TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

VIA TELECONFERENCE

Wednesday,
May 13, 2020
10:30 a.m.

BOARD MEMBERS:

WILLIAM H. DIETZ, JR., Chair
VALERIE V. CARDENAS, Vice Chair
COURTNEY JOHNSON-ROSE, Member
LALI SHIPLEY, Member
ANDY WILLIAMS, Member
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### ACTION ITEMS IN OPEN MEETING:

- **Tab 1** Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on March 18, 2020.  
- **Tab 2** 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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Fawn Ridge Apartments Project.  
- **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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Marshall Apartments.  
- **Tab 4** 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

Tab 5 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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the W. Leo Daniels Towers.

Tab 6 Presentation, Discussion and Possible Approval of a Resolution amending the provisions of Resolution No. 18-19, as amended by Resolution No. 20-01 relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Ventura at Fairgrounds Apartments) and resolving other matters incident and related thereto.

Tab 7 Presentation, Discussion and Possible Approval of an Amendment to 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.

Tab 8 Presentation, Discussion and Possible Approval of the 2020 Texas Foundations Fund Guidelines.

Tab 9 Presentation and Discussion on Developing a Statewide Housing Task Force.

Tab 10 Presentation, Discussion and Possible Approval of Additions to the Corporation’s Fiscal Year 2020 Broker Listing.

EXECUTIVE SESSION none

ANNOUNCEMENTS AND CLOSING COMMENTS 60

ADJOURN 60
PROCEDINGS

MR. DIETZ: Then it is 10:30 a.m. on Wednesday, May 13, and I want to welcome everybody to the first completely virtual meeting of the Texas State Affordable Housing Corporation. And before we get started, we'll do our roll call here.

Bill Dietz? I am here.

Valerie Cardenas?

MS. CARDENAS: Present.

MR. DIETZ: Courtney Johnson-Rose?

MS. JOHNSON-ROSE: Present.

MR. DIETZ: Lali Shipley?

MS. SHIPLEY: Present.

MR. DIETZ: And Andy Williams?

MR. WILLIAMS: Present.

MR. DIETZ: Okay. We do have a quorum. And before we get started, I know there will be some direction on how exactly this meeting will be run here shortly, but I'd like to ask everybody, before speaking each time, just to identify themselves so that we all know who it is that's speaking.

And so, before we begin, let's start with the Pledge of Allegiance. And as I remind -- I'm involved in my son's Boy Scout troop, and as I remind them, you don't need a flag for the Pledge of Allegiance, so if you don't
have a flag present, don't worry about it.

Just go right ahead and join us for the Pledge of Allegiance. So, I will lead us.

(Pledges were recited.)

MR. DIETZ: And that worked better than some Zoom meetings I've been doing in Boy Scouts. Thank you.

And before we begin, is there any public comment?

(No response.)

MR. DIETZ: Hearing none, do we go straight to the President's Report, or do we have -- are we doing the overview --

MS. ELLINOR: Bill, I think --

MR. DIETZ: -- before we do the President's Report?

MS. ELLINOR: -- yeah. Let's do a quick overview, just so everyone on the call understands --

MR. DIETZ: Great. Perfect.

MS. ELLINOR: -- the protocol and their tool.

So, this is Sarah, everyone. Thank you, Bill.

So again, as Bill mentioned, please keep your line muted until it's your turn to speak or until you wish to speak, just to cut down on background noise. When you unmute your line, you may have to unmute both your webinar component as well as your phone, or it may be one or the other. Everyone seems to be different.
So, if you begin speaking and it sounds like people can't hear you, just try both. Announce yourself, as he said, as a courtesy to the court reporter, Elizabeth, and this includes Board members.

So, Board members, if you wish to make a comment on a particular tab item, just make sure you introduce yourselves. I know that people that are presenting the tab items are used to that, but you may not be. So -- and then everyone listening in the audience, you are on listen-only mode.

So, if you wish to make a public comment or, you know, would like to comment on something, please indicate so in the chat feature. I'll be monitoring that, and I will unmute your line individually, should you like to make a comment.

I think that's all. So, I'll go ahead and start off with David Long in your President's Report.

MR. LONG: Bill, you good to go?

MR. DIETZ: Great. Absolutely. Thank you, Sarah, for that explanation. David, we're ready for the President's Report.

MR. LONG: Okay. Again, for the record, this is David Long. Good morning, Chairman Dietz and Board members. Given that the Board meeting is being held via webinar and teleconference this morning, I'm going to
streamline my President's Report because we have a rather long agenda.

