

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Wednesday,  
December 18, 2019  
10:32 a.m.

BOARD MEMBERS:

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

*ON THE RECORD REPORTING*  
*(512) 450-0342*

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER, ROLL CALL	4
CERTIFICATION OF QUORUM	4
PUBLIC COMMENT	none
PRESIDENT'S REPORT	5
Tab A: Homeownership Finance Report	
Tab B: Development Finance Report	
Tab C: Monthly Financial Reports	
ACTION ITEMS IN OPEN MEETING:	
Tab 1      Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on November 20, 2019.	11
Tab 2      Presentation, Discussion and Possible Approval of the Annual Independent Financial Audit for the Fiscal Year Ending August 31, 2019.	12
Tab 3      Presentation, Discussion and Possible Approval of a Resolution regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board for the Ventura at Fairgrounds Apartments.	17
Tab 4      Presentation, Discussion and Possible Approval of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bonds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2020.	22
Tab 5      Presentation, Discussion and Possible Approval for Publication and Public Comment of the Draft of the Texas State Affordable Housing Corporation's 2020 Annual Action Plan.	25
CLOSED SESSION	none

OPEN SESSION	--
ANNOUNCEMENTS AND CLOSING COMMENTS	--
ADJOURN	32

P R O C E E D I N G S

MS. CARDENAS: Okay. Good morning. We're going to go ahead and call the Texas State Affordable Housing Corporation Board meeting to order on December 18, 2019, and before we get started, I'd like to take roll call. William Dietz?

(No response.)

MS. CARDENAS: He's absent. Courtney Johnson-Rose?

MS. JOHNSON-ROSE: Present.

MS. CARDENAS: Lali Shipley?

MS. SHIPLEY: Present.

MS. CARDENAS: Andy Williams?

MR. WILLIAMS: Present.

MS. CARDENAS: And Valerie Cardenas, present. Okay. If -- so we do have a quorum. If we can go ahead and stand for the Pledge of Allegiance.

(Pledges were recited.)

MS. CARDENAS: Okay. Before we continue with the meeting, is there any public comment?

(No response.)

MS. CARDENAS: If there is none, we'll go ahead and move on to the Audit Committee report. We did have our Audit Committee, and present was also Board member Courtney Rose-Johnson -- Johnson-Rose -- sorry -- and

1 we're going to continue with some further details on  
2 Tab 2.

3 We also have the auditors here present today,  
4 so if there's any questions at that time, you know,  
5 they'll be available to answer any commentary. Okay.  
6 We'll now move on to the president's reports.

7 MR. LONG: Good morning, Madame Chairman,  
8 members. Happy holidays to you to all, first. You'll  
9 find the program and financial reports under Tab Items A  
10 through C.

11 The Loan Committee, as we always do, try and  
12 meet the day before our Board meeting. We met yesterday,  
13 the 17th. We reviewed the staff report that were  
14 presented. Didn't really have any new items to consider  
15 to bring to the Board or to vote on at the meeting. As  
16 the Loan Committee is also represented by Mr. Williams, he  
17 attended yesterday via telephone.

18 Mr. Williams, do you have any further comments  
19 or anything on that?

20 MR. WILLIAMS: No.

21 MR. LONG: Okay. I'd also like to thank the  
22 accounting staff, Melinda, Nick, and Betsy, for their work  
23 on the audit.

24 I know we're going to talk about this under Tab  
25 Item 2, but I sometimes forget to mention it, so I'm going

1 to do it on the front end of my president's report. The  
2 Audit Committee members and the staff do a really good job  
3 of trying to make sure that the Board sees this report on  
4 an annual basis.

5 I can't tell you how much time and effort goes  
6 into it by the staff, and Linda and Nick and Betsy do a  
7 really good job, and we're very fortunate to have them  
8 engaged with us for many years, and I would state that,  
9 while the Board hasn't considered this one yet, I've been  
10 here 18 years, and I've never had an audit come through to  
11 the Board that's been anything but clean and without any  
12 comment.

13 So, I'm very proud to have them on the staff  
14 and very thankful that they're able to do their job and  
15 make sure that the Corporation is sound and financially  
16 monitoring and managing all of its things in a manner  
17 that's consistent with the guidelines.

