

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

TSAHC Offices
2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78702

Wednesday,
July 17, 2019
10:30 a.m.

BOARD MEMBERS:

VALERIE V. CARDENAS, Vice Chair
WILLIAM H. DIETZ, JR., Chair (absent)
COURTNEY JOHNSON-ROSE, Member (absent)
LALI SHIPLEY, Member
ANDY WILLIAMS, Member

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P R O C E E D I N G S

1
2 MS. CARDENAS: We're going to go ahead and call
3 our July 17, 2019 TSAHC Board meeting, but before we do
4 begin with agenda items, we're going to go ahead and take
5 a roll call.

6 So, we have William Dietz, he's not present.

7 Valerie Cardenas, present.

8 Courtney Johnson Rose, not present.

9 Lali Shipley?

10 MS. SHIPLEY: Present.

11 MS. CARDENAS: And Andy Williams?

12 MR. WILLIAMS: Present.

13 MS. CARDENAS: Perfect. So, we've got a
14 quorum.

15 We'll go ahead, if I could have everyone stand,
16 and we'll begin with the Pledge of Allegiance.

17 (The Pledge of Allegiance and the Texas
18 Allegiance were recited.)

19 MS. CARDENAS: So, at this time do we have any
20 public comments?

21 (No response.)

22 MS. CARDENAS: There being none, we'll go ahead
23 and begin with our Executive Vice President, Janie
24 Taylor's report.

25 Janie.

1 MS. TAYLOR: Good morning, Vice Chairman
2 Cardenas and Board members. I'm Janie Taylor, Executive
3 Vice President. I will be presenting the monthly update
4 normally provided by TSAHC President, David Long.

5 In your board book, under Tab A through C, you
6 will find several reports, including the monthly
7 Homeownership Production Report, the Development Finance
8 Report, as well as Financial Monthly and Quarterly
9 Reports. Please let me know if you have any questions
10 regarding those reports. Our staff that put those
11 together is here and available to answer any questions you
12 might have.

13 So an update. The Loan Committee for the Texas
14 Housing Impact Fund met yesterday, July 16. The committee
15 did not take any action on any new or existing loans;
16 however, the committee did review and discuss outstanding
17 loans, as well as potential upcoming applications and
18 funding sources. We were happy to have Mr. Williams join
19 us for his first Loan Committee meeting, and Ms. Cardenas
20 supporting the effort. Both joined the meeting via
21 conference call.

22 And if either of you have anything else to add,
23 let me know.

24 MS. CARDENAS: Not at this time.

25 MS. TAYLOR: We were happy to have you. Next

1 month we'll give an update again to the full Board on any
2 action that was taken.

3 So, I want to let you know, also, just as an
4 upcoming note, that staff -- Melinda's staff is currently
5 working on our 2020 fiscal year operating budget. We plan
6 to present it to the Audit Committee and the full Board at
7 the August meeting next month. We're also beginning to
8 accumulate our year-end financial data so Melinda and her
9 staff can start preparing for our upcoming financial
10 audit.

11 So, I'm going to move on and give you an update
12 on some department activities. I'll start with our
13 Homeownership team. Since our last Board meeting, the
14 staff conducted four Overcoming Down Payment Hurdle
15 classes, which are done in partnership with the Texas
16 Realtors Association.

17 They trained 89 Realtors on the benefits of our
18 homebuyer programs. In addition, 178 loan officers this
19 last month signed up for lender training, and six new
20 lender mortgage companies are now signed to offer TSAHC
21 homebuyer programs.

22 Moving on to the HEART program, which stands
23 for the Housing and Economic Assistance to Rebuild Texas,
24 TSAHC awarded a \$50,000 grant to the organization Legacy
25 CDC to support their home repair efforts in Port Arthur.

1 Those of you that have been in the Loan Committee are
2 familiar with Legacy CDC, they're a partner with us on the
3 Impact Fund program. So, we're thrilled to be supporting
4 their Hurricane Harvey recovery efforts as well.

5 And TSAHC also launched Phase 2 of the HEART
6 program. We started accepting applications in early July,
7 and we anticipate making the first round of awards for
8 this phase next month.

