

you for participating in our programs.

We will move to the public comment portion of our Board meeting, where we have public comment from those who want to speak either now or later on when the particular Board agenda item comes up.

I've got witness affirmation forms -- are these all the current for the front end?

Okay. How do you like being in the auditorium? All the elbow room nice? You can thank State Representative Jose Menendez, who's our first speaker. Thank you for providing the room.

(Applause.)

REPRESENTATIVE MENENDEZ: Mr. Chairman, you're very gracious in your thanks, but it's me who has to thank all of you for giving your time away from your families and your businesses to be here to do the peoples' business on our behalf, and on behalf of everybody in this room.

Mr. Chairman, Board members, good morning, and once again I thank you for your commitment to the State and the people of the State. Today I'm appearing in support of an appeal, to award points for quantifiable community participation for the Clear Creek of Fort Worth Property Owners Association.

The proposed development is not in my district,

but as I have been here before speaking for a development that suffered from a similar unintended consequence as a result of ambiguous legislative language, I'm here today again because I have a strong interest in helping people who need affordable housing.

When the Texas Legislature created the incentive in the tax credit application process, for quantifiable community participation, we wanted to encourage that developers work with local organizations to create a dialogue, about the proposed development, and seek input about the proposed development. That's the whole purpose.

Talk to the people who are going to be impacted and affected by your development. And unfortunately, when the statute was first enacted we used the term, "neighborhood organization," because it really came about as an argument or fight that came about in San Antonio between the development that had the support of one councilperson but was opposed by all the surrounding neighborhood associations.

And as we know, not every city or municipality has neighborhood associations. And not every application has a neighborhood association in close proximity. So unfortunately, we've come -- I came to learn this

afterwards.

So this has created a question as to what organizations would be eligible to participate in the quantifiable community participation process and receive points for their letters of support or opposition.

Since then we have added a little bit of definition, defined as, "an organization should be comprised of people living near one another." We wanted the people most immediately impacted to be part of the decision making process. We've also stated that a neighborhood organization includes a property owners' association.

Stated in the QAP, as I look through the statute I couldn't specifically find "property owners' association" specifically stated, but I have seen it in a recent QAP. This has been intentional. We understand that sometimes property owners' associations are formed for master planned communities that have not been built out yet, or other commercial interests.

We believe that it's equally important for those owners to have to say in a development of affordable housing in their immediate vicinity. I think if you don't provide support, it's going to be harder, especially when you go out, into outlying areas where there is nothing but

farmland and you're trying to do a master planned community, to get the points necessary, because you may not have a neighborhood association in near proximity, and so you may not get the points to qualify, and yet it may be a very appropriate and supported development.

So I'm requesting that hopefully you can see that you can consider to grant the appeal and allow the property owners' association to be part of the quantifiable community participation process; I believe these associations protect important residential and commercial interests, and I think they need to be consulted, as well as their needs be considered.

I think that if the folks who own the property, and they're developing this property, they're going to have their best interests in mind that the development be a long term success.

And so therefore I think they're going to be just as interested in the future of the development, which is what our concern was with the neighborhood association; because many neighborhood associations have been concerned that a tax credit development will lower their property values, will negatively impact their neighborhood, and so I think the fact is that we're still getting the interests of people who have a personal financial interest.

I think it's just as important, and therefore that's why I'm here today, because I feel unfortunately as a legislator I have been remiss in adding some language that could possibly help you, and help the staff, that's doing as good a job as they can, they're working hard, you've got a great staff and they're doing everything they can within the boundaries.

And so I think this is a good appeal on strong merits, and that's why I'm here today, and at this time I'd be open to any questions.

MR. CONINE: I've got one --

REPRESENTATIVE MENENDEZ: Yes, sir.

MR. CONINE: -- because the subject is on my mind basically because of some of the appeals coming forth today.

REPRESENTATIVE MENENDEZ: Yes, sir.