18 As you mentioned, Madame Chair, Maxwell, Locke  
19 & Ritter, Mr. Romell and Ms. Day are here to provide input  
20 and feedback at the Board meeting if they need to, but I'd  
21 like to also thank them for all their work and their  
22 staff. They've done a really job again.

23 Under the Homeownership Program, the single-  
24 family program continues to conduct lender trainings. In  
25 the 2020, we have five scheduled. Overcoming Down Payment

1 Hurdle classes are scheduled under the United Texas  
2 Partnership we have with the Texas Association of  
3 Realtors. We will be -- we conducted one training since  
4 the last Board meeting, and 110 realtors participated in  
5 that, so we're always thankful to have that partnership.

6 We continue to offer online lender training for  
7 our Homeownership Programs, and the down payment  
8 assistance that we offer, and we had 375 loan officers  
9 sign up for the lender trainings that we have set up.

10 The last thing I'd just like to mention is how  
11 many lender organizations we continue to add to our  
12 portfolio of participating lenders. And we had three new  
13 mortgage companies that will be participating and offering  
14 our single-family programs.

15 Under the fundraising and business development,  
16 the Corporation received during Giving Tuesday -- I don't  
17 know if you all participate in that or have your companies  
18 participate in that -- the Corporation received \$5,910 in  
19 donations and sponsorships from our lender-realtor  
20 partners, and those monies will be used in conjunction  
21 with our Housing Connection training for the nonprofits  
22 that we offer.

23 We also received our second part of our  
24 \$1.1 million grant which is awarded by Rebuild Texas.  
25 This is something that we've been running now for over a

1 year, and I think the Board is aware of it. We got the  
2 other half of it, which is \$550,000 was received. That  
3 money will continue to go into helping nonprofits provide  
4 home repairs under housing-related accommodations for the  
5 disaster recovery out of Harvey.

6 I would like to note that the Corporation  
7 awarded \$70,500 to Nutrition & Services for Seniors in  
8 Jefferson and Hardin Counties through the second round of  
9 training we just received. They will be able to use these  
10 funds immediately, as they have several dozen homes that  
11 are still impacted and working in the list -- on the  
12 waiting list for post-Harvey.

13 They're affiliated with Meals on Wheels, so I  
14 think it's neat to see that we have partnerships with  
15 other organizations that have a broad breadth of ability  
16 to work, and this group has been exceptional. And they  
17 were actually one of the awardees in the first round. So,  
18 they've done a really good job, and we look forward to  
19 continue to work with them and see good results on their  
20 use of the funds.

21 TSAHC is partnering with Enterprise Community  
22 Partners to host a roundtable in a NeighborWorks training  
23 on disaster recovery for our network of HEART grantees.

24 In late January, we'll be offering the  
25 following: Picking Up the Pieces, the First 30 Days of



1 Response and Recovery. So, through that training we'll  
2 look forward to giving some of our partner organizations a  
3 chance to really expand their scope and understand better  
4 how best to help their individual communities.

5 In marketing, I -- you may have already all  
6 gotten yours, but the Corporation intends to send a  
7 holiday card. I hadn't mentioned it, because I think it's  
8 important that we still do so.

9 We sent 175 cards last week, and they basically  
10 are unique this year. They're a snapshot of what we've  
11 accomplished this year, along with a holiday message. So,  
12 if you haven't gotten it, you should be getting one, and  
13 if you didn't, let us know, because that's in your -- I am  
14 going to embarrass one of our newest employees.

15 We had an intern for the last six months, Anna  
16 Orendain. She has impressed us, and we felt like she was  
17 worthy of coming on board with our TSAHC team, and I think  
18 she's -- there she is right there. Anna is going to  
19 join -- she joins us full-time this Monday, so she really  
20 is a new employee full-time, but she's going to work for  
21 six months, and she'll be our new specialist as a  
22 marketing and communication specialist.

23 So, we're really anxious to have her continue  
24 to work with the staff. She'll be working directly for  
25 Michael Wilt, and working in the Communications and

1 Marketing division. So, Anna, welcome. And we're very  
2 thankful to have her on board.

3 I will tell you that we've got a calendar of  
4 next year's Board meetings we tentatively have set up. We  
5 go through the calendar, look at the different dates when  
6 that -- right now, you guys have the second Wednesday of  
7 every month as your tentative Board meeting.