9 And an update for our fundraising efforts. In
10 June, TSAHC staff submitted applications to BBVA and Bank
11 of America to support next year's training for nonprofits
12 that we call Housing Connection.

13 As you know, we generally have staff attending
14 conferences and training, and last month, myself and
15 Celina Stubbs attended a conference for multifamily
16 developers. It was our first experience attending that
17 conference, and we both learned a great deal, and we were
18 happy to be there representing TSAHC.

19 Cassandra Ramirez attended the Center for
20 Community Progress Training Academy in Houston to learn
21 how to enhance the Corporation's development and
22 management of properties in our Land Bank Program.

23 Katie Claflin and Laura Ross attended the
24 Housing Connection training in Dallas from June 17 through
25 the 21. They coordinated lunchtime presentations done by

1 the major sponsors. Those sponsors included Wells Fargo,
2 BBVA, JP Morgan Chase and Experian.

3 I would like to take a moment to acknowledge
4 one of our employees. He doesn't know that I'm going to
5 do this. Frank Duplechain. Are you here, Frank? There
6 he is.

7 So, Frank took over running the Housing
8 Connection training, which is for housing counselors and
9 also developers, nonprofits. On the very first day of
10 training, on his very first day of taking over this
11 program from Sarah, the instructor did not show up. They
12 had travel delays, and so Frank jumped in and they
13 contacted the training company, NeighborWorks, and they
14 offered him online training on the first day.

15 Frank facilitated and coordinated the online
16 training so well that the attendants didn't know that he
17 was not the official instructor, and they actually were
18 surprised the next day when someone else showed up.

19 And I've just heard so much praise for him and
20 we thank him for just jumping in on that first day, and he
21 did such a great job and made such a great impression on
22 everyone.

23 So, thank you, Frank.

24 (Applause.)

25 MS. CARDENAS: And if I can just add, I have

1 actually seen Frank live and in person giving these
2 presentations, and he's obviously well educated in this
3 field, but he's very energetic, really engages the crowd,
4 and so I always say, you know, it's only as good as
5 there's engagement with the crowd. And so, just to kind
6 of piggyback, he does do an amazing job. So yes, very
7 well deserved, and congratulations.

8 (Applause.)

9 MS. TAYLOR: So, we're always grateful to have
10 some of our professional support staff here with us today.

11 Karen Kennard, who is our general counsel, with Greenburg
12 Traurig, is here. And Tim Nelson with Hilltop, he's our
13 municipal advisor. We are expecting also Mr. Bob
14 Dransfield, who will be here soon. He is delayed in
15 Dallas. He's with Norton Rose, and he'll be here as soon
16 as he can.

17 And lastly, our next scheduled Board meeting is
18 Wednesday, August 14. We will also have an Audit
19 Committee that day. It generally is before the Board
20 meeting. And, Valerie, I think you are chairing that.

21 And so, we will send out that information, and
22 Rebecca will be in touch with you all to make sure that
23 there's availability and it fits into everyone's schedule.

24 So with that, I conclude my remarks, and if you
25 have any questions, let me know before we move on to the

1 rest of the agenda.

2 MS. CARDENAS: Just, you know, maybe an
3 overview. I know that months back we kicked off the bond
4 program for Homes for Texas Heroes. How has that program
5 been coming along?

6 MS. TAYLOR: So, it's coming along well. We
7 are probably more than halfway done with the allocation
8 that we had. We did reduce the interest rate recently
9 from 5.05 to 4.85. As a result of interest rates going
10 down, we wanted to react to the market changes. And it's
11 going pretty well, it's steady for sure.

12 And that program is for a much more narrow
13 group of folks. It's for our heroes, first-time homebuyers
14 as well, so that includes teachers, firefighters, police
15 officers, EMS personnel, correction officers, and so it's
16 a much more limited group of folks. But, it's steady and
17 it's doing really well, and we're happy about it.

