the city of Ft. Worth. These low  
13 income individuals with HIV/AIDS sign a lease with the  
14 property manager and then Samaritan House pays a portion  
15 of the rent every month.

16 Project-based HUD Veteran Affairs Supportive  
17 Housing, the VASH program, combines Section 8 voucher  
18 assistance for homeless veterans with case management and  
19 clinical services provided by the Department of Veteran  
20 Affairs.

21 Foundation Communities received HUD VASH  
22 program vouchers for 20 housing units. Green Doors has  
23 submitted an application to project-based HUD VASH  
24 vouchers for their Treaty Oaks property.

25 HUD Continuum of Care Supportive Housing

1 Program. This is a set of three competitively-awarded  
2 programs created to address the problems of homelessness  
3 in a comprehensive manner.

4 One of those, the supportive housing program,  
5 is designed to help develop housing, provide both rental  
6 subsidies, and offer supportive services for people moving  
7 from homelessness to independent living. Samaritan House  
8 received funding solely to provide supportive services to  
9 homeless individuals with HIV/AIDS living in their rental  
10 property.

11 Through a formal agreement with Caritas of  
12 Austin, Foundation Communities received SHP funding in the  
13 form of rental subsidies for 20 units in each of their  
14 Spring Terrace and Skyline Terrace properties. Residents  
15 of those units pay no more than 30 percent of their  
16 monthly income towards rent.

17 HUD formula HOPWA, this funds metro areas with  
18 the highest number of AIDS cases, or with higher than  
19 average per capita incidence of AIDS. The city of Ft.  
20 Worth receives HOPWA formula funds and awards those to  
21 Samaritan House for project-based rental assistance, as  
22 well as supportive services.

23 Health Resources and Services Administration,  
24 the Ryan White Program. This works with cities, states  
25 and local community-based organizations to provide HIV

1 related services. The Ryan White legislation created five  
2 different programs. Samaritan House utilizes funding  
3 solely to provide supportive services to their tenants  
4 affected by HIV/AIDS.

5 TDHCA Homeless Housing and Services Program,  
6 \$20 million in funding was provided by the 81st Texas  
7 Legislative session for the eight largest cities in Texas  
8 for the purposes of supporting regional urban areas and  
9 providing services to homeless individuals and families,  
10 including supportive services and rental assistance.

11 So New Hope partnered with the Houston  
12 organization, receiving HHSP funding, that's SEARCH  
13 Homeless Services, to provide on-site case management to  
14 New Hope residents.

15 All right. Services and rental assistance  
16 funding provided to the tenant. These funding sources  
17 cannot be figured into financial formulas of the housing  
18 providers as they are provided to the tenants rather than  
19 project-based assistance programs.

20 They're useful for serving extremely low income  
21 tenants to remain living in community-based residential  
22 housing. Without project-based rental assistance, it's  
23 extremely difficult to serve households below 30 percent  
24 AMI.

25 The most common source of tenant-based rental

1 assistance is the Section 8 housing choice voucher  
2 program. These are obtained through the state's network  
3 of local public housing authorities. Every interviewee  
4 stated that they accept Section 8 vouchers and that  
5 assistance is most commonly -- is the most commonly  
6 utilized funding source. However, most of the state's  
7 housing authorities have waiting lists that are several  
8 years long.

9 Okay. So the conclusion and next steps.  
10 Moving forward, it is the Council's goal to disseminate  
11 the information gleaned from these interviews to the  
12 public. To this end, Council staff are currently working  
13 on crafting an online interactive tool which can lead  
14 viewers through the development financing process.

15 It should be noted that this report is meant to  
16 be utilized by individuals or organizations with existing  
17 experience in affordable housing development. Therefore,  
18 organizations interested in the creation of service-  
19 enriched housing in their community are encouraged to  
20 either seek the assistance of an experienced development  
21 consult, or partner with existing service-enriched housing  
22 providers.

23 So that's our report summarized.

24 MS. LOUCKS: Thank you. You need a drink of  
25 water.

1 MS. HEMPHILL: I know.

2 (General laughter.)

3 MS. SCHWEICKART: And just so everyone knows,  
4 in terms of the use of this report immediately, the  
5 organizers of the finding housing opportunities for  
6 persons with disabilities conference that begins today,  
7 that many of you are attending, were interested in having  
8 this be part of an informational packet that would be --  
9 that the participants receive.

10 So I dropped off 135 copies this morning at the  
11 Intercontinental Hotel, so I hope that those who are  
12 attending that conference, this will be, you know,  
13 educational for those who are maybe wanting to know more  
14 about the resources that are available for housing and  
15 services for these special needs populations.

16 And so that is an immediate way in which we're  
17 getting that information out there. Also we would like to  
18 make this information available on the Council's website  
19 immediately, well, as soon as made accessible.

20 And so then as Suzanne mentioned, moving  
21 forward we would hope to find a way of creating an  
22 interactive online tool to be able to provide this  
23 information in a way that would be helpful to those people  
24 who are looking to provide housing in the future for this  
25 population and provide some type of on-site or off-site

1 connection to services.

2 FEMALE VOICE: Yes, Paige.

3 MS. MCGILLOWAY: I think this is a great  
4 document. You guys did a fabulous job. And I'm assuming  
5 that the information that's provided in this document is  
6 just what was, you know, presented through the act of  
7 doing these interviews with these organizations. Is that  
8 correct?

9 MS. HEMPHILL: Yes. We could decide to take it  
10 a step further and look at the potential funding sources.  
11 However, we really wanted to do a case study and look  
12 at --

13 MS. MCGILLOWAY: Sure.

14 MS. HEMPHILL: -- how the sources were used.

15 MS. MCGILLOWAY: Well, the reason I asked is  
16 because I'm sad to say that the Texas State Affordable  
17 Housing Corporation has funded four out of the nine and  
18 three of those two times, and for supportive housing  
19 services and there's no mention of that type of funding  
20 source in this document.

21 And so I don't know if we can maybe -- maybe  
22 that falls under the foundation component, but, you know,  
23 it's never stated. I mean we've given out almost a  
24 million dollars to date through that funding source, and  
25 so --

1 MS. HEMPHILL: Okay.

2 MS. MCGILLOWAY: -- and we just want people to  
3 know it's there for them too --

4 MS. HEMPHILL: Absolutely.

5 MS. MCGILLOWAY: -- to apply for. That's  
6 important to us to get the word out these funds exist for  
7 supportive housing services. So I don't know if maybe we  
8 can make that an addition.

9 MS. HEMPHILL: Yes. Yes, we can absolutely get  
10 more information from you and incorporate that.

11 MS. MCGILLOWAY: Great.

12 MS. SCHWEICKART: And I think that also once we  
13 are able to, you know, fully create this interactive  
14 component I would hope that, you know, if someone, you  
15 know, was going through that decision tree that we  
16 discussed being available, and then was interested in  
17 foundation funding that, you know, we would have a link to  
18 TSAHC's website immediately available to them so that they  
19 can access that information.

20 And that hopefully would be a way of being able  
21 to move people from the Council's website and the way that  
22 they understand how the components of funding come  
23 together to then the various state agencies or foundations  
24 or organization which provide that funding source. So  
25 that would be hopefully an end result of the interactive

1 component.

2 MS. MCGILLOWAY: That's great.

3 MR. IRVINE: I don't exactly what direction the  
4 interactive component will take, but I would offer that  
5 this year we did something completely different with the  
6 QAP. We took a staff-prepared draft, not the official  
7 public comment document, and we put it on our website and  
8 we created an item where you can log on and anybody can  
9 make comments and see each other's comments, and that's a  
10 great way to get people to bring forth all these kinds of  
11 information.