8 We go through and look at that and see whether  
9 or not that's -- those dates are viable, whether there's  
10 holidays, whether there's other dates that would impact in  
11 being able to do that. Sometimes they fall too early in  
12 the month, and we push them back to the third Wednesday.

13 But again, those are tentative dates, and we'll  
14 make sure you all are aware of what those are. We'll send  
15 out that calendar to you. The next meeting is tentatively  
16 scheduled for the 22nd of January. I know that's a lot  
17 later in the month, but again, with this meeting falling  
18 on the 18th, and some other things that we have  
19 restrictions on, we just felt like that was a better day.

20 And if that doesn't work -- I know we've talked  
21 with Ms. Johnson-Rose earlier about it, and she may not be  
22 able to make that date, but we need to change it, Ms.  
23 Chairman, if you feel like that's something you guys can  
24 discuss, then we'll consider that. But we certainly want  
25 to accommodate the Board members. That's the most

1 important thing. So right now, tentatively, the 22nd of  
2 January.

3 As I mentioned earlier, Mr. Romell and Ms. Day  
4 are here in the audience. We also have Claire Merritt  
5 with Hilltop Securities.

6 So, if you have any questions, some of our  
7 professionals are here with us. So, with that, I'll  
8 conclude, unless there's any questions.

9 MS. JOHNSON-ROSE: And, David, I did want to  
10 ask, I know we have new legal counsel. Are they here?

11 MR. LONG: I don't see them here. That's a  
12 concern of mine. I was having somebody call. I don't  
13 know if they mixed up the time or the date, but they're  
14 not here right now.

15 MS. JOHNSON-ROSE: Okay.

16 MR. LONG: Thank you.

17 MS. CARDENAS: If there's no other questions on  
18 the president's report, we'll go ahead and move into our  
19 action items, starting out with Tab 1, which is the  
20 Presentation, discussion and possible approval of Minutes  
21 of the Board meeting held on November 20, 2019.

22 So, if everyone's had a chance to review, I'll  
23 just need an approval of the minutes.

24 MS. SHIPLEY: I approve --

25 MS. CARDENAS: A motion? I have a motion.

1 MR. WILLIAMS: I'll second.

2 MS. CARDENAS: Okay. I have a second. Do we  
3 have any public comment?

4 (No response.)

5 MS. CARDENAS: If there is none, all those in  
6 favor?

7 (A chorus of ayes.)

8 MS. CARDENAS: If there's none opposed, the  
9 minutes are approved. Moving on to Tab Item 2, we have  
10 the presentation, discussion and possible approval of the  
11 annual independent financial audit for the fiscal year  
12 ending August 31, 2019.

13 If I can just say -- I know I mentioned it in  
14 the Audit Committee report -- it was held this morning at  
15 9:30, and we did go over that, and so I just wanted that  
16 to go on the record. I didn't mention the date that the  
17 meeting was actually held.

18 MS. SMITH: Thank you. My name is Melinda  
19 Smith. I'm the chief financial officer. As Valerie  
20 pointed out, we had the Audit Committee meeting this  
21 morning to go over the various reports.

22 The Corporation is required by statute to have  
23 a financial audit done annually. We're also required by  
24 statute to have a review of our investment policies and  
25 procedures performed every other year, and this is the

1 year that we had that done. And we're finally required to  
2 have a HUD audit.

3 So, Jimmy Romell with Maxwell, Locke & Ritter  
4 is here. He is the partner in charge of our audit. And  
5 I'm going to turn it over to him and let him just make a  
6 very brief --

7 MR. ROMELL: So good morning. So, we did meet  
8 with the Audit Committee this morning and went through the  
9 various documents in detail. So, I'm just going to kind  
10 of give y'all a more summarized version of what we  
11 covered. So, starting with the audit report, this is your  
12 audit report for your fiscal year ended August 31, 2019.

13 We are issuing a clean or unmodified opinion,  
14 which is the highest level of assurance we can provide as  
15 your external auditor. There were no new accounting or  
16 auditing standards that were implemented during the year,  
17 so the report itself is fairly consistent with what's been  
18 presented in prior years.

19 Overall, from a financial perspective, the  
20 primary increases on the statement of net position relate  
21 to the bonds that were sold in May 2019, which bumped up  
22 your total assets and also increased your total  
23 liabilities.