18 Joniel, do you have anything else to add to
19 that?

20 MS. LeVECQUE: Joniel LeVecque, director of
21 Homeownership programs.

22 As Janie said, we are doing very well with that
23 program. We had some analyzed and anticipated how long it
24 would take to reserve the full amount of the \$40 million
25 that we had allocated for that program, and we are on

1 schedule. I do an analysis every week, and every week
2 we're still on schedule, so that's good news as far as the
3 usage of the program.

4 MS. CARDENAS: Very good. Thank you.

5 Before we move on to tab item 1, I don't think
6 that I said the actual time that the meeting began, and
7 that was at 10:30 a.m., so if that can just note for the
8 record in the minutes that we did start at 10:30 a.m.

9 So with that being said, we'll go ahead and
10 begin with tab item 1, which is the presentation,
11 discussion and possible approval of the minutes of the
12 Board meeting held on June 12, 2019.

13 I know Board members have had an opportunity to
14 review the minutes. If there are no corrections,
15 revisions or changes that need to be made, if I can have
16 an approval for the minutes.

17 MS. SHIPLEY: Motion to approve.

18 MS. CARDENAS: Okay. I have a motion.

19 MR. WILLIAMS: Approve.

20 MS. CARDENAS: I have a second. All in favor?

21 (A chorus of ayes.)

22 MS. CARDENAS: The minutes are approved.

23 Now moving on to tab item 2, so bear with me as
24 I read the long presentation here, which is the
25 presentation, discussion and possible approval of a

1 resolution authorizing the issuance of Texas State
2 Affordable Housing Corporation Multifamily Housing Revenue
3 Bonds, which is Pythian Manor Apartments Project, Series
4 2019, an indenture of trust, a loan agreement, a bond
5 purchase agreement, an asset oversight, compliance and
6 security agreement, and a regulatory agreement;
7 authorizing the execution of documents and instruments
8 necessary or convenient to carry out the issuance of the
9 bonds and other provisions in connection therewith.

10 MR. DANENFELZER: Good morning.

11 MS. CARDENAS: Good morning.

12 MR. DANENFELZER: David Danenfelzer, Senior
13 Director of Development Finance.

14 This presentation is for final bond approval of
15 the Pythian Manor Apartments. I'm assuming you've read
16 the full report. But, basically, the summary of this
17 project is that in March of 2019, the applicant did apply
18 for bond volume cap from the Corporation.

19 We have reviewed and after having an inducement
20 resolution several months ago, we've gone through the
21 underwriting, we've gone through all the bond documents,
22 and in fact, Mr. Dransfield, from Norton Rose Fulbright --
23 who is on his way who was delayed by airport difficulties
24 this morning -- will have signature pages that he'll have
25 Ms. Cardenas as vice chair, as well as Janie Taylor as

1 executive vice president, sign and escrow this morning,
2 because we are essentially ready to get this project
3 closed.

4 There are two more administrative tasks that we
5 do after this, once approved. We'll bring this as a full
6 application to the Texas Bond Review Board for their
7 consideration and approval. Because of the nature of this
8 project, they don't have to vote on it; they simply need
9 to review it for six days. If they have no comments or
10 concerns, then it is automatically approved, and we
11 anticipate that it will go through that process, and
12 that's per state statute and regulations.

13 Then, also, the full bond document set will
14 also be sent to the Attorney General's Office, and the
15 Texas Attorney General will review those documents for
16 state policies and statute and also make sure that they're
17 correct.

18 We intend to close this transaction in late
19 August or early September, once all those approvals are
20 complete. The AG's Office does have 17 days to review and
21 approve their documents, so depending on how fast we get
22 through that, if we submit next week, it could be in
23 August, but we want to make sure they have enough time to
24 review those documents.

25 The transaction itself is a 76-unit multifamily

1 housing complex. It is an older property that has a
2 housing assistance contract with the U.S. Department of
3 Housing and Urban Development, and that contract will be
4 renewed for another 20 years. The bonds themselves will
5 be on a longer 15- to 17-year term, but the project we
6 intend to keep going up to 30 years with the housing tax
7 credit allocation. as well.