12 And, you know, the theme that you always see  
13 over-arching here is the need for coordination,  
14 coordination, coordination, and sometimes coordination is  
15 just looking to your left or you're looking to your right  
16 and recognizing and singing the praises of your partners.

17 And I really thank you, Paige, for, you know --  
18 I mean we all just -- we need to boost each other, and  
19 when you know of a funding source, you know of a resource,  
20 you know of anything, tell each other about it and maybe  
21 we can use that.

22 I would also offer one of the best resources  
23 I've ever seen for putting together affordable housing  
24 transactions is our real estate analysis staff. They  
25 will -- they're total finance wonks. They will talk about

1 layering credits and 504s and, you know, different HUD  
2 funding, private funding, I mean you name it, they've seen  
3 it, they've put it together, and if they haven't seen it,  
4 it hasn't been done yet.

5 So, you know, feel free to call Brent Stewart,  
6 Cameron Dorsey, any of those folks, and talk about  
7 financing structures with them.

8 MS. LANGEDORF: I'm just curious whether or not  
9 we would want to go a step further, if it's useful. I'm  
10 trying to think of who the audience is necessarily for  
11 this, but you could have an appendix of actual --

12 MR. IRVINE: Yes.

13 MS. LANGEDORF: -- sources and uses from some  
14 of your examples.

15 MR. IRVINE: That'd be great.

16 MS. LANGEDORF: I mean I'd be happy to give you  
17 ours.

18 MS. SCHWEICKART: And so you mean like their  
19 contact information or what kind of information would you  
20 want to --

21 MS. LANGEDORF: Just the anatomy of some of  
22 these deals --

23 MS. SCHWEICKART: Oh, okay. Okay.

24 MS. LANGEDORF: -- to where you really have --

25 MR. ASHMAN: So you can really see all of the

1 different component structures --

2 MS. LANGEDORF: Yes, I mean I know it's in a --

3 MR. ASHMAN: -- for each development?

4 MS. LANGEDORF: -- narrative, but --

5 MS. HEMPHILL: Yes.

6 MS. LANGEDORF: -- in thinking about it,  
7 sometimes just seeing it, you know, in a structure that  
8 demonstrates, okay, yes, for this we did get this much in  
9 811, we got this much in HOME funds, we had to, you know,  
10 fork up this much because it wouldn't have closed without  
11 us having a garage sale, yes, I mean something like that.  
12 I mean we aren't that bad, but close on some of these.

13 MR. ASHMAN: I think I'd also be interested in  
14 knowing where -- the location of each one of these  
15 properties are --

16 MS. LANGEDORF: Yes, I was wondering about  
17 pictures too.

18 MR. ASHMAN: -- because that makes a  
19 difference to me on what communities are contributing, you  
20 know, going with G-O bonds or --

21 MS. LANGEDORF: Yes.

22 MR. ASHMAN: -- using CDBG for this versus  
23 other communities that aren't, so.

24 MS. SCHWEICKART: Sure.

25 MS. HEMPHILL: Absolutely.

1 MS. MARGESON: I'm really interested in the  
2 list of foundations. Was it the one project that said 27  
3 percent of their --

4 MS. HEMPHILL: Yes.

5 MS. MARGESON: That's really unusual.

6 MS. HEMPHILL: Yes.

7 MS. MARGESON: Most foundations don't, you  
8 know, fund ongoing services and --

9 MS. SCHWEICKART: And that one is New Hope  
10 Housing, and that -- it's the fundraising that's 27  
11 percent of their budget. But foundations do play a very  
12 key role and I know that they mentioned the Houston  
13 Endowment as a major player.

14 But, you know, I think to expand upon this we  
15 certainly can add components, so, you know, add an  
16 appendix that includes both the like layer structure  
17 information, a couple of examples from a couple of these  
18 interviewees, and we could ask them if they could provide  
19 that, as well as maybe a locational like map or something  
20 of that nature to provide a visual of where these  
21 developments are, for sure.

22 MR. ASHMAN: And then the only other thing I  
23 would add is we show the 1915(c) waivers, we have a new  
24 waiver now also and it's 1115 waivers. So I'd probably  
25 add that in there.

1 MS. SCHWEICKART: 1115. Great.

2 MS. MARGESON: How does it work? Who is it --  
3 what's the target?

4 MR. ASHMAN: It's the star plus waiver. It  
5 went from a 1915 to 1115 waiver. Services are exactly the  
6 same, nothing's changed. But there were some CMS issues  
7 that were resolved because of that.

8 MS. SCHWEICKART: And, you know, also if -- I  
9 know that we at our last meeting did discuss, you know,  
10 any feedback that the Council had as to maybe how this  
11 interactive component on the web would look or operate,  
12 now that you've seen the information compiled into the  
13 case study is there any further feedback do you have as to  
14 how that online tool would work? Do you think that there  
15 are pieces, besides what we've already mentioned, that may  
16 be missing that would be very key to an interactive  
17 component?

18 MR. IRVINE: The only comment that I would make  
19 is that somewhere at the front there needs to be something  
20 that's really simple, because I have seen too many really  
21 great agencies and organizations try to jump into the tax  
22 credit program and other programs where they've got a good  
23 housing model, they've got a good service model, and they  
24 have no idea what sort of financial morass and alphabet  
25 soup they are jumping into.

1           And seriously, they don't have a way to  
2 organize those thoughts, so they just jump in and get  
3 frustrated. And they really need to spend a lot of time  
4 and probably hook up with good advisors to understand  
5 these programs before they jump into submitting a tax  
6 credit application or a HOME funding request, or something  
7 like that. Or else they're just going to be spinning  
8 their wheels for two years, then they're going to be mad.

9           MS. VAN RYSWYK: And I think rate the level of  
10 difficulty with hammers, five hammers --

11                   (General laughter.)

12           MS. VAN RYSWYK: -- or one hammer.

13           MR. IRVINE: And also this is a time when we're  
14 really stressing the model. The tax credit program, I  
15 keep coming back to that, but that's such a -- that's the  
16 900 pound gorilla in terms of our funding, is set up to  
17 deliver traditional affordable housing units in a very  
18 almost cookie cutter, even though exceptionally good,  
19 model.

20                   And as you start layering new things on it, you  
21 really start pushing the boundaries of what the Tax Code  
22 will allow, what our QAP will allow and what frankly our  
23 financial underwriting criteria will allow. And I'm not  
24 saying it's not good to be pushing those envelopes, but  
25 it's very stressful, it's hard.

1 MS. MCGILLOWAY: Tim, maybe, going along what  
2 you said and what Jean said as far as an interactive  
3 component, you know, for us policy wonks, we love reading  
4 documents like this. But like I think for someone that's  
5 interested in doing development, they may not want to take  
6 the time to read 27 pages.

7 So maybe if we had a map going along looking  
8 for the locations, that had, you know, a marker and you  
9 could click on that marker and it would pop up that entity  
10 that would just be a quick snapshot of location, overall  
11 kind of budget, you know, and then the sources and uses  
12 for that.

13 Just a very quick down and dirty, and then the  
14 kind of demographic that they serve perhaps, because it  
15 would be really hard to kind of wade through this document  
16 and figure out, okay, I want to do a project that's  
17 specifically for homeless veterans. You would want to try  
18 to find the most similar one and then look at their  
19 layering of funding, and you want to be able to do that  
20 pretty quickly.