24 And then overall, at the end of fiscal year  
25 '19, you ended your year with about \$43.4 million of net

1 position, and of that amount, 33.2 is unrestricted, which  
2 means it can be used for general operations of the  
3 Corporation.

4 And then as far as the revenues and expenses  
5 during the year, overall operating revenues decreased  
6 slightly because your single-family income revenue came  
7 down a little bit. Overall, expenses increased primarily  
8 due to some expenses incurred in relation to the bonds  
9 that were issued, but you still had a positive net income  
10 of about \$4.6 million in fiscal year '19.

11 And then as I mentioned, really no significant  
12 changes to the footnotes that were included in the report.

13 There is, you know, obviously, additional information,  
14 because the bonds still -- I mean, their overall payment  
15 schedules were updated to reflect the principal and  
16 interest related to the new bonds, as well as the existing  
17 bonds.

18 As far as the overall kind of communication  
19 from a compliance perspective, because the audit is done  
20 under Government Auditing Standards, we are -- we did note  
21 no instances of material noncompliance in relation to  
22 those, as well as no material weaknesses in any of your  
23 internal control and processes over financial  
24 [indiscernible], so that's a very, very clean report  
25 there.

1           And then as was mentioned, we did review your  
2 compliance with the Public Funds Investment Act this year.

3           That's a biannual requirement. And so, we are issuing an  
4 additional letter that notes that we found no instances of  
5 noncompliance in relation to your -- the requirements of  
6 the Public Fund Investment Act.

7           And then the last document -- well, there's two  
8 additional documents. The HUD document that's provided,  
9 and that kind of ties back all the information in there,  
10 is -- the numbers themselves tie back to the audit report  
11 itself.

12           We did issue what's known as an in-relation  
13 opinion to that, so basically saying that the information  
14 in there in relation to overall opinion on the financial  
15 statement is clean. So that's, once again, what you want  
16 to hear in regards to that report.

17           And then the final document is a required  
18 communication to the governing body at the end of the  
19 audit, which kind of just summarized the overall audit  
20 process. Had there been any standards that were  
21 implemented, any major changes of the audit process, that  
22 would be documented in there.

23           But the main points of that letter also is to  
24 note that in this part of the audit process, we had no  
25 difficulties in performing the audit. We actually want to

1     thank once again Melinda and Nick, Betsy, and everyone  
2     else here at the Corporation for their assistance during  
3     the year.

4             And then what also gets attached to that letter  
5     is the representation letter that management of the  
6     Corporation signs to indicate that we were provided with  
7     everything that we needed to perform and complete our  
8     audit this year.

9             MS. SMITH: So, we're asking that the Board  
10    approve the audit for fiscal year 2019.

11            MS. JOHNSON-ROSE: I make the motion that we  
12    approve the annual independent financial audit for fiscal  
13    year ending August 31, 2019.

14            MR. WILLIAMS: I'll second.

15            MS. CARDENAS: Okay. I have a motion and a  
16    second. Is there any public comment at this time?

17            (No response.)

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

19            (A chorus of ayes.)

20            MS. CARDENAS: Any opposed?

21            (No response.)

22            MS. CARDENAS: None being opposed, the annual  
23    independent financial audit for fiscal year ending  
24    August 31, 2019, is approved.

25            MS. SMITH: Thank you so much.



1 MS. CARDENAS: Now, moving on to Tab Item 3.  
2 That is the presentation, discussion and possible approval  
3 of a resolution regarding the submission of one or more  
4 applications for allocation of private activity bonds,  
5 notices of intention to issue bonds and State bond  
6 applications to the Texas Bond Review Board for the  
7 Ventura at Fairgrounds Apartments.

8 MR. DANENFELZER: Good morning. David  
9 Danenfelzer, Senior Director of Development and Finance.  
10 We are just looking back here at a project called Ventura  
11 at Fairgrounds. The Corporation, as the summary talks  
12 about, looked at this project back in 2018, and we  
13 originally -- when we looked at it in 2018, we did an  
14 inducement resolution, very similar to what we're doing  
15 today, and got approval to do -- issue bonds in either  
16 2018 or 2019.