8 As I've said, we've underwritten the project.
9 It meets all of our standard and threshold requirements.
10 We think it's a really good project. The properties are
11 getting around getting around \$38,000 per unit in rehab,
12 so they'll be upgraded quite significantly.

13 It is actually in pretty good condition right
14 now. I did go to the property and do a visual inspection
15 when we did the TEFRA hearing in Dallas several months
16 ago. And TEFRA stands for Tax Equity Finance Reform Act.

17 It is a public hearing we're required to do on all these
18 projects.

19 But, I did tour the structures and it was in
20 good shape. But, as with any building that's 30 years old,
21 it could always use a good facelift, particularly with the
22 mechanical systems, some structural roofing.

23 MS. SHIPLEY: Sprinklers to keep it from
24 catching on fire.

25 MR. DANENFELZER: Yeah. There's a whole bunch

1 of things that they'll be working on to upgrade and
2 modernize the property to today's standards.

3 I'll just go ahead and turn it over to
4 questions if you have any.

5 MS. CARDENAS: So just kind of curious, is
6 there a reason -- I see here that they're going to add
7 eight income-restricted units for households earning 30
8 percent or less than the area median income. Is there a
9 reason it's just eight? I know it's 76 units so it would
10 be eight out of the 76. Is there a reason that it
11 wouldn't be more of an offering to that population of
12 borrowers?

13 MR. DANENFELZER: No. In particular, the
14 reason they're adding the eight actually is that it is a
15 scoring criteria in our bond application, and so setting
16 aside 5 percent of the units, so eight covers the 5
17 percent minimum, gives them points for our application
18 process.

19 I will note that because it is a housing
20 assistance project, a Section 8 housing assistance
21 property, it's likely that most of the tenants will
22 actually be at or below 30 percent area median income.
23 Predominantly, it's also seniors, so most of the seniors
24 that are living there are living off strictly Social
25 Security payments; so, these are generally around \$700,

1 maybe \$1,200 a month for these seniors, so the housing
2 assistance contract actually covers 90 to 100 percent of
3 their rent, and they are generally 30 percent and below
4 households. Without that, most of those households would
5 probably be homeless.

6 We do have the scoring criteria, though, which
7 gives them the extras points for the actual 30 percent
8 units. But, for federal tax credit purposes and for bond
9 purposes, they only have to meet the 60 percent area
10 median income requirement; though we know that there will
11 be significantly more that will be much lower than that
12 area median income.

13 MS. CARDENAS: Okay. Are there any other
14 questions?

15 MS. SHIPLEY: No.

16 MS. CARDENAS: Okay. So, I guess we're needing
17 an approval -- I don't know if I have to read everything
18 out -- as read before, so if I can have a motion for
19 approval on this presentation, as read in detail earlier.

20 MS. SHIPLEY: Motion to approve.

21 MS. CARDENAS: Okay. I have a motion.

22 MR. WILLIAMS: Approve.

23 MS. CARDENAS: Okay. Before we take a vote,
24 are there any public comments or any further discussions
25 to be had?

1 (No response.)

2 MS. CARDENAS: If there's none, all in favor?

3 (A chorus of ayes.)

4 MS. CARDENAS: And none opposed, so tab item 2
5 is approved as presented.

6 Moving on to tab item 3, which is the
7 presentation, discussion and possible approval of a
8 resolution regarding the submission of one or more
9 applications for allocation of private activity bonds,
10 notices of intention to issue the bonds, and state bond
11 applications to the Texas Bond Review Board, and
12 declaration of expectation to reimburse expenditures with
13 proceeds of future debt for the Hamilton Valley Texas
14 Portfolio Project.

15 MR. DANENFELZER: Hello again. David
16 Danenfelzer, Senior Director of Development Finance.

17 So, this project is one that we looked at last
18 September and we did induce, so staff has been working on
19 it and developing bond documents, as well as other tasks
20 related to the project. We have not conducted our public
21 hearings yet because we were awaiting several approvals
22 from the U.S. department of rural development, USDA, in
23 order to confirm which of the properties of the 25 were
24 going to be approved for ownership transfer as well as
25 rehab.