21 MS. SCHWEICKART: Okay.

22 MS. MCGILLOWAY: I don't know. That's just --  
23 that would be -- that would get the first -- someone would  
24 then first get interested by looking at that and then  
25 could delve into those -- the bigger projects and funding

1 source itself and looking at --

2 MS. SCHWEICKART: Yes.

3 MS. MCGILLOWAY: -- the process there.

4 MR. ASHMAN: Tim, when Texas uses all its  
5 allocation of tax credits, do you have some developers  
6 going through you directly to the Treasury for credits?  
7 And are they ever using the historical tax credits?

8 MR. IRVINE: We have got developers that have  
9 pursued historic tax credits and we have specifically been  
10 in pretty extended dialogue this QAP with some historic  
11 tax credit developers and are looking to provide in the  
12 QAP more flexibility to accommodate deals that are also  
13 bringing in historic credits.

14 You know, it's probably inappropriate to  
15 monopolize this group's time on this, but this is the  
16 constant debate you have between, you know, putting more  
17 new units on the ground and rehabilitation, or repurposing  
18 of existing stock. And, you know, it's a real challenge  
19 to manage that.

20 MR. ASHMAN: Well, we've even seen the federal  
21 government going towards making those same difficult  
22 decisions.

23 MR. IRVINE: Right. I mean my personal view --  
24 and I'm glad to state it on the record -- is until every  
25 Texan has safe, decent, affordable housing, we need more

1 units.

2 MS. MCGILLOWAY: As long as we're maintaining  
3 our existing units.

4 MR. IRVINE: Absolutely.

5 (General laughter.)

6 MS. LANGENDORF: Safe, decent.

7 MS. MCGILLOWAY: Yes.

8 MR. IRVINE: Okay.

9 MS. MARGESON: Great work. Thank you.

10 MR. IRVINE: Yes. Thank you, Suzanne.

11 Okay. Ashley, you want to tell about the  
12 application that --

13 MS. SCHWEICKART: Yes.

14 MR. IRVINE: -- DADS dropped in this summer?

15 MS. SCHWEICKART: Definitely. And Steve can,  
16 you know, fill in anything that I miss.

17 MR. ASHMAN: Actually, I wasn't too involved in  
18 this. I was deeply involved in fishing at the time you  
19 folks did this.

20 MS. SCHWEICKART: He was in Alaska. Yes.

21 Well, so I wanted to bring this forward because  
22 I think that it's a very exciting opportunity and very  
23 hopeful that we get awarded, because I think it directly  
24 relates to the Council's mission as it was created, as  
25 well as one of the specific statutory requirements that we

1 are looking at trying to achieve.

2 So I don't know if anyone heard of it. It came  
3 out very quickly. It was July 15, the CMS Center for  
4 Medicaid and Medicare Services announced the grant  
5 opportunity, which is the real choice systems change  
6 grant, and particularly it looks at housing partnerships.  
7 So the main thing was a partnership between the state's  
8 Medicaid agency, which DADS is the designated agency for  
9 Medicaid, and the state's housing finance agency, TDHCA,  
10 so a partnership between us.

11 And the grant allowed us to choose what kind of  
12 strategy of partnership to look at, and we chose -- they  
13 gave us three strategies we could choose from, and the one  
14 that we chose was capitalizing on new opportunities in  
15 HUD's Section 811 program.

16 So that requires take it another level deeper,  
17 because I know that the Section 811 program, although  
18 Suzanne did reference it in that document, there are some  
19 new criteria and some new opportunities in Section 811  
20 that were not available in previous years.

21 So to explain that, the Section 811 program has  
22 allowed persons with disabilities to live independently in  
23 community-based settings by increasing the supply of  
24 affordable rental housing with the availability of  
25 supportive services. Now the new legislation that came

1 out authorizes an option which state housing agencies can  
2 be eligible to receive funding and funding specifically  
3 for what's called PRA, or project rental assistance.

4 And so the way in which TDHCA could use this  
5 new Section 811 funding is that the project rental  
6 assistance funding would be linked to another one of our  
7 capital financing sources. So that could be housing tax  
8 credits, that could be the HOME partnerships program, but  
9 this project rental assistance would then go into a new  
10 development that would be created through those programs.

11 So this is highly integrated housing, no more  
12 than 25 percent of the units in any property can have  
13 project rental assistance funding and units -- project  
14 rental assistance units set aside for persons with  
15 disabilities, so it is an integrated program. And then  
16 basically this project rental assistance pays 30  
17 percent -- sorry, tenants pay 30 percent of their income  
18 and then the PRA provides the remaining cost to subsidize  
19 the unit.

20 So basically that's what the new Section 811  
21 is, and what this grant is allowing us to do is a number  
22 of things. This grant is allowing us to create a  
23 partnership with the state Medicaid agency, DADS, because  
24 the Section 811 requirements are that a partnership  
25 agreement be created with the state Medicaid agency

1 because there has to be that service component provided,  
2 and that service provision has to be laid out very clearly  
3 when we apply for the Section 811 funding in the near  
4 future.

5 And so we want to make sure that we have that  
6 partnership with DADS very clearly laid out and make sure  
7 that we understand how the service component will be  
8 provided to these units when they are created. So this  
9 grant allows us to create this partnership agreement.

10 The second thing it allows us to do is to go do  
11 a public outreach process on how we could possibly  
12 modify -- TDHCA could modify program policies and  
13 requirements so that we can make this project rental  
14 assistance component work with the current programs we  
15 have in place so that we -- and that we get the input of  
16 consumers and their families that would be potentially  
17 using this funding, so persons with disabilities and their  
18 families could provide us feedback on how to best  
19 incorporate the new Section 811 project rental assistance  
20 into our current policies and planning documents.

21 Also, this gives us funding to apply, so help  
22 us basically apply for the Section 811 funding when it  
23 comes out, which HUD is saying spring of 2012, so we're  
24 really hoping that HUD is going to keep to that time line.

25 And then the final thing, which is the way in

1 which this all ties with the Council -- I know it took a  
2 long time to get there -- but the final thing is that  
3 this -- the application required us to design and  
4 implement necessary community infrastructure to ensure the  
5 coordination of housing and services. So that may sound a  
6 little weird, but it's designing and implementing  
7 infrastructure. Okay.

8 MS. MARGESON: Service infrastructure you mean.

9 MS. SCHWEICKART: No. Infrastructure for  
10 coordination. Now I know that that seems a little odd,  
11 and so we brainstormed and brainstormed. We had Steve, we  
12 had -- Marc Gold was very intimately involved in this  
13 process, myself and Kate Moore, many of you may have met,  
14 who is our liaison to external agency groups, worked very  
15 hard on our side.

16 And what we realized was that one of the  
17 Council's statutory requirements, something the Council  
18 has been working on, actually was the best fit for how to  
19 achieve this idea of designing and implementing community  
20 infrastructure for partnerships, and that statutory  
21 requirement is the creation of the information clearing  
22 house.

23 Because what we decided was, how do we make  
24 sure that there is in place an infrastructure that  
25 connects, that for any housing provider or any service

1 provider could go to and say, I'm a housing provider in  
2 Denton and I would really like to know how I could help  
3 these people who want housing in my development, but  
4 they're going to need the services for living  
5 independently and I want to stably house them, who do --  
6 you know, who could I find in my community that is a  
7 service provider that's going to help for this  
8 particular individual.