17 We anticipated this project would close in  
18 January 2019. There was another project, a sibling  
19 project in the same area as on the other side of Midland,  
20 but Fairgrounds was not able to close because of some  
21 issues with utilities and platting that the city has been  
22 working through with the developer.

23 We're quite a ways along now, a year later, but  
24 we were not able to close before the end of the year.  
25 Because of increases, natural increases in construction

1 costs, labor, other things related to the project, the  
2 original tax credit award, which was provided in  
3 September, which was just before we got new numbers from  
4 the contractors in October -- the developer did -- there  
5 was a significant enough difference where the developer,  
6 its equity partners, and others decided they would like  
7 the Texas Department of Housing to reissue a new  
8 determination letter for tax credits.

9 So, they are in the process of that. They do  
10 anticipate that to come out in January. January 16 is the  
11 TDHCA Board meeting. But that also means that we can't  
12 close this year. So, we are asking once again to extend  
13 the inducement.

14 This resolution basically changes the 2019  
15 number that was previously in there to 2020, bringing the  
16 bonds into the next year. The volume cap allocation,  
17 which is an amount of bonds that we have preserved for  
18 this project, will also be carried forward -- allocated  
19 and carried forward.

20 So that allows this to -- and we have -- we did  
21 that in 2018, at the end of 2018, to bring it into 2019,  
22 but we do have those bonds until 2021, and so we can  
23 continue to use that set-aside of bonds for this project  
24 and move forward.

25 Otherwise, you know, the numbers did change.

1 The total budget went up to 74 million. I did re-  
2 underwrite the entire transaction. I know that Fannie  
3 Mae, Key Bank, and all the other financial partners also  
4 re-underwrote the project under the -- with the new  
5 numbers, and we continue to support the numbers that are  
6 in place.

7 While total costs did increase, there were some  
8 additional deferred developer fees and other monies that  
9 are coming into the project, but probably most importantly  
10 is that the rent increases in the market are so  
11 significant that the new rental projections are 2- to \$300  
12 a month more, almost, per unit in some cases. So, the  
13 total cash flow is quite significantly increased for 2020  
14 and beyond.

15 So, my understanding is TDHCA has also looked  
16 at these numbers. They do support moving forward with it,  
17 but because they're required to do a formal Board meeting,  
18 they do need to wait until January 16 to get that approval  
19 on their side.

20 MS. CARDENAS: You said that it increased to  
21 74 million. What was it before?

22 MR. DANENFELZER: Just over 66 million the last  
23 time we looked at the numbers. So, it was a significant  
24 increase, but again, it's one of those things where the  
25 total construction costs only increased by about

1 \$5 million, but in order to create additional cushion, you  
2 base the developer fee on a percentage of the total costs.

3 So, the developer fee also went up by a similar  
4 amount, and then they deferred all of that new developer  
5 fee to future cash flow. So, it does allow us to  
6 rebalance the project and not have to borrow the full  
7 \$5 million in additional proceeds.

8 But we're fairly certain that the higher costs  
9 also justify additional tax credit equity, and then with  
10 interest rates where they are today and then as well as  
11 the increased cash flow, we're very comfortable with this  
12 project moving forward.

13 MS. CARDENAS: So, you said the bond is still  
14 good through 2021?

15 MR. DANENFELZER: The bond -- the bonds that we  
16 have are still good. We have that as an allocation to the  
17 Corporation through 2021, and so we'll continue to carry  
18 forward, but we really want to close this as soon as  
19 possible, and we expect it will probably close in March or  
20 April of this year once we have all the tax credit  
21 approval, and then we'll have to bring it back to the  
22 Texas Bond Review Board in March.

23 MS. CARDENAS: So as long as we close, it  
24 doesn't affect if there continues to be delays with the  
25 project?

1 MR. DANENFELZER: Well, we're not closing. All  
2 we're doing right now is just you're giving us authority  
3 to apply for a new -- what's called a docket number --

4 MS. CARDENAS: Okay.

5 MR. DANENFELZER: -- for 2020. Originally,  
6 your authorities was only for 2018 and 2019, and now,  
7 because we have to close in 2020, we'll -- we have to  
8 get -- we have to update the --

9 MS. CARDENAS: Okay.

10 MR. DANENFELZER: -- resolution to include  
11 2020. We didn't have that originally, so --

12 MS. JOHNSON-ROSE: And this is the resolution  
13 here?

14 MR. DANENFELZER: Correct. The resolution is  
15 in your Board packet there, and it now has the 2020 date  
16 in it. So --

17 MS. CARDENAS: Okay. Are there any additional  
18 questions?

19 (No response.)

