

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

PUBLIC HEARING

Weatherization Assistance Program
Homelessness Prevention and Rapid Re-Housing
Community Services Block Grant

Commissioners Court
El Paso County Courthouse
500 East San Antonio Avenue
El Paso, Texas

Wednesday,
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9:10 a.m.

TDHCA STAFF:

BRENDA HULL, Manager, Housing Resource Center
AMY M. OEHLER, Director, Community Affairs
Division

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

MS. HULL: I think we'll go ahead and get started. Thank you all for coming. My name is Brenda Hull. I'm with the Texas Department of Housing and Community Affairs. And I have with me Amy Oehler, who's the Director of Community Services -- Community Affairs, excuse me. And then we're also honored to have with us today Thomas Cardenas, who's a member of the TDHCA Board of Directors, and we would like him to go ahead and open the meeting for us.

MR. CARDENAS: Thank you very much, Brenda.

Good morning. My name is Tom Cardenas. I'm a resident of El Paso, and I'm on the governing board of the Texas Department of Housing and Community Affairs.

On behalf of the Department and staff, we welcome you today to participate in this public round table referencing funds associated with the recently passed federal stimulus law that will be administered by TDHCA. We have a lot of work ahead of us. The Department will be responsible for \$326 million in weatherization assistance where we usually do \$13 million, and \$41 million in homeless prevention funds, where we usually do about \$4.8 million, as well as an additional \$48 million for the community service block grant. These new funds

provide key resources for TDHCA to help Texans in need.

And we are committed to transparency and using these funds to help the greatest number of people. Staff looks forward to hearing your thoughts today, and we look forward to partnering with many of you to help more Texans and to spend these dollars wisely.

We're here for you. We're here to get your input today. We can provide you information on our programs, but we really need your input. So with that, let me turn it over to Brenda and Amy.

MS. HULL: Thank you.

MR. OEHLER: Thank you.

MS. HULL: First of all, I'll give some background on the American Recovery and Reinvestment Act.

It was signed into law on February 17, 2009 by President Obama, and it includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve healthcare, provide tax relief, and protect those in greatest need.

There are several Recovery Act programs that may be administered through TDHCA. You can see our recovery website at www.tdhca.state.tx.us/recovery for more information on these programs. Today we will address

the Recovery Act funding for three programs only: the Weatherization Assistance Program, the Homelessness Prevention and Rapid Re-Housing Program, and the Community Services Block Grant Program.

This public input session is an opportunity for the Department to hear from you, as Mr. Cardenas stated. We are developing our plans and our funding allocations for the programs. These formal plans for the Weatherization and the Homelessness Prevention programs will be submitted to their federal funding agencies in May following consideration by the TDHCA Board of Directors on April 23.

Drafts of these plans will be available for review on the TDHCA website prior to the Board meeting. We will address each of the topics that are listed in the order as published. You can see the program handouts on the front table for more information. And also I think everybody did have a chance to sign in, and you can indicate on the sign-in sheets if you wish to speak today.

What we're going to do is we're going to give a brief overview of each of the programs, including program background, federal guidance, and the Department proposals under discussion, and then we're going to open the floor up for public input. We are transcribing the meeting in

order that we can accurately capture your comments, and we'll be able to share them with our staff. When you speak, please come to the front of the room here at the microphone, state your name and who you represent, and then go ahead and speak into the microphone.

First I wanted to ask if there are any elected officials here that would like to go ahead and speak?

(No response.)

MS. HULL: If not, we'll go ahead and turn to Amy Oehler.

MR. OEHLER: Thank you, Brenda.

We're going to start with the Weatherization Assistance Program, and as both Brenda and Mr. Cardenas mentioned, this is a program where we typically receive about \$13 million a year, and we weatherize between 4- and 5,000 homes statewide. We're very excited to have the additional funding, and we certainly -- we have a proposal that we would like to discuss with you, but, again, the purpose of this meeting is to solicit your input. And we take all of your comments very seriously, and if possible we will incorporate those into our plan before they go before our governing Board on April 23.

I wanted to start with just a few important dates. On March 12, the Department received guidance from

the U.S. Department of Energy specifically related to this program, as well as the allocation amount. Throughout the last couple of weeks we've hosted several round table discussions and public input sessions, we've hosted two in Austin, Monday we were in Houston, yesterday we were in Dallas, and today we're very happy to be here with you.

After the public input is received, we will finalize our comprehensive state plan. And the purpose of the plan is to inform the U.S. Department of Energy how these funds will be specifically used in Texas. There are certain guidelines that they set forth that all of the states are required to adhere to. But, of course, they take into consideration that each state might operate the funds slightly differently in each region.