9           And we thought the information clearing house  
10 could serve that purpose of connecting housing providers  
11 and service providers with one another. So that is what  
12 we proposed is to fulfill the Council's -- one of the  
13 Council's obligations, but also fulfill the requirement of  
14 this funding application through the creation of an  
15 information clearing house, online clearing house. Does  
16 that make sense?

17           MS. MARGESON: So it is partnerships for the  
18 provision of services.

19           MS. SCHWEICKART: It's partnerships, yes.  
20 That's right. Yes. So we're hoping that we will get  
21 awarded. We will find -- we're supposed to find out  
22 according to the grant information, that if we are awarded  
23 by September 30, and --

24           MS. YEVICH: An encouraging word late last  
25 night from CMS, they're looking at our application, they

1 had some questions. Kate was on the phone with them very  
2 early this morning, and so she's hard at work answering  
3 those few questions. So we know they're looking at it.  
4 So I think that's encouraging.

5 MS. SCHWEICKART: Right.

6 MS. MARGESON: Ashley --

7 MS. SCHWEICKART: Yes.

8 MS. MARGESON: -- let me ask you, just in pure  
9 layman terms, which is what I am, the way -- you know, and  
10 I've been involved in a few 811s, and the way it always  
11 worked obviously was that, you know, HUD basically loaned  
12 you the money for the construction, and then they pay  
13 themselves back through the Section 8 side of the project,  
14 plus the 30 percent of, you know, the renters' incomes.

15 So now I hear you saying that that's changed,  
16 and I'm trying to get a grasp on what that change is. So  
17 how is it different now?

18 MS. SCHWEICKART: I think the difference is  
19 actually just who is eligible to receive project rental  
20 assistance funding, and it's that housing -- state housing  
21 agencies are an eligible entity.

22 MR. ASHMAN: No, I --

23 MS. LANGEDORF: No.

24 MR. ASHMAN: No, no.

25 MS. LANGEDORF: No, it's a big change.

1 MR. ASHMAN: No, it's huge.

2 MS. SCHWEICKART: Okay.

3 MS. LANGEDORF: It's huge.

4 MR. ASHMAN: This is huge.

5 MS. LANGEDORF: Yes.

6 MS. SCHWEICKART: Sorry. Go right ahead.

7 MR. ASHMAN: Okay. I'll start and then you  
8 correct me, Jean.

9 MS. LANGEDORF: We have an expert in Texas --

10 MR. ASHMAN: But what HUD's done is, because of  
11 the limited amount of dollars, is they're using -- instead  
12 of using capital advance money -- now there's still -- I  
13 think they still have that program, the capital advance --

14 MS. SCHWEICKART: Yes.

15 MR. ASHMAN: -- the grant program, if you  
16 will, they're using those same dollars and leveraging  
17 those against low income housing tax credits and other  
18 financing sources. So those limited dollars they have are  
19 being leveraged with other sources which will produce more  
20 units with rental assistance. That's --

21 MS. LANGEDORF: Which in turn --

22 MR. ASHMAN: This is huge.

23 MS. LANGEDORF: -- is going to impact,  
24 especially since, if we get this grant, which would be --  
25 which is why I think it would be a wonderful thing,

1 because we have to do a lot of work in Texas --

2 MR. ASHMAN: Yes.

3 MS. LANGENDORF: -- to let tax credit be  
4 available to those that would not have -- well, I don't  
5 think there's a whole lot of current tax credit  
6 developers, maybe a few, that are listed in those case  
7 studies, but I think those that might have done Section  
8 811s before, Easter Seals, several others, have no  
9 experience in tax credits.

10 But I can contend tax credits need to be  
11 modified a bit. I mean I know you can only do so much --

12 MR. IRVINE: Sure.

13 MS. LANGENDORF: -- within the realm of what  
14 Texas can do, not saying get anything changed from the IRS  
15 because you know that ain't going to happen, but within  
16 Texas there are things that we have the ability maybe for  
17 this type of development.

18 But it's really, Paula, going to just increase  
19 the number of units that produced because what they're  
20 saying is HUD 811 money is not going to be used to do any  
21 of the development, but they're going to give you  
22 subsidies, which is the other beauty of 811. You can  
23 develop -- like tax credits can develop all day long, but  
24 if they have no subsidies, you're never going to serve low  
25 income -- the lower income people. I know it's low income

1 housing tax credits, but --

2 MS. MARGESON: But 811 always had a subsidy.

3 MS. LANGEDORF: Correct. They're just using --  
4 they would be partnering that money, more of it would be  
5 in subsidies.

6 MS. MARGESON: So they could do a lot more  
7 units.

8 MS. LANGEDORF: Right.

9 MR. GOODWIN: Yes, it was project --

10 MS. LANGEDORF: And push the envelope on  
11 development.

12 MR. GOODWIN: -- it was project specific.  
13 It's been project specific and now while it's project  
14 specific it's targeted at non-traditional 811 housing,  
15 meaning a conventional tax credit developed project could  
16 get a 25 percent subsidy --

17 MS. LANGEDORF: Correct.

18 MR. GOODWIN: -- which would make the project  
19 more viable, and if you can find -- because as we've been  
20 going through this, I've been sitting here, for example  
21 not trying to dig anybody, but Jimmy Carmichael's not  
22 here, our banker's not here. Bankers aren't interesting  
23 in financing this type of housing because there's not  
24 enough return.

25 This might be one of the hooks to get

1 conventional tax credit developers into service-enriched  
2 housing, if you will, because all of a sudden 25 percent  
3 of my development is occupied. Period.

4 MS. LANGEDORF: And subsidy --

5 MR. GOODWIN: And that's the nut you have to  
6 crack. I could get to 80, how do I get to 100, I just  
7 got -- you know, my hard sell is now at 75 percent because  
8 I've got 25 percent occupied.

9 MR. ASHMAN: And, Jean --

10 MR. GOODWIN: This could be a huge change.

11 MR. ASHMAN: -- Congress the passed the  
12 same -- the 202 program the same way, didn't they? Did  
13 they pass that bill?

14 MS. LANGEDORF: I don't know. I really --

15 MR. ASHMAN: I thought they did, so --

16 MS. LANGEDORF: -- I haven't --

17 MR. ASHMAN: -- I mean the same thing --

18 MS. MARGESON: That would make sense because  
19 those are sister programs basically.

20 MR. ASHMAN: Yes.

21 MS. LANGEDORF: They have been, but it was  
22 really the push on the 811 side.

23 MR. ASHMAN: Yes.

24 MR. GOODWIN: Is there any indication that  
25 these funds would have restricted targeting, for example

1 811s are generally I'll say disability specific, are these  
2 going to be that way, or is it going to just be  
3 disabilities so you could accommodate both persons with  
4 chronic mental illness with persons with physical  
5 disabilities in the same -- you don't have to -- is there  
6 any indication --

7 MS. SCHWEICKART: I don't believe there'll be a  
8 eligibility requirement, and correct me if I'm wrong. I  
9 don't believe that there was a change to the  
10 eligibility --

11 MS. LANGEDORF: No, I don't think you have --  
12 you don't have -- I think they're encouraging more -- all  
13 disabilities. But the big thing -- difference in 811, in  
14 my opinion, is it has to be the head of household. I mean  
15 it has to be the adult in the family.