1 After many, many months, almost a year, really,
2 USDA has released their final list and they did trim three
3 properties off of that. We don't really know the reasons
4 for that. They were internally and we don't question it,
5 but the developer has come back and updated the list, and
6 so now we only have 22 properties.

7 And so, today what we're asking is to update
8 the inducement resolution which we passed last September.
9 It renews our ability to continue working on this project,
10 to finalize the bond documents and also to submit the
11 applications for a reservation of the actual bond volume
12 cap.

13 The 22 properties that we're now looking at
14 include a total of 757 units. They're located in 14
15 different counties across the state of Texas. And, there
16 is a small map there in your summary that shows the
17 diversity of locations that are spread across the state.

18 There is a concentration down in the Lower
19 Valley of about five or six properties. Most of them are
20 south of Austin. But, there's a number of them that are
21 also north, north of the Dallas-Fort Worth area, as well
22 as one over in Seagraves, which is closer to New Mexico
23 than the rest of Texas.

24 But, the properties are quite old. So again,
25 this is an acquisition rehab project. There will be a

1 significant amount of rehab of the mechanical systems,
2 roofing, other things that will be going into these
3 properties and giving them new life. The majority of the
4 units in the properties also do receive rental assistance
5 through USDA.

6 It is a very different rental assistance than
7 the typical Section 8 project that we look at. It is more
8 based on local needs rather than the incomes of the
9 individuals. I won't go into too many details on that.
10 But, based on the contracts that USDA has currently
11 proposed for moving forward, we do believe that this will
12 underwrite and will meet all of our threshold
13 requirements; though we are going to continue to look at
14 that and make sure we get final commitments from USDA on
15 those numbers before we approve this.

16 We anticipate for a timeline that we would
17 submit here, in early August, to the Bond Review Board for
18 the reservations. We'd hold hearings probably in the late
19 August and early September timeline, and then bringing
20 this back to the Board in October or November, depending
21 on how fast we can do all that work.

22 It is a little bit more difficult because we
23 are looking at underwriting 22 properties, not just one.
24 That makes it a little bit more of a challenge. But, this
25 is not our first portfolio project. In fact, in 2007, we

1 did a 21-property portfolio that was located in 19
2 different cities across the state of Texas, and we've done
3 a couple of other smaller portfolios of six and seven
4 properties. So, we're accustomed to this process, and
5 we're able to manage it internally without any difficulty.

6 With that, I'll kind of leave it open for
7 questions on the property, if you have any.

8 MS. CARDENAS: So, it says 13 of the projects
9 also meet the Corporation's target housing needs for
10 seniors. Is that the rural and smaller urban areas?

11 MR. DANENFELZER: Well, I don't have the
12 breakout right in front of me, but all but, I believe, six
13 of the properties meet our rural and small urban markets
14 set-aside requirement.

15 The six properties that don't are the ones in
16 Cameron and Hidalgo counties which are considered urban
17 counties under our policies. They are all senior
18 properties. However, so those properties do meet our
19 senior, and they also all meet our acquisition and
20 preservation of affordable housing properties.

21 So, some of these properties meet sort of three
22 of the targeted needs and some of them meet one or two.
23 But, they all do meet our four targeted housing needs, and
24 I can clarify those four, if you need.

25 MS. SHIPLEY: Please.

1 MR. DANENFELZER: Okay. So, the four targeted
2 housing needs we have for bonds are rural and small urban
3 markets is one. Acquisition and preservation of existing
4 affordable housing, that's the second one. Senior and
5 supportive housing projects, or service-enriched is
6 another definition. So, anything targeting persons 55 and
7 older or, in some cases, 62 and older, and then the
8 service-enriched are for properties that target people
9 with disabilities or extremely low income households.
10 And, the last one is projects in areas where a disaster
11 has occurred within the last 18 months and we have a
12 federal declaration open for that. So, those are our four
13 target housing needs that we have.

14 Some of them are kind of combined or doubled
15 up. Because of the overlap like with seniors and
16 supportive housing, there is often an overlap with those
17 properties, so we consider it just one set-aside.