On May 12 we will submit our final plan to the U.S. Department of Energy. At that time they will review and approve the plan, and after that 50 percent of the \$326 million will be made available to the Department. We're not sure exactly how long it will take the Department of Energy to review the plan, but we certainly -- what we understand from them is that they're trying to make these funds available to the states as quickly as possible.

I also wanted to mention that this week we have

a representative from the U.S. Department of Energy with us in Texas. They were with us in Dallas yesterday; today they're out visiting one of our subrecipient organizations, and tomorrow they'll be talking to all of us about the plans that Texas has made to expeditiously spend weatherization funding.

I want to briefly touch on how the weatherization program is currently structured, and then our proposal for the additional funds. At the moment, the Department contracts with 34 nonprofit units of local government, and we call them subrecipients. Those subrecipients cover all 254 counties in Texas.

The organization that we work with in the El Paso area is Project Bravo, and I think they're here today. Because of the sizable amount of funds that Texas will receive, we're proposing to not only allocate a portion of the funds to the existing subrecipient network, but we're also proposing to introduce temporary subrecipients so that we make sure that the funds are reaching all of the households across the state that need the help the most.

So we've proposed a three-tier approach. We're proposing to make \$140 million available to the existing subrecipient network. And if you look on the back of the

weatherization handout, we have -- this is a little more detailed information about the amount of funding that those organizations currently have available as of April 1, along with the ARRA additional funding. So basically the existing subrecipient network will receive about \$182 million, and that's compared to \$13 million historically.

The next category that we're proposing is to allocate \$140 million to cities in Texas that have a population over 75,000, and there's a couple of reasons why we're targeting these cities -- two reasons. One is because the ARRA legislation specifically mentions it's intended to help people who are most affected by the downturn in the economy. So people who have lost their jobs, or in danger of losing their homes, or are being evicted. And so certainly most often the largest numbers, or the most concentrated areas are in cities. And so that's one of the reasons we're targeting cities.

The other reason is because cities that have 75,000 and more have an infrastructure in place to administer federal funds. There are some -- the Community Development Block Grant has a guideline where if a city is less than 50,000, those funds go to the state for the state to be able to allocate those appropriately. And so

that's why we chose the 75,000 figure.

The other funding that we're proposing is 7.5 million, which will go to the balance of state. And what that means is, any area of the state that does not have a population of 75,000 or more will have the ability to apply for the funding. And the eligible applicants include nonprofits and units of local government.

Each of these three categories will be required to submit a plan, at a minimum. The existing subrecipient network will be required to submit about a two- to three-page plan to let us know what they've done to prepare their organization for the increase in funds. The other two, the cities and the balance of state, those will be criteria-based awards that will be awarded competitively.

We want to make sure that before we award any contracts, that the organizations who will receive these funds have a structure in place to be able to implement them.

We are also proposing two-year contracts, we have three years to spend -- to obligate and spend all of the funding, but we certainly want to give ourselves the third year as a cushion. We want to see -- we will have two-year contracts and at nine months to one year we will evaluate the production and performance of the subrecipients. And then at that time, if we need to

deobligate or reobligate funds, then we have plenty of time to make sure that that is effective. And all of this will be in the contract so that all of the people, all of the organizations that enter into a contract will know what's expected.

I also wanted to go over some of the changes in the American Recovery and Reinvestment Act compared to the existing weatherization program. Currently the weatherization program allows \$3,055 to be spent -- that's the maximum you can spend in each household. The Department also receives another federal grant for weatherization, which is the Low Income Home Energy Assistance Program. And with that, the maximum is \$4,000.

So collectively you can spend up to 7,000 per unit, and that's for the existing subrecipients.

But there's a change that the Department of Energy has made, which is the per maximum unit will go up to 6500. And certainly we're excited about that. I mean oftentimes whenever the contractors go into a home and weatherize it, there's typically left -- there's work that could be done. But oftentimes the funding isn't available. So we're excited that the 6500 maximum has increased, or has gone up to 6500.

Another flexibility that the ARRA allows is for

the income requirements to go up to 200 percent of the federal poverty guidelines. Currently the Department uses 125 percent, and part of what we'd like to hear from -- to hear comments on today is if you have any feelings or comments about 125 percent of poverty, 150 percent, or 200, because this is something that we will make a recommendation to our Board based on what we've heard across the state and the discussions we've had internally, and it's possible that for the period that we will be administering these funds, it will increase the income eligibility. And there's several arguments for and against each income level, so we'd like to hear from you.