16 MR. ASHMAN: Right.

17 MS. LANGEDORF: It's not a child-centered  
18 program at all, which we learned the hard way. I mean  
19 just because we thought we were -- could help somebody who  
20 had a child with a disability. But, no, it, in fact, has  
21 to be the adults --

22 MS. MCGILLOWAY: That's interesting.

23 MS. LANGEDORF: -- in 811.

24 MS. MARGESON: I did not know that.

25 MS. MCGILLOWAY: I didn't either.

1 MR. ASHMAN: Yes.

2 MS. MCGILLOWAY: Wow.

3 MS. LANGEDORF: Yes.

4 MR. ASHMAN: And the other thing --

5 MS. LANGEDORF: Other HOME -- other HUD  
6 programs are --

7 MS. MARGESON: Or spouse. I mean -- right?

8 MS. LANGEDORF: Well, and in Texas anyway we  
9 make sure that it could be, you know, they're low income,  
10 but it could be the child that has the disability.

11 MS. MARGESON: It used to be that way with the  
12 202s before, you know, they were separated out and made  
13 into two programs and it could be the child.

14 MS. LANGEDORF: Yes, not 811.

15 MS. MARGESON: So it could be the spouse of  
16 head of household too --

17 MS. LANGEDORF: Yes, it has to be adult.

18 MS. MARGESON: Okay.

19 MS. LANGEDORF: It has to be an adult that has  
20 the disability.

21 MR. ASHMAN: And the other thing is, we don't  
22 know the rules to the 811 program yet. While they're  
23 saying this is going to be coming out in the spring or  
24 whenever of '12, they still don't have the rules of the  
25 program so --

1 MS. SCHWEICKART: Right.

2 MR. ASHMAN: -- we don't know what the rules  
3 are.

4 MS. SCHWEICKART: Right. Yes, so we'll -- so,  
5 you know, if we -- whether or not we receive this grant,  
6 and we'll cross our fingers that we do, whether or not we  
7 receive this grant, I think that we will definitely keep  
8 our ears open for the release of the rules for the new  
9 Section 811 so that we can get into more detail and more  
10 depth on the specific questions of the new Section 811  
11 program.

12 Like I said, they have a time line which they  
13 release. I don't know if they're going to stick to it,  
14 but the -- I don't think they are because the initial rule  
15 was supposed to be published in August to receive public  
16 comment on. That was -- that deadline was not met. But  
17 like I said, I will keep everyone informed here on the  
18 Council as to anything that comes out from HUD about this  
19 program, and also I'll keep you guys updated whenever we  
20 find out about this particular CMS grant that is connected  
21 to Section 811.

22 MS. MCGILLOWAY: And how much have you guys  
23 asked for?

24 MS. SCHWEICKART: The grant was limited --

25 MS. YEVICH: Interesting question, Paige. This

1 is one thing that did happen. Again, I want to really  
2 congratulate Ashley and Steve, along with Marc and Kate  
3 for their hard work. Thirty days and about eight to nine  
4 before it was due, they changed the --

5 MS. MCGILLOWAY: Oh, no.

6 MS. YEVICH: Yes, the amount. Right.

7 MS. MCGILLOWAY: Oh, my.

8 MS. YEVICH: Oh, yes, that was fun.

9 MS. SCHWEICKART: We originally were told that  
10 it was going to be about \$525,000 per grant and that there  
11 was going to be I think four grants. Then they decided to  
12 create more grants, so it's now at \$330,000. And so --  
13 and there's basically the in-kind match of staff salaries  
14 that, you know, we met ourselves, so.

15 MS. MARGESON: Is that three years, one year,  
16 what?

17 MS. SCHWEICKART: Oh, it's --

18 MR. ASHMAN: It's for 12 months.

19 MS. SCHWEICKART: -- 12 months.

20 MS. YEVICH: Twelve months.

21 MS. SCHWEICKART: So we had them put everything  
22 that we were going to do, all of the proposal into a time  
23 line that met 12 months.

24 MS. MARGESON: Holy cow.

25

1 MS. SCHWEICKART: So it's a lot, but I think  
2 that it will be -- and if we do get awarded, I can  
3 obviously brief you guys as to where we are in that 12-  
4 month time line as we go along and give you more details  
5 about the proposal, because I tried to give you maybe more  
6 of a service level overview at this time about what we  
7 proposed, so.

8 MS. MARGESON: We'll barely have time to party  
9 and then it'll be over.

10 FEMALE VOICE: Right.

11 (General laughter.)

12 MALE VOICE: But it'll be a good party.

13 MS. LANGENDORF: Yes.

14 MR. GOODWIN: You get the grant, I'd like to  
15 talk to -- from an operator standpoint.

16 MS. SCHWEICKART: Yes.

17 MR. GOODWIN: Because what -- a key element  
18 that would help anybody would be to try to meld the  
19 programs. You've got federal requirements and you've got  
20 state requirements that are governed by federal dictate,  
21 and if somebody -- if somehow you could kind of mesh those  
22 and each side gave up a little bit so that you had one set  
23 of qualifying criteria and one side of reporting criteria.

24 I've got a property that we have three sets of  
25 records on every resident, and when we certify them,

1 they've got to sign three sets of papers for three  
2 different programs. When you layer Section 8 with HOME  
3 with tax credits, nobody accepts anybody else's forms and  
4 they've all got the same information. And that would be a  
5 huge change that would entice people to get in, as a  
6 management company for example.

7 I wouldn't get into the program because it's  
8 too over-burdening and the staff requirements are  
9 unbelievable, and you've got three people who want to  
10 inspect you ever year, so you're poking -- it's like  
11 taking people in for inoculations; you get a shot every  
12 three months.

13 MR. ASHMAN: That's probably a good comment for  
14 the proposed rules for this program when they're  
15 proposing --

16 MR. GOODWIN: So that, again, would bring some  
17 people who nominally aren't in these programs and so this,  
18 I think, presents a huge opportunity to open up to  
19 development of additional units that wouldn't be.

20 MS. SCHWEICKART: Great. Thank you.

21 MR. GOODWIN: If you can do that, I'll get my  
22 boss to develop them. He'll step in as a developer and  
23 any non-profit want to --

24 MR. IRVINE: Okay. Well, I guess our wrap-up  
25 item is sort of grand finale. Jumping into the 2012-2013

1 plan, biennial plan which has to be submitted by next  
2 August. And sort of an open forum here about how we want  
3 to approach that. Do we want to reinstate existing  
4 committees, create new committees, what specifically at  
5 this moment do we think should be considered in that plan.

6 MS. SCHWEICKART: And I just wanted to mention  
7 that I know it seems like we just got done with the last  
8 one, but we are now having to ramp up because we have  
9 about 10-1/2 months for this next plan period.

10 And if you guys recall, those of you who were  
11 at the very first meeting of this Council was in November  
12 of 2009, and that's when we started that process of  
13 creating the plan, and one of the first things that we did  
14 do was discuss subcommittees and what made the most sense  
15 for breaking down the effort and time of the Council  
16 members themselves and to coordinating different  
17 subcommittees and doing that work that became the chapters  
18 of the plan.

19 So, yes, so as Tim was saying, it's obviously  
20 up to everyone here how they want to do that, but I think  
21 that it would be a great idea to open it up.

22 MR. IRVINE: And I would just offer that there  
23 are kind of two ends of the planning spectrum that are  
24 probably the most impactful and the stuff in the middle is  
25 probably the majority of the document but is the least

1 impactful.

2 The stuff on one end is what individual  
3 developers, service providers, non-profits and so forth  
4 that are in this effort are doing and how they coordinate  
5 among themselves. And the one of the other end of the  
6 spectrum is issue identification that frankly will be a  
7 critical tool for the legislature to do some things to  
8 pave the way, to clear the path to make these things  
9 possible.