So, first, let me just thank the Board members for meeting under these unique circumstances. As Mr. Dietz mentioned, this is the first time we've ever had a Board meeting under these circumstances and via this virtual nature.

So, I want to thank you guys for being able to be available under these circumstances. I also want to make a special thank you to Sarah Ellinor and Rebecca DeLeon for their role in coordinating and hosting today's Board meeting.

I know each of the Board members received a training call from Sarah and she was able to kind of go over the process and the procedural points of this meeting. So, thank you, Sarah and Rebecca, for making that happen.

I also want to thank all the staff that participated in getting this Board book together. It's been a little unique for us to do it separate and apart from each other, but it worked out just fine. As the Board may or may not know, we've been working from home since March 19.

During that time, we've been able to maintain TSAHC's business as usual, which I'm very proud of. We've
been able to maintain calls and coordinate with all of our third-party vendors, as well as our partners in the industry that we work with and our lenders and realtors and everybody else.

So, I want to thank the staff and I'm very proud of what we've been able to accomplish in that. They actually have done a really good job. We had a little bit of fun one day on a call. Staff sent in some pictures of their home offices, and it was quite interesting to see what some of the staff considered to be home offices.

So, they've done a really good job of making their home offices very functional. We anticipate going back into the office, assuming all is still given the go-ahead, on June 1. Until then, we will continue to allow staff to work from home if they wish.

Some staff, I know, started to go back into the office this week, but it's a very limited number, and we'll continue to make sure that the staff, when they do return, are receiving the supplies needed to make sure that they have the ability to maintain social distancing, the cleanliness, health and safety of the staff, which is our utmost concern.

For the Board members, program and financial reports are under Tabs A through E of your Board book that was sent out to the Board members and to the public on our
website. I would allow any of the questions you might have on that to be brought up at this time, just because we have the staff that are available to answer those questions.

One of the unique reports in that, obviously, is our compliance -- Quarterly Compliance and Resident Services Report. And then in addition, we have our quarterly -- well, it's not really quarterly, but we have our quarterly fundraising report.

We get that -- we know about it on a daily basis, and are reported monthly, but it does have -- the quarterly fundraising report is in there as well. So, if you don't have any questions, I would just let the Board know that yesterday, via conference call, the Loan Committee met.

We met at 10:30. We did consider a 90-day extension to a loan that the Board had previously considered a while back in committee as eligible and authorized to make an extension on that, and the Committee approved a 90-day extension to Hamilton Valley portfolio project.

The loan was delayed, obviously, due to some circumstances and the volatility in the market, not to mention the COVID-19 issues that we're dealing with. So, we do anticipate within that 90 days that transaction will
close, and that loan will be able to be -- the extension of 90 days to be sufficient.

In addition, the Committee reviewed the typical program reports and our loan portfolio reports. We didn't have any additional issues that were addressed, and the staff also reported on some ongoing activity they are looking at that may eventually come to the Loan Committee in the future.

Andy Williams, Board representative to the Loan Committee, was also present via phone call, and so at this time, Mr. Williams, if you have any comments or questions that you'd like to kind of add on, I'm happy to let you do so at this time.

MR. WILLIAMS: Thank you, David. I do not have any comments or questions. Thank you.

MR. LONG: Okay. Thank you. And again, thank you, Andy, for joining. The last thing I'll bring up in my President's Report, Mr. Chairman -- so I'll streamline the program areas because I've had a chance to talk with each of the Board members or provide you each updates on some things that were in the program area reports.

But I will let you know that, a while back, the Board approved an RFP for our financial auditor services. That RFP goes out rather timely, and we do have three responses back from that. At this time, we're not ready
to make a recommendation to the Board.

We haven't completed our review and scoring of those responses, but we do anticipate having those to you in the near future, and at that time, we'll be bringing that to the Board for their consideration and voting on that.

With that, Mr. Chairman, I'll go ahead and conclude my remarks. I would just again add that the staff have been doing an exceptional job in making sure that everything is getting done. We have a lot of things that are going on in a lot of the program areas.

As I mentioned before, each of you should have gotten some updates from me. And with that, I'll conclude. The only other thing I'll add with is, I know Mr. Thornhill is online. He is with Coats Rose, serving as general counsel for the Corporation, and so if you have any questions during the meeting, Mr. Thornhill is certainly available to answer those questions.