Another change that ARRA has implemented is homes that received weatherization prior to September 30, 1994 with federal funds, can be reweatherized. Certainly the goal of the weatherization program is to serve as many clients as possible. The goal is not necessarily to go back and reweatherize homes. But there are instances where this would be very beneficial to the individual family. As you can imagine, the technology in the weatherization program has increased over time and become more effective. And so some of the measures that might have been installed in a home prior to 1994, it's possible in some instances that we have some better technology and

better measures that have been developed since that time.

Another change is that the Department of Energy is working with us right now to develop what's called a priority list of work that can be done in a home. Currently we use an energy audit. It's a computerized audit that after an assessor goes to a home and does a whole house assessment, they look at the air exchange in a home, they look at all of the appliances, the HVAC, the air infiltration, the duct system.

After that assessment has been done, that information is put into a computerized energy audit. And while that is a very effective way to determine what work would be most beneficial to the home, the Department of Energy also allows what's called a priority list. And so basically you determine, as a state -- and we have to submit data to the Department of Energy -- we determine which measures are most effective in homes, i.e. you know, wall, attic and ceiling insulation, HVAC work, there's a list of measures. And we've given this data to the Department of Energy, so we're waiting to hear back if -- for the ARRA funds, if we can use a priority list for a percentage of them.

There's one more issue that we're actually waiting to hear back from the Department of Energy on, and

that has to do with prevailing wages and I don't know, maybe some of you are familiar with the David-Bacon Act. But weatherization has always been exempt from the Davis-Bacon Act. And the way that ARRA is written, it's written in such a way where it appears as if Davis-Bacon applies to all ARRA funds.

The Department of Energy at the national level has been working with their attorneys to see if this will, in fact, apply to weatherization. And as a state, we're not as concerned about -- what we believe is that most contractors pay at least as much as the Davis-Bacon wages, if not more. Our concern as a state is really about the monitoring of that, because there's a significant amount of documentation and monitoring that's required when you use the Davis-Bacon rates. And so certainly the more monitoring of wage rates that the state would have to do, and the local subrecipient, that's less money that could go into a low income person's home. And so as soon as we receive more information about that, we'll certainly share that with the public.

I also want to mention that -- Brenda talked about the website and how we have a page specifically for the ARRA. And in these handouts, anything that -- any information that the Department has, or as we receive it,

we post it on the website. So we welcome you to visit our website.

I also wanted to mention -- we've had some questions at some of the other public input sessions -- weatherization funds can be used on single-family, multifamily and manufactured homes. It is not a program just for home owners. It's a program for low income persons. And so if a person lives in a multifamily unit, or in a manufactured home, that certainly would be a potentially eligible applicant.

On the back page, at the top, it breaks down the 326 million, and it has the categories, and I just wanted to briefly touch on these before we open up the floor, but of the 326 million, there's 5 percent that's allowable for state administration and 5 percent that's allowable for the local subrecipients. TDHCA has made a decision to retain 2 percent, and to pass on the 3 percent for the rest of the allocation. So basically that means that there's more money available to weatherize homes. The subrecipient administration piece is still at 5 percent, and of course it would be a local decision if you choose not to use the full 5 percent.

There's 17 percent available for training and technical assistance, but as a state we've decided to --

or we're proposing to use 10 percent and to pass on the 7 percent so that, again, more homes can be weatherized. There's also 10 percent that's allowable for health and safety. The Department of Energy feels very strongly that when you go into a home to make it energy efficient, while that is the goal and that is why we go into homes, is to make them energy efficient, they also do not want us to leave a home unsafe.

And so there are certain measures that are allowable. You can do carbon monoxide testing, you can install smoke detectors, carbon monoxide detectors, you can also -- well, there's a new requirement that if you have an unvented space heater as your primary heat source, that you're required to vent that heater, and so that's an activity that falls under the health and safety category.

So those are just a few of the changes compared to the existing weatherization program.

And at this time we would love to hear from you. This is -- the purpose of our meeting is really to listen, and we take what you say seriously and we will certainly take it into consideration as we finalize the comprehensive state plan.

MS. HULL: The first person that signed up to speak on weatherization is Janet Everheart.

MS. EVERHEART: Good morning. Can you hear me? You do. Okay.

MR. CARDENAS: Yes. Good morning.