10 And I would suggest along the lines that Mike  
11 was thinking, it would be very useful, whether it's in the  
12 plan or it's an appendix in the plan, to have a specific  
13 identification of places where there are legislative  
14 requirements that are out of sync.

15 MS. LANGENDORF: And/or I'm wondering, and I  
16 don't know how we -- if we impact or not, but the veterans  
17 commission has now --

18 MR. IRVINE: Yes.

19 MS. LANGENDORF: -- stepped big foot into  
20 housing, so I don't know if it would be something to go by  
21 the Governor's office or just to -- how we get them at the  
22 table.

23 MR. IRVINE: By invitation.

24 MS. SCHWEICKART: Yes, you know, it doesn't  
25 have to be --

1 MR. IRVINE: Let's just invite them to  
2 participate.

3 MS. SCHWEICKART: Yes.

4 MR. IRVINE: Everybody okay with that?

5 MS. SCHWEICKART: Yes.

6 MS. LANGEDORF: And I'm assuming the Office of  
7 Rural and Community Affairs, it will now be the Department  
8 of Agriculture --

9 MR. IRVINE: Correct.

10 MS. LANGEDORF: -- at times? Okay.

11 MS. SCHWEICKART: And SB-1 --

12 FEMALE VOICE: And Sherry already represents --

13 MS. SCHWEICKART: I mean just -- and, Marc, you  
14 can take this if you would like -- I know that SB-1 did  
15 change this Council's statutory writing to say that the  
16 member that was TDRA is now the member of the Office of  
17 Rural Affairs.

18 MR. WYATT: Right.

19 MS. SCHWEICKART: Is there anything else  
20 that --

21 MR. WYATT: No, it was just a straight  
22 statutory substitution, so --

23 MR. IRVINE: Oh, and let --

24 MR. WYATT: -- the officials there will have  
25 to designate whoever they wish to serve in that role. But

1 as far as the legal structure, it's a new name with -- you  
2 know, it's just straight substitution, so. And the  
3 other -- you know, I know we've got theoretically two  
4 people from TDA, but TDA would have to decide that. But  
5 whoever is at least at the bare minimum would need to  
6 represent that new entity. And whether there will be two  
7 from TDA, that's entirely up to them.

8 MR. IRVINE: And you all can just coordinate  
9 that internally.

10 MR. WYATT: Yes.

11 MR. IRVINE: And let the record reflect that  
12 Sherry showed up at the beginning of Suzanne's  
13 presentation, so even though she missed roll call, she is  
14 here for all of the substance of the meeting.

15 MS. SCHWEICKART: And the SB-1 still mentions  
16 the role that the TDA representative plays as well, so it  
17 mentions both.

18 MR. WYATT: Right.

19 MS. BARRON: At this point right now I don't  
20 anticipate any changes. There are so many other things  
21 that kind isn't high on the priority list this month.

22 MR. IRVINE: Well, your job is to get it up the  
23 list.

24 MS. BARRON: Well --

25 (General laughter.)

1 MS. BARRON: That's easier said than done.

2 MR. IRVINE: I'm just picking on you.

3 MS. BARRON: So I'd say for right now it'll  
4 probably stay as it is.

5 MR. IRVINE: Yes. Good.

6 MS. LANGENDORF: And going forward, I guess it  
7 would help me, because I'm a numbers person in a way, what  
8 is our budget? Is there a budget for the Council? Is  
9 there anything we -- where is the money being directed so  
10 we know what our resources are for a biennial plan  
11 creation?

12 Because in the past a lot of the money went  
13 into going and doing hearings. I'm not advocating that by  
14 any means again, but I know we did hearings and the  
15 starting up was a lot of different than where we might be  
16 right now. And not knowing how the money that's allocated  
17 for this Council is budgeted, I guess you all know.  
18 Right?

19 FEMALE VOICE: They're not sending us money.

20 (General laughter.)

21 MS. YEVICH: There is money. It was reduced,  
22 but there is still of course money for, you know, the  
23 court reporter and that.

24 MS. LANGENDORF: Okay.

25 MS. YEVICH: And here was some in there which

1 we had earmarked for the clearing house, which of course  
2 if we get the grant will be applied to leverage that.

3 MS. LANGENDORF: Okay.

4 MR. IRVINE: So we just put a budget in the  
5 next agenda as just a --

6 MS. HEMPHILL: Sure.

7 MR. IRVINE: -- report item.

8 MS. HEMPHILL: Sure.

9 MS. LANGENDORF: Yes, that would help us, or at  
10 least help me.

11 MS. BARRON: Now, the report that we will be  
12 submitting next fiscal year, or the beginning of this  
13 fiscal year, is pretty much the same lines that we've done  
14 in our previous report, or has that focus changed?

15 MS. SCHWEICKART: Oh, do you mean --

16 MS. BARRON: Our plan --

17 MS. SCHWEICKART: -- like what's required of  
18 us?

19 MS. BARRON: Yes.

20 MS. SCHWEICKART: I mean nothing has changed in  
21 terms of the statutory obligations that the Council and  
22 Council staff have to report on, so all of those duties  
23 remain the same. I think that we were able to address a  
24 lot of those in our first plan and so it may be that we  
25 just want to provide an update to those series of

1 statutory obligations that we mentioned that first time  
2 around, to do just a simple update.

3 But there are other things I think that over  
4 the course of the last year we've accomplished that we can  
5 add. And then there can also be, again, like we did for  
6 the first plan, there was a series of recommendations,  
7 coordination recommendations and then policy  
8 recommendations.

9 MS. BARRON: Right.

10 MS. SCHWEICKART: And I think that maybe where  
11 Tim is getting at is that in terms of what we didn't get  
12 as much into in that recommendation section was where  
13 there was a particular piece of, you know, statute, or  
14 particular requirement that the state legislature could  
15 play a role in, you know, modifying if they so chose.

16 So that I guess could be an initial component.  
17 But, yes, like I said, it is very much up to you guys how,  
18 if we want to restructure it, if you like the current  
19 format, what, you know, what would be most helpful I guess  
20 since this goes to the Governor's office and it goes to  
21 the Legislative Budget Board, you know, what would be most  
22 helpful to put into the next one.

23 MS. LANGENDORF: What about this for our next  
24 meeting, I agree with Tim, or I agree with what we maybe  
25 didn't come up with were really identifiable barriers, or

1 things that might be able to, the legislature actually  
2 could address. I know there's some, I have my pet ones.

3 But I'm just wondering if we might consider at  
4 our next meeting doing a public comment, or asking  
5 people -- publicize it, we want to hear what people think  
6 are barriers --

7 MR. IRVINE: Yes.

8 MS. LANGEDORF: -- to service-enriched  
9 housing. And, you know, things that we might recommend  
10 the legislature consider changing, or creating.

11 MS. MARGESON: Do we want to do that in Austin?  
12 Where would we be more likely to get public comment? I  
13 guess here, huh?

14 MS. LANGEDORF: Well, I would also encourage a  
15 web-based.

16 MR. IRVINE: Web-based --

17 MS. LANGEDORF: Yes.

18 MR. IRVINE: -- is certainly the most  
19 effective use of dollars.

20 MS. LANGEDORF: Yes.

21 FEMALE VOICE: Absolutely.

22 MS. LANGEDORF: And then maybe our next meeting  
23 just have the opportunity if somebody wants to physically  
24 come, you know, give us pictures and talk about it in  
25 person and --

1 MS. MARGESON: You know, Tim, when you had --

2 MS. LANGEDORF: -- sing songs to us. I don't  
3 know.

4 (General laughter.)