18 MS. CARDENAS: But, it had to at least meet,
19 first and foremost, the targeted for seniors?

20 MR. DANENFELZER: No. The big one for this
21 portfolio is actually the preservation, the acquisition
22 and preservation of existing affordable housing. And
23 then, some of them also meet the senior, and then many of
24 them meet the rural and small urban markets as well. So,
25 universally, they all meet at least one of our four

1 targeted housing areas.

2 MS. CARDENAS: But, I guess, what I was asking
3 is for certain projects, you know, we have those four
4 areas, but for certain projects does it have to meet a
5 main one first and then if it overlaps into others, great?

6 MR. DANENFELZER: Correct.

7 MS. CARDENAS: So, every project may be
8 different, which it may say yeah, it may dip into these
9 other threes but it had to have met this one first.

10 MR. DANENFELZER: Exactly.

11 MS. CARDENAS: Okay. Are there any further
12 questions?

13 (No response.)

14 MS. CARDENAS: If there's none, if I can
15 entertain a motion to be made for tab item 3 as I
16 presented earlier in detail.

17 MR. WILLIAMS: A motion for approval.

18 MS. CARDENAS: Okay. I have a motion for
19 approval. Do I have a second?

20 MS. SHIPLEY: I second.

21 MS. CARDENAS: All those in favor? And, I'm
22 sorry. Before I take a final vote, do we have any public
23 comments or further discussion on this item?

24 (No response.)

25 MS. CARDENAS: If there's none, all those in

1 favor?

2 (A chorus of ayes.)

3 MS. CARDENAS: None opposed. Tab item 3 is
4 approved.

5 MR. DANENFELZER: Thank you very much.

6 MS. CARDENAS: Thank you.

7 Okay. So, we've got tab items 4, 5 and 6 that
8 will be presented all together. We will be taking a vote
9 individually. But, our next presenter is going to give us
10 a recap, since there's a lot of similarities on these
11 items. So, rather than be redundant three times, we're
12 going to kind of recap it. But, we will be taking a vote
13 individually.

14 So, with that being said, we'll go over tabs --
15 well, I guess, I'm going to need to read them all. Tab
16 item 4 is the presentation, discussion and possible
17 approval of a resolution regarding the conversion of
18 annual allocation for private activity bonds to mortgage
19 credit certificates and containing other matters incident
20 and related thereto. So, we'll go ahead and start with
21 that, even though, again, a discussion will be had on all
22 three of these items.

23 MS. LeVECQUE: Good morning. I'm Joniel
24 LeVecque, and I am the Director of the Homeownership
25 Programs. As Valerie suggested, I will be presenting on

1 all three tab items but pausing for votes on each.

2 So, in order to ensure that we have eligible
3 borrowers have access to our mortgage credit certificate
4 program and our mortgage revenue bond program, we're
5 asking you to approve three resolutions under tab items 4,
6 5 and 6 that will authorize us to submit applications for
7 reservation for the 2019 allocation of private activity
8 bonds.

9 So first, under tab item 4, the Board had
10 previously approved at our May 8, 2019 Board meeting the
11 submittal of one or more calendar year 2019 applications
12 for our annual allocation of private activity bonds to the
13 Texas Bond Review Board. And so, today, under tab item 4,
14 is a resolution authorizing the Corporation to convert
15 that 2019 annual allocation in the amount of \$84,383,424
16 to mortgage credit certificates.

17 So, please, let me know if you have any
18 questions on this tab item, and I ask your approval of
19 this resolution.

20 MS. CARDENAS: So, just to clarify, the \$84
21 million was previously allocated for loans?

22 MS. LeVECQUE: So, we have an annual allocation
23 for single-family projects, which could either be mortgage
24 revenue bond loans or mortgage credit certificates, and we
25 have that annual allocation, and when we decide what the

1 use will be, whether it will be mortgage revenue
2 certificates or mortgage revenue bonds, then we submit an
3 application to convert that to mortgage credit
4 certificates once we've determined that. And, although
5 we've already asked approval to apply for it, now we're
6 asking for approval to convert that to mortgage credit
7 certificates.