And then also, the last thing is, the next meeting of the Corporation is generally scheduled for June 10, which is the Wednesday, June 10. So, with that, I'll conclude, unless there's any questions.

MR. DIETZ:  Great. This is Bill Dietz speaking. Thank you, David. Are there any questions or comments from Board members pertaining to the President's
report?

(No response.)

MR. DIETZ: Okay. Hearing none, we'll go into
our action items for today's meeting. Tab 1 is the
"Presentation, Discussion and Possible Approval of Minutes
of the Board Meeting held on March 18." And so, are there
any comments, corrections, questions about the minutes?

(No response.)

MR. DIETZ: If not, is there a motion to
approve the minutes?

MS. CARDENAS: This is Valerie Cardenas. So,
moved.

MR. DIETZ: Thanks, Valerie. Is there a
second?

MR. WILLIAMS: This is Andy Williams. I'll
second.

MR. DIETZ: Okay. It's been moved and
seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. All in favor -- I guess we
will say, aye, and then I'll -- each time, I'll call for
any opposed, so that we can have an opportunity to
vocalize that as well. So, all in favor, please say, aye.

(A chorus of ayes.)

MR. DIETZ: Okay. Any opposed?
(No response.)

MR. DIETZ: Okay. Then the -- Tab 1, the minutes from the Board meeting on March 18, are approved.

Tab Item 2 is the "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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Fawn Ridge Apartments Project."

Is there a presentation regarding that tab item?

MR. DANENFELZER: Yes. This is David Danenfelzer, Senior Director of Development Finance. I'll just ask one question. Sarah, should I go ahead and share my screen at this point?

MS. ELLINOR: Sorry. Do you have something that you need to present to them, or is it just your virtual --

MR. DANENFELZER: Just the --

MS. ELLINOR: -- presentation?

MR. DANENFELZER: -- Board packet. It's just the Board packet.

MS. ELLINOR: No. You don't need to present
that to them, I don't believe, unless --

MR. DANENFELZER: Okay.

MS. ELLINOR: -- they should have that up in

front of them, unless they want you to share it but --

MR. DANENFELZER: All right. I'll go ahead and
do just a verbal presentation, then, of some of the notes
I was going to share on this particular project. We are
discussing Fawn Ridge Apartments. It is located in The
Woodlands, Texas.

It's a 120-unit acquisition and rehab project
that will be completed by Involved Communities -- or
Involved Community Management, which is the official
developer of the project. The property is primarily a
Section 8-based contract property.

So, there is assistance to individual
households at the property through the Section 8 Program,
but it is privately owned and operated. It does meet our
targeted housing need for at-risk preservation projects.
And as the, you know, financial summary and everything and
the write-up show, the total budget for this project is
about $24.9 million.

And while about 15.5 million of the project
will be in the form of bonds, there's also tax credits,
reserves and other funding coming into the project. This
is using a very familiar project -- or product to us now
in the lending world.

It's called the Freddie Mac TEL Program, or Tax-Exempt Loan. We've done a number of these in recent years. We're currently closing a project right now with one of these products, and so it is something that we're very familiar with, and you know, we've got a lot of support internally and with the Texas Bond Review Board on this structure.

I know that the developer is probably just listening in today. I don't know that they registered, but I will mention that Involved Communities is a group or organization formed in 1996, and they have more than 10,000 units across the nine-state region, predominantly in the south, southeast, to Texas, and a few other scattered states.

They run a number of different programs on a charitable basis, including the state of -- part of the state of Alabama's 529 College Savings Plan, providing health care and other guidance to their tenants and a lot of community management and community services.

While I'm not familiar with Involved Community Management directly -- I've not worked with them and we've done a project with them before -- they are supported locally in Texas by Barry Palmer with Coats Rose as developer counsel, as well as Janna Cormier, who's a
consultant with JC Development Consultants.

She's actually the principal. And we have worked with both of these groups multiple times on other transactions, so we know that they're well-supported for new projects here in Texas. With that, I'll go ahead and just open the floor, or give it back to Mr. Dietz for any questions from Board members.

MR. DIETZ: Great. Thank you, David. Are there any questions from Board members?

MS. CARDENAS: This is Valerie. So, I was reviewing it, right -- and it says that the majority of that will remain -- the tenants will remain in the complex. Very few will be displaced. I guess in all of these costs, if there's individuals that are displaced, would that cover any of their relocation, temporary relocation?

How --

MR. DANENFELZER: Yes.

MS. CARDENAS: -- would that be handled?