5 MS. LANGEDORF: There are people who will do  
6 that so. But a web-based, some kind of web-based --

7 MR. IRVINE: I tell you the other thing that is  
8 really helpful is just who here is from out-of-town?  
9 Please raise your hand. Okay. What would be really  
10 great, especially from the out-of-town, but also for the  
11 Austin people, is you know who the key stakeholders are,  
12 both the ones that are supportive and the ones that are  
13 maybe questioning or hesitant.

14 Reach out, have a cup of coffee with them  
15 between now and the next meeting, and ask them, you know,  
16 in a direct, you know, dialogue what do you see as  
17 barriers and what kinds of responses will overcome those  
18 barriers. You know, sometimes it's legislative response,  
19 and sometimes it's an understanding or outreach response.

20 MS. MARGESON: And I think we should have a  
21 pretty good list serve at this point. Right? For the  
22 Council's --

23 MS. SCHWEICKART: We do.

24 MS. MARGESON: Yes, so that would be a great  
25 place to send out a message too to let people respond.

1 MR. GOODWIN: Can I ask you a question, do you  
2 see a need -- we have two committees with nominal names,  
3 do you see a need to either rename and head them in  
4 different directions into the second year with new  
5 tasking, and the possibility if we're going to, you know,  
6 here now are two directions. Okay. What's your option  
7 and, you know, the committees may shuffle a little bit --

8 MS. SCHWEICKART: Right.

9 MR. GOODWIN: -- when we do that.

10 MS. SCHWEICKART: And can I say that that was  
11 definitely something that was the purpose of having this  
12 time set aside is that we created those committees back in  
13 November of 2009 based on what was envisioned for this  
14 first plan, which was that there would be one to cover the  
15 cross-agency coordination issues and one to cover the  
16 policy and barrier issues.

17 And so if -- it's completely up to the Council,  
18 if the Council wants to reinstate those committees with  
19 the same goals, same tasks and/or the same membership,  
20 that is up to you guys. If you think that there is a  
21 better way that we coordinate ourselves and/or you want to  
22 be on a different committee, I think it's -- yes, it's  
23 entirely up to you. It's what you guys want to see.

24 MR. IRVINE: Well, given the thrust of the  
25 application for the grant, is some sort of communications

1 infrastructure something that merits a committee? I mean  
2 without a big budget there's not a lot else we can do to  
3 leverage what we're doing.

4 MS. BARRON: Well, and I think it's important  
5 to look at the kind of comments that we get to see where  
6 there are the gaps, where there are barriers, where that  
7 stuff lies so that that can be addressed, and then look at  
8 the feedback we get and determine what we need to address  
9 and then form our committees from that.

10 MS. MARGESON: Well, if that infrastructure of  
11 partnership is one of the key ways that this Council would  
12 be involved in that grant, and I'm going to say that it's  
13 going to be funded, how could anything be better? So that  
14 seems like then that we would -- there would be some  
15 cross-over in the plan regarding how we would be a part of  
16 that, or help facilitate. Don't you think?

17 MS. SCHWEICKART: Yes. Oh, definitely. And we  
18 mention you guys in all parts of that grant. We're like,  
19 The Council is amazing; the Council is going to go forward  
20 with all of this. So, yes, I agree with you, I think that  
21 the work that would be done by the Council as part of this  
22 grant if it does move forward, which should be a component  
23 of the 2012-2013 plan.

24 MR. GOODWIN: I would say a sub-component of  
25 it, and this may just be selfish, would be legislative and

1 administrative changes that we would recommend. For  
2 example, the great effort by the taxing authorities to  
3 dump all the responsibility on TDHCA last year, where  
4 TDHCA was going to all of a sudden determine who's  
5 eligible for tax exempts and who are not.

6           It's not their job. I mean this is all local,  
7 but that was a big deal, that wanted -- because in the  
8 law, the word CHDO comes out about 17 times. There is  
9 only one CHDO and that's a HOME fund, and I would say less  
10 than 5 percent of all the people applying for tax  
11 exemptions have HOME funds.

12           So, you know, we've got to find if there needs  
13 to be a new structure. And there needs to be legislative  
14 changes because the structure dictated that, as mentioned  
15 a while ago, for a tax credit deal to work is an automatic  
16 disqualifier for exemption in Bexar County. They've  
17 decided there will be no more exemptions and they're going  
18 to kill them all, because the general partner, who has  
19 only 1 percent, doesn't have the total control of the  
20 project.

21           And so they're killing every tax credit tax  
22 exemption and it's going to crater deals if something  
23 doesn't happen. And we've seen that in other  
24 jurisdictions as well. The city of Houston just opted out  
25 of it.

1           And so anyway, that type of thing, of things  
2 that would make it easier to layer tax credits with now  
3 811 and a partial ad valorem exemption will make the  
4 project financially viable, because the syndicators are  
5 not going to buy the credits if it's not going to perform  
6 and be viable.

7           MS. SCHWEICKART: So is your recommendation,  
8 beyond the state legislative I guess direction that we --  
9 that may make it difficult to have developers be layering  
10 these funds, are you also saying --

11           MR. GOODWIN: Well, all of that is within the  
12 state. Okay. That's all state stuff. But at the same  
13 time, it would not hurt to approach HUD with changes or  
14 acceptance of modifications of some requirements that  
15 would meld a state requirement for tax credits with a  
16 federal requirement for 811, just as an example.

17           Or a Section 8 voucher. Although these  
18 vouchers, while they say it's project-based, it's not  
19 really project-based because the housing authority does  
20 all the qualification paperwork. And the -- but I don't  
21 know how onerous that is on them to participate in that  
22 program.

23           MS. SCHWEICKART: So some effort to take the  
24 recommendations of the Council to a higher level --

25           MR. GOODWIN: Yes, to say, Hey, these are

1 recommended changes in state law that would accommodate  
2 the development of more tax credit -- you know,  
3 essentially with tax credit as the lead of this type of  
4 housing, that might bring more of what I will call the  
5 traditional developer into the game of service-enriched  
6 housing.

7 MR. IRVINE: Do people want to engage in some  
8 outreach and discussion in your communities over the next  
9 couple of months and then tackle committee assignments at  
10 the December meeting?

11 MS. SCHWEICKART: Yes. And I can work with out  
12 IT staff to make sure we can create somewhat similar to  
13 the QAP forum --

14 MR. IRVINE: Yes, that was real effective.

15 MS. SCHWEICKART: Yes, we can create a forum  
16 for public comment on our website, on the Council's  
17 website. And I would assume that we could do 30 days and  
18 that would be a pretty good period of time that we  
19 could -- and then in that way you would have all that.

20 We could, you know, Council staff can  
21 synthesize all that feedback we get to then provide what  
22 were I guess the most pressing barriers of the feedback,  
23 then that could help create our committees.

24 MS. MCGILLOWAY: Yes, maybe come with some  
25 ideas of --

1 MS. SCHWEICKART: Yes.

2 MS. MCGILLOWAY: -- committees you think would  
3 be appropriate --

4 MS. SCHWEICKART: Sure.

5 MS. MCGILLOWAY: -- to tackle those things  
6 maybe.

7 MS. SCHWEICKART: Sure.

8 MS. MCGILLOWAY: So we'll not get the  
9 comments --

10 MS. LANGEDORF: But also I do think we ought to  
11 have the opportunity at the next meeting. I mean I know  
12 we always have public comment, but we actually invite  
13 to -- for people to present on that, so.