20 MS. CARDENAS: If there are none, I need an  
21 approval -- a motion for approval of the resolution  
22 regarding the submission for the allocation of private  
23 activity bonds and the intention to issue bonds and the  
24 state bond application to the Texas Bond Review Board of  
25 the Ventura at Fairgrounds Apartments.

1 MS. JOHNSON-ROSE: So, moved.

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

3 MS. SHIPLEY: I'll second.

4 MS. CARDENAS: Okay. I have a second. Is  
5 there any public comment at this time?

6 (No response.)

7 MS. CARDENAS: If there's none, all in favor  
8 say aye.

9 (A chorus of ayes.)

10 MS. CARDENAS: Any opposed?

11 (No response.)

12 MS. CARDENAS: None opposed. Tab Item 3 is  
13 approved as presented.

14 MR. DANENFELZER: Thank you.

15 MS. SMITH: Thank you.

16 MS. CARDENAS: Okay. We will now move on to  
17 Tab Item 4, which is the presentation, discussion, and  
18 possible approval of the guidelines, scoring criteria, and  
19 targeted housing needs for the allocation of qualified  
20 residential rental project tax-exempt bonds under the  
21 Multifamily Housing Private Activity Bond Program request  
22 for proposals and the 501(c)(3) Bond Program policies for  
23 calendar year 2020.

24 MR. DANENFELZER: David Danenfelzer, senior  
25 director of Development and Finance. I'm here to -- we're

1 here to look at approving next year's RFP and policies for  
2 our Multifamily Private Activity Bond Program.

3 Each year, the Corporation does review our RFP  
4 and policies and updates them. We look both for technical  
5 changes, and we get consultation from our bond counsel,  
6 our financial advisor, our municipal advisor, and other  
7 parties. We also post these for public comment.

8 The Board reviewed the proposed changes in  
9 October, and then we did get approval at that time to post  
10 them for public comment. Since that time, we've received  
11 no public comment on them.

12 We have one change that I do want to note, and  
13 this is something that often does happen. There was one  
14 change to it since the public comment was, but it was a  
15 negotiated change, and that is, in the last -- in the  
16 summary of changes here, bond counsel fees.

17 As you recall, in October, the Corporation went  
18 through a process of selecting new bond counsel, issuer  
19 counsel, and other -- and general counsel for the  
20 Corporation. That was approved and finalized in the  
21 October time frame, which was prior to this document being  
22 posted.

23 Through that process, we negotiated the fees  
24 and updated fees for bond and issuer counsel. We have a  
25 completely new issuer counsel than we did previously. And

1 so those changes, which are reflected in the new policy  
2 that's presented in your Board, are negotiated and thus  
3 not subject to public comment, because they're negotiated  
4 items. They're not something that we can really collect  
5 public comment on, and just really, we don't discuss in an  
6 open manner, generally, negotiated fees.

7 MS. CARDENAS: Okay.

8 MS. SHIPLEY: So -- and I'll note that they're  
9 really not much different than our previous fees. They're  
10 not higher, and they're not really huge change.

11 Bond counsel stayed the same, but the way they  
12 wanted to structure their fee changed a bit. And then for  
13 issuer counsel, there was a very slight change in the way  
14 they wanted to award the fees.

15 MS. CARDENAS: Okay. Are there any questions  
16 or comments from the Board?

17 (No response.)

18 MS. CARDENAS: If there are none, if I can have  
19 a motion for approval?

20 MS. JOHNSON-ROSE: We're approving this to  
21 go -- this has already gone to public comment?

22 MR. DANENFELZER: This has already gone to  
23 public comment, so your approval today -- we will accept  
24 all of the redlined changes in there, and we will repost  
25 it to our website as the official 2020 RFP and policies.



1 MS. JOHNSON-ROSE: So, moved.

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

3 MR. WILLIAMS: I'll second.

4 MS. CARDENAS: Okay. I have a second. Is  
5 there any public comment regarding this matter?

6 (No response.)