MR. DANENFELZER: It -- sure. So, every project is required to have a relocation plan. That's required both for the tax credits and for the bonds. The relocation plan for this will be developed, and it will be provided to us prior to closing on the project, and we'll make sure that it has been approved by both HUD, which is
the Section 8 entity overseeing that, as well as the Texas Department of Housing, which oversees the tax credits.

The relocation plan basically is a plan of how to move and complete the rehab, so the tenants are least impacted. It may include some temporary relocation of a tenant from one unit to another after it has been rehabbed so that their unit can then be rehabbed, or it may also allow them to move out of the property and have temporary lodging while the rehab is undergoing.

We know that, with COVID-19, that has become a significant question for a lot of developments that are currently under rehab. It is one of the major impacts to one of our other developments, that David mentioned earlier, Hamilton Valley.

In this case, they'll have to develop that plan, but we do know that, because of some of the extra precautions that regulatory agencies are asking developers to take in rehab, there will probably be a little bit more money put aside to make sure that not only is -- are the tenants treated well and relocated properly, but then there's proper cleaning of each of their units prior to reoccupation. So --

MS. CARDENAS: Okay. Thank you. And then one last question. I guess I read that the neighborhood has a higher percentage of renters, right, in The Woodlands and
Harris, but with the household median income for that census tract -- is at 95, and Harris at 90, and so 97 of the 120 are designated for Section 8.

So, I guess I'm just wanting some clarity with such higher income levels versus Section 8. I guess I'm assuming that with Section 8, you're going to have certain income levels. Right?

MR. DANENFELZER: Right.

MS. CARDENAS: And so, these --

MR. DANENFELZER: Right.

MS. CARDENAS: -- and it's saying, well, these are higher. So how is that working, that 97 of the 120 units are Section 8, when we're saying that, for this census tract, the household median income is higher?

MR. DANENFELZER: Right. And so, what we're actually seeing there is that the majority of the other units, the other apartment complexes in this census tract, are market rate, and they are actually pushing the median income upwards for this census tract.

So, what we have is actually is what we consider a high opportunity area, one where incomes are generally higher. Access to educational services and other commercial services is higher than it might normally be in a census tract with much lower median incomes.

And so, these 97 assisted units represent --
they may represent all of the affordable units in this census tract, and we're seeing that those individuals have higher access to, you know, other services which would be customary near a higher income area.

And so, we would generally consider that a really good thing, that we're allowing people to integrate into higher income areas and not have to be, you know, segregated in lower income census tracts.

MS. CARDENAS: Okay. Thank you.

MR. DIETZ: Great. Thank you. And this is Bill Dietz. Any other questions from Board members?

(No response.)

MR. DIETZ: Okay. Then is there a motion to approve?

MS. CARDENAS: This is Valerie. So, moved.

MR. DIETZ: It has been moved. Is there a second?

MS. SHIPLEY: This is Lali. I'll second.

MR. DIETZ: Okay. It's been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Since there is no public comment, all in favor, please say aye.

(A chorus of ayes.)

MR. DIETZ: Are there any opposed?
(No response.)

MR. DIETZ: Okay. Tab Item 2, the approval of the resolution regarding the submission of the private activity bonds relating to the Fawn Ridge Apartments project is approved.

I'm going to move on to Tab Item 3, which is the "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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Marshall Apartments."

Is there a presentation relating to this tab item?

MR. DANENFELZER: Yes. David Danenfelzer, Senior Director of Development Finance again. Before I begin the presentation on Marshall Apartments, I do want to make one thing clear. I kind of skipped over it in the last presentation.

But the last agenda item and the next three are inducement resolutions for bond projects. This is not the Corporation's approval of these projects in final form. This only gives the Corporation authority to apply and reserve volume cap for these projects, and it also gives
us authority to move forward with the developer and its financing team to develop bond documents, to create a program and project that will be -- meet all of the state and federal requirements necessary for this -- for the bonds.

And then we will bring these projects back to the Board prior for final approval at some point in the future, when they are ready to be closed. So, I just wanted to be clear on that. This is not a final approval of these projects.

You all will get to see them before they are approved in final form. So, with that said --

MR. DIETZ: Does that -- I'm sorry. This is Bill Dietz. Does that apply --

MR. DANENFELZER: Sure.

MR. DIETZ: -- to Tab Items 2 and 3 and any other tab items, or is that just 2 and 3 that applies to?