MS. EVERHEART: My name is Janet Everheart, and I'm the executive director of West Texas Opportunities. And I wanted to comment on your weatherization program plans. We certainly are excited about the possibility of the increase of the spending cap of 6500. I think that will -- that is great.

We also support the use of a priority list of weatherization measures in place of the easy audit. That would certainly simplify and streamline the assessment process. We support the increase in income guidelines to be consistent with the other TDHCA programs that we operate at 150 percent. I can see that we also have some people who would fall -- who do fall through the cracks like two-person families who are fixed incomes and they may be a little bit above, so it may be beneficial to increase that even higher.

Our concern, of course, is with the distribution of the \$140 million of the ARRA funds to entities that are not currently administering federal funded weatherization programs. Our agency's been in weatherization for -- well, since the 1970s. And I've

been the executive director there for over 40 years, so I can tell you first hand that we have always done what was expected of us, we've always spent our money, and been in compliance with all of the rules and regulations of weatherization. I believe that my colleagues around the state have similar experience in credentials.

Our service area would include Midland and Ector counties in the 75,000 population or above. And I think it would cause significant confusion for our clients, it would result in competition with the cities, and we've worked quite well with the cities of Midland and Odessa for many years. And we don't look forward to being in a position to compete with them. We would both be taking applications from the same clients. I think that would cause a great deal of confusion for the clients.

Also, in Midland and Odessa, that's where most of our laborers would come from, our subcontract labor. And I believe that we would be -- our subcontractors would be competing for that labor, and most of those workers, I would believe, would want to work in their own cities rather than traveling to the other 12 counties. We cover a 14-county area. So I think we would stand to lose there, West Texas Opportunities would.

Above all I think that that plan to initially

transfer those funds, or allocate those funds to the cities shows a lack of confidence in the subcontractors who've been working with you for over 30 years, I believe about 37 for us for weatherization, and we've done a good job. We have proven ourselves over the years, and I believe we should be given a chance to prove ourselves once again. And I understand your concern. That's a lot of money.

We have geared up, we have a plan in place, we've been assessing homes since -- well, for over a month now to go toward this 1500 homes that we know we would be required to do. We have a plan in place and know that we can do that over a two-year period of time. Taking into consideration the holiday, bad weather days, all of those things, we can still complete 1500 homes. And I think you should give us a chance to prove ourselves. Thank you.

MS. HULL: Thank you. Could you tell us your entire service area, please? You said --

MS. EVERHEART: I'm sorry?

MS. HULL: Your service area again? You said
14 --

MS. EVERHEART: Fourteen counties for weatherization.

MS. HULL: Okay.

MS. EVERHEART: Yes. Thank you.

MS. HULL: The next person that signed up to speak is Richie Hernandez.

MR. HERNANDEZ: I signed up on the wrong list. I'm sorry.

MS. HULL: Okay. That's fine.

Annie Payton?

MS. PAYTON: Good morning. Can you hear me? My name is Annie Payton. I am the executive director for El Paso Community Action Program, Project Bravo. I have with me this morning Ms. Maggie Rodriguez, who is a weatherization technician. With respect to this hearing regarding the weatherization program, Project Bravo supports the increase in income guidelines. As my colleague has stated, 150 percent, we would also support the increase up to 200 percent.

Project bravo had the honor of serving families in El Paso through the El Paso Savings Home Program, which was a program that assisted individuals up to 200 percent.

We found that there was a great need in serving those families. And even at the end of the program where we performed 100 percent of the service, we still had individuals on the waiting list. So we see that there is a great need in our communities for raising that income

percentage.

We also advocate streamlining the process by using the priority list of weatherization, rather than the easy audit, as it, as I said, will streamline the process.

We also support the increase of the per unit spending to \$6500 as this will allow us to complete the work that has been started. We leave homes oftentimes finding, as you said, Ms. Oehler, that there's still work that needs to be done.

Project Bravo has, for 43-plus years provided services to the El Paso community. During that time -- I know in the last several years we have assisted families using 100 percent of the funds that have been allocated to us. We would recommend that you provide further guidance to the subrecipients, especially as it comes to coordination between the cap agencies and the other subrecipients, the city subrecipients. Our concern is that there might be reweatherization duplication of services.

We also feel that we have shown our capacity and ability to service the programs 100 percent, and would ask that you relook the percentages that you've allocated.

We are poised and ready to submit to you all a capacity plan that shows you that we will be able to spend more

than what has been allocated at 50 percent. Thank you very much.

MR. CARDENAS: Ms. Payton, what area do you cover?

MS. PAYTON: It is El Paso County.