7 MS. CARDENAS: If there is none, Tab Item 4 as  
8 presented is approved.

9 MR. DANENFELZER: Thank you.

10 MS. CARDENAS: Now, we move on to Tab Item 5,  
11 which is the presentation, discussion and possible  
12 approval for publication and public comment of the draft  
13 of the Texas State Affordable Housing Corporation's 2020  
14 Annual Action Plan.

15 MR. WILT: Good morning, Chairman Cardenas and  
16 Board members. I am Michael Wilt, manager of External  
17 Relations here at TSAHC.

18 I'm here to present Tab Item 5, which is the  
19 Corporation's draft 2020 Annual Action Plan. This plan is  
20 prepared in accordance with Texas Government Code Section  
21 2306.566, which requires us to develop a plan to address  
22 the state's housing needs.

23 According to Section 2306.0721(g), TSAHC's  
24 Annual Action Plan must be included each year in the State  
25 Low Income Housing Plan prepared by the Texas Department

1 of Housing and Community Affairs.

2 I want to thank each of the program managers  
3 for providing data and information on the successes and  
4 direction of their programs. I also want to thank Katie  
5 Claflin, Anna Orendain, and Janie Taylor for their  
6 thorough review of this plan. A lot of eyeballs see it  
7 before it comes to you.

8 Briefly, regarding the process, we are asking  
9 today that you approve the draft plan for publication and  
10 make it available for public comment beginning tomorrow,  
11 December 19, 2019, and concluding on Monday, January 20,  
12 2020. We'd like to bring the plan back to the February  
13 Board meeting, discuss any public comments that we  
14 received at that time, and ask for your final approval.

15 I will note that this draft plan only includes  
16 program activities through October 31 of this year. We  
17 will have to update a few numbers at the end of the year,  
18 mainly as it relates to our homebuyer programs, and we'll  
19 do that in January, but when this plan does come back to  
20 you in February, the updated numbers through the end of  
21 the year will be included.

22 There are a few highlights I want to bring to  
23 your attention. First, our homeownership programs  
24 continue to post very high numbers, given the changes that  
25 we have made that allow us to serve even more Texans and

1 stay up to date in changes to the industry.

2 This might not be a record-breaking year.  
3 We've had -- every year that we've been doing this, we  
4 keep on posting record-breaking numbers, but it's hard to  
5 keep that streak alive, given how active our programs were  
6 last year.

7 Second, it was a big year for our Multifamily  
8 Private Activity Bond Program. We issued or reserved more  
9 than \$108 million in bond financing to build or  
10 rehabilitate 1,337 units in 25 developments literally from  
11 one corner of the state to the next.

12 Third, our single-family rental housing program  
13 expanded to San Antonio with the purchase and leasing of  
14 four homes in high-opportunity areas in that city. And  
15 fourth, our partnerships and programs continue to expand,  
16 as documented through our Rural Housing Preservation  
17 partnerships, the Housing and Economic Systems to Rebuild  
18 Texas grant program, and our continued partnership with  
19 Health and Human Services Commission on how to provide  
20 more housing for some of our most vulnerable Texans.

21 With that, I will take any questions.

22 MS. CARDENAS: So you've listed, you know, the  
23 various homebuyer programs, and then additional programs.

24 And so I know this is a draft for 2020.

25 MR. WILT: Uh-huh.

1 MS. CARDENAS: Should any other programs  
2 surface, does it allow you to -- you know, maybe any other  
3 programs that are not mentioned here that --

4 MR. WILT: Yeah.

5 MS. CARDENAS: -- just come throughout the  
6 year --

7 MR. WILLIAMS: Yes. At the end, we kind of  
8 have a catch-all --

9 MS. CARDENAS: Okay.

10 MR. WILLIAMS: -- area, if you will, and it  
11 lists some of our other initiatives, our partnerships,  
12 collaborations, other programs that aren't necessarily  
13 neatly packaged within our single-family or multifamily  
14 financing areas, we include at the end.

15 MS. CARDENAS: Okay. Are there any questions  
16 from the Board?

17 MS. SHIPLEY: And so, we'll get a final draft  
18 of this in February?

19 MR. WILT: That's correct.

20 MS. SHIPLEY: So, we're just approving --

21 MR. WILT: Public comment period.

22 MS. SHIPLEY: -- public comment? Okay.

23 MS. JOHNSON-ROSE: So, the period will begin  
24 tomorrow?

25 MR. WILT: It begins tomorrow, December 19, and

1 concludes on Monday, January 20, 2020. It has to run for  
2 a minimum of 30 days.