MR. DANENFELZER: Tab Item 2, Tab 3, Tab 4, and Tab 5. I believe it --

MR. DIETZ: Okay.

MR. DANENFELZER: -- was all three, or all four of those tabs are inducement resolutions.

MR. DIETZ: Pardon. Thank you for that clarification.

MR. DANENFELZER: Yeah. So back on track with
Tab 3. We're talking about Marshall Apartments. It's a 100-unit acquisition and rehab project, very similar to Fawn Ridge. It is supported with Section 8 project-based contract, as noted before.

So it is very, very similar, and has all the same parties in regards to the developer, Involved Community Partners -- Community Management, and has a very similar bond structure, although the total bonds -- or total project costs for this is 19.5 million, and again, the bond amount anticipated is 19.1 million, and this will be, as well, structured as a Freddie Mac TEL project.

So -- I'm sorry. Was there a question there?

MR. LONG: David, this is David Long. There was a lot of background static during that part of your --

MR. DANENFELZER: Oh.

MR. LONG: -- presentation. I don't know if you heard that or not, but if anybody's got their phone on -- not on mute and we could get it muted while David presents, that would be very helpful. Thank you.

MR. DANENFELZER: Does anyone need me to repeat anything so far?

(No response.)

MR. DANENFELZER: All right. Hearing none, I'm going to go ahead and continue with my presentation. The Marshall Apartments is located in Austin, Texas. It's
actually relatively close to our current offices, and it is a longstanding project here in central Austin.

The neighborhood is historically a single-family neighborhood, and this project is located adjacent to one of Austin's magnet schools, Kealing Middle School. And it also has a similar makeup in the sense that, while the median households for this census tract are generally a little bit lower compared to that other census tract we looked at in The Woodlands, if you look at the neighborhood or the zip code in general, it is actually much higher.

And so, this is kind of a unique census tract in the way it was carved out in the incomes for this area. But we have seen, through market analysis, that many of the homes in this neighborhood, and particularly in the adjacent census tracts, have gone through an enormous amount of gentrification and in cost increases.

Average home prices are now between $300 and $400 a square foot for this area. So, this is a very fast-changing neighborhood and has been for about five or six years. Again, I don't know that there's need to go much into a developer summary.

We discussed Involved Community Management before and their support team with Coats Rose and JC Development Consultants. So, I'll go ahead and open it
back up for questions from the Board.

MR. DIETZ: Are there any questions from the Board on Tab Item 3?

(No response.)

MR. DIETZ: Okay. And hearing none, is there a motion?

MS. CARDENAS: [inaudible].

MR. DIETZ: I couldn't quite make -- is it --

MS. CARDENAS: This is Valerie. So, moved.

MS. JOHNSON-ROSE: This is Courtney. Second.

MR. DIETZ: Great. It's been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: And Sarah, I presume that, at any point in time, if there was a public comment, you would be alerting us. Correct?

MS. ELLINOR: Yes, sir. There's no --

MR. DIETZ: Okay. Great.

MS. ELLINOR: -- public comment.

MR. DIETZ: Okay. Good. Is -- then it has been moved and approved. There's no public comment. All in favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Are there any opposed?

(No response.)
MR. DIETZ: Okay. Well, Tab Item 3 is approved.

On to Tab Item 4, which is the "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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Shady Oaks Manor Apartments."

MR. DANENFELZER: Hi. This is David Danenfelzer, Senior Director of Development Finance. And this project looks like the previous two. We're talking about Shady Oaks Manor which is a property located in Fort Worth, Texas with 138 units, and this is, again, an acquisition and rehab project.

Shady Oak Manor is a senior community and does have Section 8 project-based contract associated with it, so it does meet both our senior and our preservation set-asides or targeted housing needs for the TSAHC's Bond Program. The acquisition and rehab have a budget of 18.2 million, or approximately 18.2, and of course, that will be rounded out by housing tax credits, deferred developer fees and other income and funding to the project.
One difference between this and the previous two is that the bonds will be purchased by -- through a private placement agreement with Bellwether Enterprise, another group that we're very familiar with, a very large national organization that purchases bonds very frequently in Texas. And so, it is a structure that we're familiar with.

And there's -- and it will look basically like many of our other private placement transactions that we've done in recent years, including the Hamilton Valley project, which we're working on currently. Shady Oaks Manor is, as I mentioned, located in Fort Worth.