MR. CARDENAS: Just El Paso County?

MS. PAYTON: Just El Paso County.

MS. HULL: Thank you.

MS. PAYTON: Thank you.

MS. HULL: Is there anybody else who would like to speak on weatherization?

(No response.)

MS. HULL: If not, we'll go ahead and move to the next program that we're here to discuss, and that is the Homelessness Prevention and Rapid Re-Housing Program. This is a new program developed by HUD, the U.S. Department of Housing and Urban Development. The allocation of these funds was based on allocation that HUD uses for the Emergency Shelter Grants Program, the homelessness program by HUD. However, HUD has stressed that this is not the issue. This is a new program. This program is focused specifically on, as the name implies, Homelessness Prevention and Rapid Re-Housing. With the existing the ESG program, you can do other activities,

including rehabilitation, essential services, maintenance and operation, and homelessness prevention.

I wanted to give you an overview of some of the important milestones for this program. The guidance from HUD was released on March 19, 2009, and on April 23, as we've mentioned, the draft plan will go to the Board on April 23. We may release the NOFA as early as late April.

If there's significant changes, we may release it in late May. The due date for the substantial notice of consolidated plan to HUD is actually on May 18. That's following the Board's approval. The applications will be due to TDHCA in late June, and then early July HUD will approve or disprove the state plan.

HUD has given the deadline of September 2 for when they will execute all grant agreements with the state, with TDHCA, and on September 3, staff intends to take award recommendations for this program to the TDHCA Board for their approval. And September 30 is HUD's deadline for when we have to obligate all funds.

There are a couple of other deadlines that HUD has established. Sixty percent of the funds must be established within two years, and 100 percent must be -- excuse me, expended within three years. This time line begins when HUD signs the grant agreement, which will be

approximately September 2009.

I'll give you some highlights of the program, and these are all -- these highlights are taken from the HUD guidance, and if you're interested at all in the program, I would recommend that you take a look at it. There's a link from our website, and I can also give you the website now -- it's on the handout actually.

This new program is not intended to provide long-term support, or address all of the needs to a household. Whether it's intended to be focused on housing stabilization and linking the participants to community resources, mainstream benefits, and helping them develop a plan for future housing stability.

We must all -- the state and the subgrantees must target those who are most in need of temporary homelessness prevention and rapid re-housing. And this program will serve households that are at or below 50 percent AMFI, area median family income. The eligible activities for this program include financial assistance, housing relocation and stabilization, data collection, and administration.

For financial assistance that includes short-term and medium-term rental assistance, security and utility deposits, utility payments, moving cost

assistance, and hotel and motel vouchers. For the housing relocation and stabilization services, that includes -- the eligible activities include case management, and this is limited to case management that meets the housing needs of the participants. Outreach and engagement, housing search and placement, and legal services and credit repair. And, again, the legal services will be limited to tenant-landlord relations or anything that has to do with the housing for the household.

The other category of eligible activity is data collection and valuation, and staff has proposed approximately 3 percent to be used for the data collection activities. All of the subrecipients of these funds will be required to have in place a homelessness management information system, or a comparable client-level database, and those systems can be costly to set up and maintain. And then the fourth category of eligible activities is administrative costs. HUD has allocated 5 percent of the total funds for administrative costs. That includes admin, both for the state and the local subgrantees.

The eligible households that can benefit from this program include those that are at risk of homelessness. And that means people that are currently in housing, but they're at risk of becoming homeless and need

temporary rent or utility systems. Or the second category of people that are eligible include the homeless, and this is HUD's -- following HUD's definition of homelessness, those residing in emergency or transitional shelters, or on the street, and those that need temporary assistance in order to obtain housing and retain housing.

In the guidance, HUD has listed a long list of ineligible activities, and these include mortgage payments, construction/rehabilitation of shelters, credit card bills, car repair, transportation. One of the other things that is ineligible includes discharge planning. But for more information I would, again, refer you to the HUD guidance. They're very explicit in their list of eligible activities and what is not eligible.

On the second page of the handout we have included a draft allocation formula. What we're proposing is to allocate these funds across the state, across the 13 state service regions. This formula includes two factors: poverty, the number of individuals in poverty, and then the number of people on unemployment, who receive unemployment. In each of those factors we're proposing a 50 percent weight.

There are a few people that have signed up to speak on homelessness prevention. Let's see --

MR. OEHLER: May I add one thing?

MS. HULL: Yes.

MR. OEHLER: I just wanted to mention that in the 13 regions nonprofits and units of local government within those regions are applicable -- or are eligible to apply. And the applicants will be competing just against the ones in their region. That's how we score the applications.