MR. CONINE: And I'm curious about the definition of neighborhood association as it currently exists in statute --

REPRESENTATIVE MENENDEZ: Uh-huh.

MR. CONINE: -- where it's two sentences, not one.

REPRESENTATIVE MENENDEZ: Exactly.

MR. CONINE: Where it's talking about people

living there, and then it's talking about neighborhood associations, or property owners' associations. And you would think the Legislature wanted folks to live there, and in the case of a property owners' association it could be multiple apartment complexes who didn't actually own the property let's say, but could weigh in on whether they wanted another one --

REPRESENTATIVE MENENDEZ: Right.

MR. CONINE: -- along with them. What do you feel about the -- having to have some folks living there?

REPRESENTATIVE MENENDEZ: Here's why I think it ended up written the way it was, and I think we were concerned. There were cases, and there have been cases, and you've probably heard them here before, where let's say a neighborhood association was ten miles or five miles -- nowhere near the proposed development, but was opposed to the development to begin with.

And they just wanted a way in, and so therefore you had the, in proximity, close proximity. I think, my concern or my thoughts are that if the property owners' association should probably be -- has to be either containing the application immediately adjacent; I think we need to get a little bit better definition of what we're looking for, so that we don't have the gaming

possibility, the abuse possibility.

The other way to go about it, instead of being so proscriptive, open it up and allow for your staff to have some -- and the Board, to have the ability to judge issues that come to this Board for appeal, to give you the latitude to make the decision on what someone that's what you're saying, the case where someone's saying, "I don't want any more competition," versus people who are living there and working there and have a financial interest in saying, "We'd love to have this, because you know, we need a little bit," or let's say the City or the municipality says, "We need to have a little more tax base, and we'd like to have this come into our community. We need affordable housing, it's going to spur -- the rooftop's going to spur a little bit more retail development, and right now our folks are having to drive too far for just simple services."

And so I think especially today, where the economy is, everything we can do to help incentivize and sort of spur the economy and get some of these developments going, I think it's a positive. And I think we just need to see what we can do to keep -- the unfortunate thing is, we wanted to give citizens a voice, and unfortunately we've created also a vehicle for NIMBY-

ism.

And I'm concerned, how do we strike that balance. And that balance may have to sit here with you, the Board, because you're here day in and day out dealing with these issues and how the capability to do so, more so than the Legislature does. And as you probably know, that's been a departure from my prior thought process --

MR. CONINE: I was going to say, thanks for tossing it back in our lap.

(Laughter.)

REPRESENTATIVE MENENDEZ: Well, you know, I have seen some of the unintended consequences that occur when we try to take it and make it so proscriptive, and it's unfortunate. We got to have a little bit more latitude, because there are individual considerations, and not every deal's the same, and not every community's the same.

(Pause.)

REPRESENTATIVE MENENDEZ: We should have a trust fund here for first time homebuyers, and every time a phone goes off, ten bucks goes in the --

MR. CONINE: A hundred bucks in the --

REPRESENTATIVE MENENDEZ: Ten bucks into the --

MR. CONINE: Any other questions for the Rep,



State Rep?

(No response.)

REPRESENTATIVE MENENDEZ: I just want to thank you all for your time and I appreciate your consideration.

MR. CONINE: Thanks for being here, and again thanks for the room.

Judge Terry Simpson.

JUDGE SIMPSON: Good morning, Mr. Chairman, Board members. I appreciate the opportunity to have a chance to come and speak with you.

I'm the county judge of San Patricio County. We've been blessed by having several years' worth of these OCC contracts issued to the county, and we've done some good work for a lot of the folks in our county that needed some help with their housing.

But there's been some issues that have come up I needed to speak to you about. The implementation of the 2006 OCC home contracts, the 18 month contract is not working, as evidenced by the Department giving 12-month blanket extensions to all 2006 OCC contracts.

As a result of the long closing delays, documents are turned in to Legal, where they sit for months, only to be returned for inconsequential items, that are traditionally handled by title companies at the