It's relatively close -- or it's actually relatively far away from the downtown area, but it is along State Highway 199 and 820. It's in an area which, you know, we generally would consider sort of one of the inner-ring suburb areas of Fort Worth, and the census tract, again, has kind of unique characteristics in the sense that most of the census tract for this particular property is actually associated with Lake Worth and a park system.

So, looking at the economics and the market study, what's kind of unique in the sense that, while the median incomes for the tract were low, we do know that adjacent tracts were also higher and in much better
condition. But also, this census tract in particular has a relatively low number of total households because it is related -- literally adjacent to a lake and a very large regional park for Tarrant County.

Again, you know, I'll mention that the developer on this is Involved Communities and has the same support team in Coats Rose and JC Development Consultants. So, I'll leave it open for questions.

MS. CARDENAS: This is Valerie. So, since this is the same developer, it's just kind of a general question. Do we have a certain cap in extending credit to a single developer? You know, criteria just -- I mean, I don't know, just to make sure that they're not overextended financially, and then -- or overextending themselves, and then also just with the project management itself?

I know they're a big company, but you know, just a question to ask.

MR. DANENFELZER: Yeah. I think that's a good question. One point of clarity is that the Corporation is not extending credit. What we are actually doing is making sure that the credit facility by the bond purchaser and the developer meets the federal and state requirements for the issuance of private activity bonds.

While we do look at the creditworthiness, and
our financial advisor or municipal advisor does look at
the financial worthiness of each of the applicants and
looks at their background, we don't necessarily consider
this an extension of credit.

It's really just to make sure that, again --
that the agreements to loan, or bond agreements, between
the two parties meet all the federal and state
requirements. We will certainly continue ongoing asset
oversight and compliance of the properties to ensure
they're meeting those requirements long-term, but again,
we don't currently have any caps that we set on individual
developers.

And at this point in time, for the three
developments that they're proposing, it's under
$45 million total for the three transactions, and you
know, I'd note that the -- that we are allowed and we have
done deals as large as $75 million per project, using
private activity bonds.

So, this would be, you know, between the three
deals, about half of what we have extended to one single
developer in the past.

MS. CARDENAS: Okay. Yeah. So, it's in line.

And maybe the extension of credit wasn't the right term.

Right? For lack of a better word.

We're basically endorsing the project, putting
it together, doing the analysis, and like you said, making sure that it meets, you know, all the different levels of requirements. And so yeah. It was just a question to see -- and I'm glad you answered that.

You said, hey, we've seen projects, you know, to a single developer or -- the highest at 75. And so, it was just -- you know, is there ever a cap? Not so much a cap. Right? But to where we just say, you know, that maybe they are overextending themselves?

MR. DANENFELZER: Yeah. And certainly, in our review of these developers, as we get more into it as well, you know, we will depend on our municipal adviser to kind of key us in on any risks for the developer level. But we also trust that the bond purchaser, the banks that are purchasing these bonds or investing in them, have also done their due diligence and made sure that they feel that the developer is creditworthy.

MS. CARDENAS: Good.

MR. DIETZ: Great, great. Thank you, David.

Any other questions for David from this tab item?

MR. WILLIAMS: This is Andy. David, and for the Board, I'm actually very familiar with this project, and this is a really great project simply because, from the data you don't see, it's really a high opportunity area, and this was a project that was syndicated, and the
residents currently in that community are being kind of gentrified.

So, for someone to come in and kind of re-syndicate this project, it's exactly what our mission is, because that tract of land for senior housing is about 10 minutes from downtown. It anchors Lake Worth and Fort Worth. So, it's a high opportunity area that's being transitioned really quickly, and it's really exciting for me to see someone take that project down, and we're actually going to be a part of it.

MR. DIETZ: Great. Well, that's good to hear. Any other comments or questions for David? All right. If there are none, is there a motion?

MR. WILLIAMS: This is Andy. I'll motion to approve.

MR. DIETZ: Thanks, Andy. Is there a second?

MS. SHIPLEY: This is Lali. I'll second.

MR. DIETZ: Okay. It's been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Hearing none, all in favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)
MR. DIETZ: Okay. Then Tab Item 4 relating to the Shady Oaks Manor Apartments is approved.

Tab Item 5 was the "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 and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the W. Leo Daniels Towers."

MR. DIETZ: David?

MR. DANENFELZER: Sure. Dave Danenfelzer, Senior Director of Development Finance. This project, as Mr. Dietz noted, is for the W. Leo Daniels Towers located in Houston, Texas and includes 100 units reserved for seniors.