MS. HULL: The first person that signed up to speak is Janay Boone-Ward [phonetic].

MS. BOONE-WARD: No, I didn't -- I just signed in.

MS. HULL: Okay. Oh, I'm sorry. You're right; you didn't.

(General laughter.)

MS. HULL: That was Camille Castillo.

MS. CASTILLO: I also signed in as well, but -- my name is Camille Castillo. I'm from the El Paso Coalition for the Homeless. My question was in regards to collaborative applications and the application process. Has there any -- been decisions made on that?

MS. HULL: What we're considering is doing something similar to what we do for the ESG applications, as we allow collaborative applications as well. There'll

be a different maximum limit, if there's a maximum limit for the award. And there -- we'll, you know, look for proof on how you're going to collaborate and coordinate, so.

MS. CASTILLO: Okay. So I guess there hasn't been any decisions made on the maximum or minimum application yet?

MS. HULL: Do you have any ideas you'd like to share with us?

(General laughter.)

MS. CASTILLO: I don't really have an idea. I just -- it's not something that we really discuss among our members. But we're open.

MS. HULL: Okay.

MS. CASTILLO: Thank you.

MS. HULL: Thank you.

The next person is Skip Rosenthal.

MR. ROSENTHAL: First of all, welcome to El Paso. Thank you.

I wanted to talk about homelessness prevention and just a very small amount on rapid re-housing. My agency, International AIDS Empowerment, is one of four agencies that are currently funded under the city's ESG program for homelessness prevention. We don't have a

large homelessness prevention program here in El Paso, yet it's very, very much needed.

But I want to talk specifically about agencies that serve vulnerable populations, because they are very important. And we use Project Bravo a lot, and I know that they're one of the prevention agencies that are used, and they do a wonderful job. But sometimes in vulnerable populations, like people with fixed income; people with HIV and AIDS, which is a HUD special population; people with mental health issues; people with substance abuse issues; the elderly; the vulnerable youth; and women and men who are the victims of family violence, those populations often -- it's difficult for them to go to an agency that they don't have a relationship with, often they have to disclose a lot of information they're very uncomfortable with, and that -- so that sometimes makes a difference, because they want -- they need these services, but sometimes there's so much stigma and fear that they actually don't go because they just don't feel comfortable. And it's not any fault of any agency, it just happens to be that way.

We have an existing relationship with those populations, and you'll probably hear from several other organizations that deal with vulnerable populations. So I

was -- and it just may be not be appropriate for instance for people with severe mental illness such as schizophrenia or bipolar or end-stage AIDS to be in a waiting room with a lot of other people, and it may be disruptive to the agencies, whereas we know how to handle those situations. So I really hope, as you develop these guidelines, that you consider these vulnerable populations.

And I just want to say one thing about rapid re-housing, which is also very important for our population. Many of our -- we have people who have been in homeless shelters, and we continue to, but it is very, very difficult for our population, people with HIV and AIDS, to be in homeless shelters, at least in the long term.

Because of the fear and stigma of being, let's say in a room with 150 other people, they can't divulge their status, and are encouraged to divulge their status.

It's not even a question for them to divulge their status at those things, so very often they go without their medication, if people find out they're HIV positive, there's often disruptive -- there's disruption in the shelters. And it's a very real fear.

And so with the rapid re-housing we have a lot

of people on fixed incomes, and they're the ones that are most vulnerable because they get an electric bill all of a sudden -- they budget \$40, they get an electric bill for \$140, they can't pay it. Sometimes that's enough to jolt them out of their house. So, or they're sick and they can't work.

And so being sensitive to these vulnerable populations as you write your guidelines would be very much appreciated. Thank you.

MS. HULL: Thank you.

The next person is Maria Jessie Korté.

MS. KORTÉ: There's two of us. We both came together because we both are working with a specific population, and that is the youth who are aging out of foster care. The services that I provide is through Pinnacle Social Services; we contract with Child Protective Services. And I work with the age group of 18 to 21.

MS. TERRAZAS: My name is Angelica Terrazas with El Paso Human Services. We have the contract from Texas Workforce Commission to provide a transition center or resource center for youth aging out of foster care. And the population is 16 to 25. We partner with Pinnacle and other organizations, but we primarily work with 21 to

25 year olds as far as the case management portion of it.

MS. KORTÉ: Go ahead.