8 Does that answer your question?

9 MS. CARDENAS: Yes.

10 MS. SHIPLEY: Does that have any financial
11 bearing on the different allocation for the funds or is it
12 just a straight we're changing what it's doing?

13 MS. LeVECQUE: It does actually have a slight
14 financial difference. So, in other words, \$84 million in
15 private activity bonds, which could be lent as directly
16 \$84 million, when you convert that to mortgage credit
17 certificates, the rate of the value of that changes. And
18 so, in this particular case it would be approximately \$105
19 million of mortgage credit certificates.

20 So, for the mortgage revenue bond program you
21 would have \$84 million to loan in mortgage loans, but for
22 mortgage credit certificates we could apply \$105 million
23 of that, and the conversion rate is 25 percent. There is
24 a full conversion rate that I could give you the formula
25 to, if that's something you'd like.

1 MS. CARDENAS: So, it's, basically, getting
2 more for our money?

3 MS. LeVecque: Essentially, yes. We're able to
4 serve more homebuyers, and a mortgage revenue bond program
5 is you're loaning those funds. Whereas, a mortgage credit
6 certificate program we're giving a tax credit so that tax
7 credit would apply to more mortgage loan volume and could
8 potentially serve more homebuyers.

9 MS. CARDENAS: Okay. Do you have any further
10 questions on tab item 4?

11 (No response.)

12 MS. CARDENAS: Do you want to continue to tab
13 item 5?

14 MS. LeVecque: Well, do you want to go ahead
15 and vote on tab item 4 first?

16 MS. CARDENAS: Okay. We can go ahead and vote
17 individually then. So, if there is no further discussion,
18 if I can entertain a motion to be made as I laid out tab
19 item 4 in detail?

20 MS. SHIPLEY: Motion to approve.

21 MS. CARDENAS: Okay. I have a motion.

22 MR. WILLIAMS: I second.

23 MS. CARDENAS: Okay. I've got a second.

24 Before we take a vote, are there any public
25 comments or any further discussion to be had?

1 (No response.)

2 MS. CARDENAS: If there's none, all in favor
3 say aye.

4 (A chorus of ayes.)

5 MS. CARDENAS: None opposed. Tab item 4 as
6 presented is approved.

7 Now moving on to tab item 5, which is
8 presentation, discussion and possible approval of a
9 resolution regarding an application for reservation of
10 allocation of private activity bonds to mortgage credit
11 certificates and containing other matters incident and
12 related thereto, with a date of August 7-15, 2019.

13 MS. LeVecque: Thank you. So, under tab item
14 5, we are asking the Board to approve a resolution
15 authorizing us to apply after August 6, 2019, and before
16 August 15, 2019, an additional \$412 million in reservation
17 of qualified mortgage revenue bonds.

18 So, let me know if you have any questions at
19 this time, and I ask your approval of this resolution.

20 MS. CARDENAS: So, I understand on this, this
21 is, I guess, a reservation that also we share a portion of
22 it -- or I shouldn't say share, right, we go after it with
23 TDHCA and TSAHC, and so there's a larger pool of money
24 that's available and we're asking for a certain
25 percentage.

1 MS. LeVecque: Correct. So, on tab item 4,
2 which was our annual allocation, whatever is not utilized
3 or applied for by the many statewide issuers prior to
4 August 7 goes into a collapse available to TDHCA and TSAHC
5 to apply for during that week period.

6 MS. CARDENAS: Are there any questions? I
7 mean, basically, we're trying to go after money that would
8 benefit our organization.

9 MS. LeVecque: Correct.

10 MS. CARDENAS: Are there any additional
11 questions?

12 (No response.)

13 MS. CARDENAS: If not, if I can entertain a
14 motion to be made for tab item 5 as presented earlier in
15 detail.

16 MR. WILLIAMS: Motion for approval.

17 MS. CARDENAS: I have a motion. Do I have a
18 second?

19 MS. SHIPLEY: I second.

20 MS. CARDENAS: Okay. Before we take a vote, is
21 there any public comment or additional questions?

22 (No response.)