The project developer will be ITEK Group, which is a group we've worked with before, but has been around Texas a long, long time. Leo Daniels is also a unique project, a little bit different than the others in the sense that, while it is an at-risk preservation and senior supportive housing development for our target housing needs, this project will also be receiving some funding through the City of Houston's CDBG Disaster Relief Program related to Hurricane Harvey.
Because of that, while the total budget of 22.8 million will be met by both tax-exempt bonds, housing tax credits and deferred developer fees, the City's CDBG Program will provide a large infusion here of funding so that it will take up most -- pay down most of the bonds. The permanent bond amount long-term will be only 4.35 million, and so that 10 million in additional City money will help bring those bond amounts down.

As far as, you know, initial underwriting, it looks very strong. We're very happy to be involved and help rehabilitate this property, which is a bit older, but at the same time, you know, in a good area of Houston and someplace that we'd like to, you know, continue to support and rehab.

The renovations will be quite significant on this, probably much more than other properties, because of some of the damage that was received during Hurricane Harvey. There has been quite a bit of deferred maintenance since that event occurred and -- by the current owner, and so the rehab will be quite significant, with completely new roofing, sort of exterior sheeting, new doors, windows, hardware, lots of both repairs interior and exterior to the development.

And as noted before, too, in the other presentations, we will have some relocation of the
tenants. That will all be handled, and that relocation plan will be developed and approved by the Corporation prior to, you know -- you know, prior to final approval by the Board.

ITEX Group, moving on to developer summary, is a Texas-based, for-profit developer. While they were formed in Port Arthur, really, their executive offices are now in Houston, though they do have a group of staff still based in Port Arthur. And they have over 6,900 units in a number of different states including Texas, Louisiana and Colorado.

Chris Akbari is the principal and president/CEO of the company. He took over from his father a number of years ago, who formed the company, and has been a longstanding, you know, participant both in affordable housing, but other both nonprofit and sort of university and other programs throughout the state, and particularly in the southeast of Texas.

The development team also includes consultants who are familiar with -- and I'll note too that Coats Rose is also the developer counsel on this, and Barry Palmer, once again, is involved in this transaction. I'll go ahead and leave it open for questions at this time.

MR. DIETZ: Great. Thanks, David. This is Bill Dietz. Are there any questions from Board members or
comments?

MS. SHIPLEY: This is Lali. I might just be missing it, but is there a projected cost per unit for this development for the renovation?

MR. DANENFELZER: Yeah.

MS. SHIPLEY: Like 106?

MR. DANENFELZER: That would be the rehab. Yeah. Let me go up to the --

MS. SHIPLEY: Right.

MR. DANENFELZER: -- presentation part, because there's -- I do mention it in the presentation that there's about $106 per unit of rehab going on, which is quite high, but this property, as I noted, has received damage and does have a higher-than-normal rehab per unit requirement.

The tax credit --

MS. SHIPLEY: Okay.

MR. DANENFELZER: -- program requires only $37,000 per unit, but this one is obviously significantly higher.

MS. SHIPLEY: -- because of [inaudible]?

MR. DANENFELZER: Yeah. And then if you go into the underwriting summary, in the second page, which is the summary of sources and uses, you'll see the total cost per unit is $228,378. So, these are individually
costly units, but really quite within the market of today's rehab and even new construction properties. This is becoming a number more and more familiar to us.

MS. SHIPLEY: Okay.

MR. DIETZ: Great. Thanks, David. Any other questions or comments?

(No response.)

MR. DIETZ: Is there a motion?

MS. CARDENAS: This is Valerie. So, moved.

MR. DIETZ: Okay. We've got a motion from Valerie, and I think I heard somebody about to do a second.

MR. WILLIAMS: This is Andy. I'll second.

MR. DIETZ: Okay. Great. Thanks, Andy. So, it has been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Hearing none, all in favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: Okay. Then Tab Item 5 is approved. On to Tab Item 6, which is the "Presentation, Discussion
and Possible Approval of a Resolution amending the
provisions of Resolution No. 18 19, as amended by
Resolution No. 20-01 relating to the Texas State
Affordable Housing Corporation Multifamily Housing Revenue
Note (the Ventura at Fairgrounds Apartments) and resolving
other matters incident and related thereto."

So, presentation about Tab Item 6.

MR. DANENFELZER: Sure. Dave Danenfelzer, again, Senior Director of Development Finance. This particular project, you've looked at many times. We've actually approved these bonds in the past as well. To give you a short history of it, we did look at this project actually in 2018 and were hoping to close in 2019.