MS. TERRAZAS: Yes, what we were hoping is that TDHCA will prioritize, like Skip Rosenthal was saying, you know, have some prioritization for special populations like the youth aging out of foster care. These are young people who we've had to place in the homeless shelters. It's not fair to them, they leave a foster home and in order for them to qualify for like Section 8 housing vouchers they have to be homeless. And so we have to put them in homeless shelters, and they're not accustomed to anything -- I mean we've left young men there and they'll call us and they'll say, I can't believe you even left me there, you know, you don't know what this is like. So it's really traumatic for them.

MS. KORTÉ: And not to mention the homeless shelters that we have I feel are inappropriate because we're putting youth with adults, and unfortunately our youth are there for periods of time where they start learning specific behaviors. If they're in the homeless shelters for an extended period of time, once we are able to place them, they leave with particular habits that are very difficult to break them of, and they also have the individuals from the shelters who continue to seek

assistance from them. So it's -- we don't have a youth shelter here in El Paso.

MS. TERRAZAS: And another consideration is that they don't qualify for the typical rental, lease, or when they're trying to rent an apartment, you know, most leasing agents want to see that they earn three times the amount of the rent. And these are young people that some have a high school diploma, some don't even have a high school diploma. If they've worked, they've worked a part-time job, they don't have the employment history nor the financial -- they're not in the financial situation to even qualify for a \$300 apartment.

MS. KORTÉ: And they don't have -- they're not fortunate enough to have family members that could co-sign for them, and a lot of the youth are diagnosed with different mental health disorders which for many of them unfortunately they're not able to work. Some qualify for SSI, and some don't.

But unfortunately it's very difficult for them to find any type of housing, and the housing that they do find is only because they do not require any type of background check, they don't require for them to be employed, and those areas, in my opinion, is unsafe for them.

MS. TERRAZAS: So again we, you know, we are asking that TDHCA have -- or make special considerations for this population, for the young people that are leaving foster care. And I'm sure you've heard from our counterparts in Dallas and Houston and everywhere else that you've been.

MR. CARDENAS: I've got a question, please. How many kids, or how many people are we talking about coming out of foster care?

MS. KORTÉ: Presently from the age group of 18 to 21 we have over 50 youth.

MS. TERRAZAS: And that's not to include the 21 --

MS. KORTÉ: Right.

MS. TERRAZAS: -- to 25.

MS. KORTÉ: Right.

MS. TERRAZAS: So you're talking about, here in El Paso, about 40 that will leave foster care throughout each year, and that's just adding to this other group. And then we have the 21 to 25 year olds, there's another -- that we definitely we know of because we work with them, another 40 or 50.

MS. HULL: Thank you.

MS. KORTÉ: Thank you.

MS. HULL: The next person to comment is Michael Flores.

MR. FLORES: Good morning. Thank you for having us this morning. My name is Michael Flores, and I'm with the County of El Paso General Assistance Office, and I'm the program manager for the General Assistance Office.

One of the things that my agency, or my department, we help the homeless prevention. Our agency assists individuals with rental assistance and utility assistance. We're not part of the city ESG collaborative right now, so I feel that the program under -- the TDHCA program under the collaborative effort will help bring down some of these monies that are coming into our community.

If we can help each of the agencies -- I understand that sometimes agencies duplicate services, but if we have something in place of computer sharing under HMIS system, or any other system that we -- because right now we get funding through FEMA, through HUD FEMA money. That funding source -- and when we collaborate with the agencies that get this FEMA money, we tell other agencies, This is the money that are helping this individual, that way there is no duplication of services. If we continue

to share the -- and our systems, I think it would make things work even much more to an advantage for the programs here in El Paso.

Now the county right now is not an HMIS program, we're not assigned HMIS at this point. Right now we're talking to the Coalition. There was a question of how much money is it going to cost us to participate in HMIS? And hopefully under these guidelines that come out, that gives us concession for agencies like myself, that are not HMIS participants, to give us that tool, that extra cost to be able to implement.

I run two offices that are full-fledged running General Assistance Offices, and I've created a third office out of the northeast here in El Paso that will be able to implement our agencies wide gamut of participants that will be able to use our program. We won't be able to reinvent the wheel, per se, of hiring more case workers, or more administration.

I feel that right now we have it set up in place, whatever people that we have working in our agency and our department will be sufficient enough. That way there's more money for services to our community, instead of -- some of these agencies are asking for additional staff. I don't think additional staff, of adding another

bureaucracy, another level of employees into your agency is not the right answer. The answer is to help the individual that we're supposed to serve.