23 MS. CARDENAS: If there is none, all those in
24 favor?

25 (A chorus of ayes.)

1 MS. CARDENAS: None opposed. Tab item 5 as
2 presented is approved.

3 And then, we have now tab item 6, and that is
4 the presentation, discussion and possible approval of a
5 resolution regarding an application for reservation for
6 allocation of private activity bonds to mortgage credit
7 certificates and containing other matters incident and
8 related thereto which will be post August 14, 2019.

9 MS. LeVecque: Thank you.

10 So again, under tab item 6 we're asking the
11 Board to approve a resolution authorizing the Corporation
12 to apply for \$660 million worth of 2019 volume cap of
13 qualified mortgage revenue bonds after August 14, 2019.

14 So again, I ask if you have any questions of me
15 at this time, and I ask your approval of this resolution.

16 MS. CARDENAS: So, just for clarification, this
17 is a separate allocation that is available from the
18 previous one that we just discussed, a separate pool of
19 money?

20 MS. LeVecque: Correct. So all bond programs
21 collapsed on August 15 are available to all statewide
22 issuers, whether it be multifamily, single-family.

23 And, it's all after August 15, and it's first
24 come, first served, so we actually get to stand in line
25 waiting with our applications in hand. Last year some of

1 us were there as early as 3:00 a.m. in the morning
2 standing in line, so yes, it will be a fun day. I'm
3 hoping I don't have to be the one. David?

4 (General laughter.)

5 MS. CARDENAS: It's kind of like when you're
6 waiting at Christmas for the Black Friday sale.

7 MS. LeVecque: What time did you get there last
8 year?

9 MR. DANENFELZER: I was there just before
10 3:00 a.m.

11 MS. CARDENAS: Were you first?

12 MR. DANENFELZER: No.

13 MS. LeVecque: Someone had beat us to the punch
14 at 11:00 p.m. the night before.

15 MS. CARDENAS: Well, I commend you for being in
16 that line and getting monies for the organization.

17 MS. LeVecque: First come, first served.

18 MS. CARDENAS: Okay. If there are no further
19 questions, if I can entertain a motion be made for tab
20 item 6 as presented earlier in detail.

21 MS. SHIPLEY: A motion to approve.

22 MS. CARDENAS: Okay. I've got a motion. Do I
23 have a second?

24 MR. WILLIAMS: Second.

25 MS. CARDENAS: Okay. Before we take a vote, is

1 there any public comment or additional discussion to be
2 had?

3 (No response.)

4 MS. CARDENAS: If there is none, all in favor,
5 say aye.

6 (A chorus of ayes.)

7 MS. CARDENAS: Any opposed?

8 (No response.)

9 MS. CARDENAS: None. I said Aye. I'm sorry.
10 None opposed. Then tab item 6 is approved.

11 MS. LeVecque: Thank you very much.

12 MS. CARDENAS: Thank you.

13 MS. TAYLOR: Janie Taylor, Executive Vice
14 President.

15 I don't think we have anything else on the
16 agenda today for Board approval.

17 As I mentioned earlier, our next Board meeting
18 is currently scheduled for Wednesday, August 14. Our
19 Corporate Secretary, Rebecca, will be reaching out to you
20 to make sure, and the other two Board members who are not
21 here, to make sure that we have a quorum, and that day
22 we'll also have our Audit Committee meeting prior to, and
23 so we'll be in touch soon.

24 Thank you all for coming here and joining us,
25 and if you have any other questions of staff.

1 MS. CARDENAS: Since there's no other
2 announcements, are there any other closing comments?

3 (No response.)

4 MS. CARDENAS: If there is none, then we will
5 go ahead and adjourn at 11:08.

6 (Whereupon, at 11:08 a.m., the meeting was
7 adjourned.)

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MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: July 17, 2019

I do hereby certify that the foregoing pages,
numbers 1 through 3333, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Nancy H. King before the
Texas State Affordable Housing Corporation.

DATE: July 21, 2019

(Transcriber)

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Austin, Texas 78752