3 MS. JOHNSON-ROSE: A good time at the holidays.

4 MS. CARDENAS: Okay. If I can ask for a motion  
5 for approval for the publication and public comment of the  
6 draft of the TSAHC's Corporation's 2020 Annual Action  
7 Plan.

8 MS. SHIPLEY: Motion to approve.

9 MS. CARDENAS: Okay. I have a motion. Do I  
10 have a second?

11 MS. JOHNSON-ROSE: Second.

12 MS. CARDENAS: Okay. Is there any public  
13 comment at this time?

14 (No response.)

15 MS. CARDENAS: Okay. If there's none, all in  
16 favor, say aye.

17 (A chorus of ayes.)

18 MS. CARDENAS: Any opposed?

19 (No response.)

20 MS. CARDENAS: None being opposed, Tab Item 5  
21 is presented as approved.

22 MR. WILT: Thank you.

23 MR. LONG: Madame Chair, for clarification,  
24 I -- maybe it was me; I didn't hear it, but can we go back  
25 to Tab Item 4? And I know we have a motion by Ms.

1 Johnson-Rose and a second by Mr. Williams, but I don't  
2 know that we actually formally took a vote.

3 I think we kind of went from that -- and just  
4 because we had that. So just for the record, so the Board  
5 has it, can we go back and do --

6 MS. CARDENAS: I think we did.

7 MR. LONG: -- if you don't mind?

8 MS. CARDENAS: I think we did take a vote, but  
9 we can certainly take another vote.

10 MR. LONG: Can we do it again, if you don't  
11 mind --

12 MS. CARDENAS: Okay.

13 MR. LONG: -- just for the record? Because I  
14 want to make I -- my notes didn't jot it down, and I don't  
15 want to be -- I don't want us to have to re-vote on  
16 something that's as important as that. So, if you don't  
17 mind?

18 MS. CARDENAS: Certainly. Okay.

19 MR. LONG: I know you have a motion and a  
20 second, and you took public comment. There was none, but  
21 if we could just take a vote on it?

22 MS. CARDENAS: Okay. So --

23 MR. LONG: And we introduced that tab item.

24 MS. CARDENAS: -- okay. So, Tab Item 4, just  
25 to recap was the presentation, discussion and possible

1 approval of the guidelines, scoring criteria and targeted  
2 housing needs for the allocation of qualified residential  
3 rental project tax-exempt bonds under the Multifamily  
4 Housing Private Activity Bond Program request for  
5 proposals and the 501(c)(3) Bond Program policies for  
6 calendar year 2020.

7 I had a motion for approval on the table and a  
8 second.

9 MR. LONG: That's correct.

10 MS. CARDENAS: We did ask for public comment,  
11 which there was none at that time.

12 So, all those in favor, say aye.

13 (A chorus of ayes.)

14 MS. CARDENAS: Any opposed?

15 (No response.)

16 MS. CARDENAS: If none are opposed, Tab Item 4  
17 is presented as approved.

18 MR. LONG: Thank you very much, Madame Chair, I  
19 appreciate that.

20 And with that, we don't have any items for  
21 closed session, and as I mentioned, January 22 is the  
22 tentative meeting for January 2020. And with that, we  
23 don't have any other -- unless you have questions?

24 (No response.)

25 MS. CARDENAS: Okay. If there's no other

1        questions, we will go ahead and adjourn today's Board  
2        meeting at 11:04 a.m.

3                MR. LONG: Thank you.

4                (Whereupon, at 11:04 a.m, the Texas State  
5        Affordable Housing Corporation Board meeting was  
6        adjourned.)



C E R T I F I C A T E

MEETING OF: TSAHC Board of Trustees

LOCATION: Austin, Texas

DATE: December 18, 2019

I do hereby certify that the foregoing pages,  
numbers 1 through 34 33, 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: December 23, 2019

\_\_\_\_\_  
(Transcriber)

On the Record Reporting &  
Transcription, Inc.  
7703 N. Lamar Blvd., Ste 515  
Austin, Texas 78752