14 MR. IRVINE: Yes.

15 FEMALE VOICE: You see this just public, Jean,  
16 or invited?

17 MS. LANGEDORF: Oh, it might not be bad to do  
18 invited actually.

19 MR. IRVINE: Get a better response.

20 MS. LANGEDORF: Yes.

21 FEMALE VOICE: Okay. Or both.

22 MS. LANGEDORF: Yes. I think -- yes, welcome  
23 anybody but --

24 MR. IRVINE: Yes. Sure.

25 MS. LANGEDORF: -- we might -- there are

1 some -- yes.

2 MS. MARGESON: That worked really well in the  
3 forums and --

4 MS. LANGEDORF: Yes, that's a good point.

5 MS. YEVICH: We had invited testimony in most  
6 of forums --

7 MS. LANGEDORF: Yes.

8 MS. YEVICH: -- back in January.

9 MR. GOODWIN: Well, and, you know, that's a  
10 good lesson for places to start, because that, you know,  
11 we've done the first year, you know, you've seen the  
12 report, come talk with me.

13 MS. YEVICH: Right. That's true.

14 MS. LANGEDORF: Where are the barriers, where  
15 are the barriers to doing this, or what -- how does the  
16 state need to respond because, again, I'm a big proponent  
17 of capacity building, and if we're -- and if you all get  
18 that grant, I would hope that somehow capacity -- not that  
19 people necessarily need to become tax credit developers,  
20 but, you know, that there be some effort to make sure when  
21 all is said and done we have some people that could  
22 actually operationalize some of the things we're looking  
23 at, you know.

24 So, again, as we've said in that report for  
25 Easter Seals, we would have never gotten into developing

1 rental housing if we hadn't had the ability to hire  
2 through TDHCA funding, trust fund, to develop our  
3 capacity. Because we didn't have it. And we needed money  
4 to help develop it, and out of that has come three --  
5 well, hopefully four, we're up for a fourth one. So it's  
6 all about giving people the opportunity.

7 Because I hear from like REACH, and a lot of  
8 people are calling us about our model, and they really  
9 want to do it, and I'm like, You guys are going to have to  
10 find resources to develop your capacity, because it's not  
11 something you do, you know, just suddenly if you don't  
12 experience in it. So that was -- I mean I've heard from a  
13 lot of groups --

14 MS. MARGESON: Is that still --

15 MS. LANGEDORF: -- that really want to  
16 develop, and I think we're going to see them at this  
17 conference.

18 MS. MARGESON: And are we still -- does HUD  
19 still require like a consultant to put together an 811  
20 that actually has experience with 811 --

21 MS. LANGEDORF: They don't require it, but it's  
22 still the best way to do it.

23 MS. MARGESON: Yes, it's true. Oh, yes.

24 MS. LANGEDORF: I mean we do a whole lot of --

25 MS. MARGESON: They used to require it.

1 MS. LANGENDORF: -- the work, but we have a  
2 consultant looking over it to make sure all the Is are  
3 dotted and Ts are crossed.

4 So I just -- I think we'll hear some things  
5 hopefully out of these next -- this afternoon and  
6 tomorrow. I've heard from a lot of people, and I've  
7 encouraged them to come to the meeting, you know, discuss  
8 it, but I think there's an interest in disability  
9 organizations creating more housing, so.

10 MR. IRVINE: Good.

11 MS. SCHWEICKART: So besides those that we  
12 invited to attend the public forums that we had in January  
13 through March of 2010, are there additional organizations,  
14 individuals that we should be inviting, and if you don't  
15 have their, you know, names now, maybe we can set a time  
16 for providing that feedback.

17 MS. YEVICH: Well, why don't we send out the  
18 list of everybody because that was like a year and a half  
19 ago.

20 MS. SCHWEICKART: Sure.

21 MS. YEVICH: Send that out to who we did  
22 invite, because I can't remember --

23 MS. SCHWEICKART: Sure.

24 MS. YEVICH: -- them all, we'll look at that  
25 list, readdress it and then send back recommendations.

1 MR. IRVINE: Yes, at the same time you send  
2 that out, if you could also send out the dates for our  
3 next scheduled meeting so that everybody can --

4 MS. SCHWEICKART: Well, that's actually the  
5 next thing on the agenda.

6 MS. MCGILLOWAY: Oh, we haven't done it yet.  
7 All right.

8 MR. IRVINE: Well, no, I was just going to  
9 incorporate it all in one step.

10 MS. SCHWEICKART: Oh, yes. Okay.

11 MS. LANGEDORF: Efficiency.

12 (General laughter.)

13 MR. GOODWIN: Oh, yes, that's the second  
14 invitation, to send it to the veterans.

15 FEMALE VOICE: I liked it --

16 FEMALE VOICE: Oh, yes.

17 MS. YEVICH: Yes, that's right.

18 MS. BARRON: Is the Texas Veterans, or -- the  
19 Texas Veterans annual board --

20 MS. SCHWEICKART: Commission.

21 MR. IRVINE: The Veterans Commission.

22 MS. LANGEDORF: Veterans Commission. They're  
23 right next door.

24 MS. BARRON: And I think there's a land board  
25 with the GLO.

1 MR. IRVINE: Right.

2 MS. SCHWEICKART: That's separate, yes. Though  
3 they might be an interested partner, they do deal with  
4 housing.

5 MR. GOODWIN: They've got a land for sale.

6 MR. IRVINE: GLO's got a lot of land. They  
7 just sent out a book that thick.

8 MS. SCHWEICKART: Okay.

9 MS. MARGESON: But are they making any deals?

10 MR. IRVINE: No.

11 (General laughter.)

12 MS. SCHWEICKART: Okay.

13 MR. IRVINE: Speaking of deals, we do have some  
14 foreclosed real estate that we would love, if anybody  
15 identifies developers who would be willing to redevelop  
16 and operate these properties as affordable housing  
17 properties, especially service-enriched housing.

18 MR. ASHMAN: Now didn't you just earlier say  
19 that you would prefer new construction over acquisition?

20 (General laughter.)

21 MR. IRVINE: I said I would prefer to use the  
22 tax credit program for new construction.

23 MR. ASHMAN: I understand where you're coming  
24 from though.

25 MS. MCGILLOWAY: Anything we can get.

1 MR. IRVINE: Yes. Well, is there anything else  
2 for the good of the cause, anything you want to ask us to  
3 do for you during the next --

4 MS. MARGESON: What are the proposed dates for  
5 the new --

6 MR. IRVINE: December 5 is the next one. MS.  
7 YEVICH: Yes, December 5, and then March 5 and then June 4  
8 is the proposed dates.

9 MR. IRVINE: And those are all first Mondays.

10 MS. SCHWEICKART: We bring these out as -- yes,  
11 the first Monday idea was originally what people could  
12 most likely make, so that's -- if we want to continue with  
13 that, we can or if you have anything else, any known  
14 obstacles to those dates?

15 MR. IRVINE: I have a standing conflict on  
16 Monday morning, but we've got a great vice chair that can  
17 step in and chair the meeting.

18 MS. MARGESON: Don't even go there.

19 (General laughter.)

20 MR. IRVINE: Well, if there's nothing else,  
21 thank you all so, so, so much, and we'll be in touch  
22 between meetings and see you at the next one. Thank you  
23 very much. We're adjourned.

24 (Whereupon, at 11:00 a.m., the meeting was  
25 concluded.)