So hopefully that is also placed -- and an idea that hopefully agencies that have case workers already in place will be looked at more favorably than agencies that will have to reinvent some practices in their agencies. So thank you for letting me speak, and thanks again, and have a good day.

MS. HULL: Thank you for your comments.

MR. CARDENAS: Thank you.

MR. FLORES: Thank you.

MR. CARDENAS: Thanks.

MS. HULL: The next person is Dana Gilloway.

(No response.)

MS. HULL: No? I'm sorry.

Richie Hernandez, would you like to speak on homelessness?

MR. HERNANDEZ: I signed up again. I'm sorry.

MS. HULL: Okay. That's fine.

MR. HERNANDEZ: I got really happy with the pen, but thank you.

(General laughter.)

MS. HULL: Would anybody else like to speak on

homelessness prevention and rapid re-housing?

(No response.)

MS. HULL: If not, we'll go ahead and move to the third program that we're here to discuss, that is the Community Services Block Grant program. This program funds eligible entities for the delivery of services to very low income Texas residents in all 254 counties. These funds support a variety of direct services, in addition to help maintain the core administrative elements of these local organizations.

This CSBG funding is not competitive. There's a select group of eligible entities, and they're designated by the Governor, and they provide a broad range of services that are designed to eliminate poverty.

We are still awaiting further guidance regarding the CSBG funds through the Recovery Act. One of the things that -- we don't even know the amount of funds that would be dedicated to Texas. And one of the other things that we're waiting for information on includes how the funds will be distributed in terms of administrative funds and discretionary funds.

The current CSBG program allows for 90 percent funds for program services, 5 percent of the funds for state administration, and 5 percent of the funds for

discretionary. At this time we don't know if this new Recovery Act funding would be distributed in the same way.

There are a couple of people that did sign up to speak on CSBG. Cynthia Verraza [phonetic]?

MS. VERRAZA: Oh, no, thank you.

MS. HULL: And Jesse Acosta?

(No response.)

MS. HULL: No? All right. Is there anybody else who would like to --

Yes.

MR. ROSENTHAL: I just -- sorry, I just wanted to ask a question.

MS. HULL: Sure.

MR. ROSENTHAL: If you need me to be -- okay.

MS. HULL: Please. Yes, please come to the microphone, even for a question.

MR. ROSENTHAL: I saw it, it makes it easier.

It's just a question being -- you said that this is not competitive, and I was just wondering who the current recipients in the West Texas region are of these particular funds.

MR. OEHLER: Okay. And just to give a little bit of background, most of these agencies were designated during the 1960s, during the war on poverty. And most of

them are considered community action agencies, and the ones that have been introduced in I guess over the years have been designated by the Governor. And so in El Paso it's Project Bravo, and then also Janet Everheart from West Texas Opportunities. They've service this sort of general area.

But those funds are federally mandated to go to those groups of nonprofits. And just to give you a little bit information, the purpose of CSBG is to transition persons out of poverty. That's the true purpose. Most of the funds are used as administrative support for low income programs such as Meals on Wheels, I mean there are many low income programs that either don't have admin funds associated with them, or there's not enough, and so CSBG is one of the only federal funds that allows you to use a significant portion, if not all, in some instances all the funds can be used for administrative support.

The discretionary funds, we have a competitive process for that. And so if there is a discretionary piece of these funds, then nonprofits would be eligible to apply, and those are for innovative projects, demonstration projects. We also serve some specific populations, Native Americans and migrant and seasonal farmer workers.

We also use a significant portion of the discretionary funds for disaster relief. Last year we allocated about \$900,000 for Hurricanes Dolly, Ike and Gustav. So that's -- we make sure that we retain a certain amount so that if and when there are disasters, we have funds that can immediately go out to the areas that have been affected.

MR. ROSENTHAL: Okay. Thank you so very much.

MS. HULL: If there's not anybody else that would like to speak, I guess we'll go ahead and close the meeting.

Is there anything you'd like to say?

MR. CARDENAS: I would just like to say thank you to all of you for coming out.

And if they still have questions, they can still submit them?

MS. HULL: Oh, certainly. Certainly.

MR. CARDENAS: Please, I encourage you to do that. Thank you.

MS. HULL: Thank you.

(Whereupon, at 10:05 a.m., the hearing was concluded.)

CERTIFICATE

IN RE: TDHCA Recovery and Reinvestment Act
Public Hearing
LOCATION: El Paso, Texas
DATE: April 8, 2009

I do hereby certify that the foregoing pages, numbers 1 through 42, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

4/14/2009
(Transcriber) (Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731