Due to some issues with the City of Midland and requirements for additional road work that needs to be done on the site, that was delayed last year, and we had hoped to be able to close that in January 2020. However, that has been pushed back slightly, predominantly because of different changes in how the bond program worked, but also with timing of reservations.

But we have -- you know, we renewed the reservation early this year. We've been working towards closing and we had originally hoped to close in early May. However, about four weeks ago, the developer called us and was -- had been -- informed us that, due to COVID-19, that
the primary construction lender, JPMorgan Chase, had withdrawn from the transaction.

They had quoted that, because of COVID-19 and high exposure in the oil markets, they were no longer able to participate in the transaction. This is obviously somewhat of a unique situation. We don't often see construction lenders pulling out, but we're also in a very unique and historic time.

The developer, however, has very strong ties to a number of different financial partners, and they were able to very quickly replace the lender -- replace Chase with two different organizations. One is ATEX Lending -- or ATEX Financial, and Greystone Financial.

The overall structure of the project is not changing at all. All we are doing is swapping out in the individual parties that are lending. Those parties have done all of their due diligence and have pre-underwritten the project.

They are ready to go with all of the same terms and conditions that the bonds had when we approved this earlier this year and did a previous amendment, as is noted in the body the resolution there, on January 22, but we do need to amend our resolution to update it, in order to update it so that it does mention ATEX and Greystone.

And I'll note that, in the body of the
resolution, the actual partner that is being used, the initial purchaser by ATEX is America First Multifamily Investors. And so that's just a point of clarity. We want to make sure that you understand that that entity is not by its branded name, ATEX.

It's actually America First Multifamily Investors. But again, Freddie Mac is really the ultimate purchaser of these bonds, even though Greystone will be the seller servicer, and Freddie Mac has reconfirmed its commitment to this project, and helped them with reduced interest rates as well.

So even though there may have -- there has been a little bit of increase since the beginning of the year in total construction costs, it's well within our buffer of understanding and we're, you know, well able to meet all those needs to get the project completed.

So, this really did happen quite quick, and I want to thank our bond counsel for jumping on it and helping us go through all the hurdles, and we've communicated these changes also to the Texas Bond Review Board, who continues to support the project.

So, at this point, I'll turn it over for questions, if there are any.

MR. DIETZ: Thanks, David. Are there any questions from the Board?
MR. DIETZ: David, this is Bill Dietz. So, this is, physically, it’s just the exact same thing that we’ve approved with the substitution of lending partners that you referenced. Correct?

MR. DANENFELZER: Correct. Right.

MR. DIETZ: Great. Any questions from the Board or comments?

(No response.)

MR. DIETZ: Okay. Is there a motion?

MS. JOHNSON-ROSE: Mr. Chair, this is Courtney. I'll make the motion for possible approval.

MR. DIETZ: Thanks, Courtney. Is there any -- is there a second?

MS. CARDENAS: This is Valerie. Second.

MR. DIETZ: Great. It has been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Hearing none, all in favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: Okay. Then the motion passes -- is approved. On to Tab Item 7, which is the "Presentation,
Discussion and Possible Approval of an Amendment to 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."

Is there a --

MR. DANENFELZER: Hi.

MR. DIETZ: -- on this tab item?

MR. DANENFELZER: Hi. This is Dave Danenfelzer, again, Senior Director of Development Finance. As you can tell, I've been a little bit busy, and so with -- one of the real reasons for this change is because of statutory changes which occurred last year in the Private Activity Bond Program. The most significant one of that was the fact that the individual per-project limit was originally 25 million prior to last year, and the Legislature rose that number up to 50 million per project. Now, that has taken off a great deal of pressure on what used to be something that, after August 15, which was a significant benchmark date for the program statewide, at that point, developers could come in with developments over 25 million and apply for larger projects around the state.

Because of that change last year, though, and
that raising of the cap to 50 million, many deals have been able to get in line earlier, larger deals, particularly in urban areas, 200, 300, 400 units, and those deals have kind of moved through the process.

But one unique thing that is changing is it is also allowing smaller deals that did not get volume cap early in the year to apply now for volume cap reservations and then wait until August 15 to see what additional cap becomes available from other sub-ceilings or other areas of this -- of the private activity world that are not utilizing their initial set-asides.

So, in reaction to that, one of the things that's happened for our program is that we've received applications in excess of the volume cap that were initially allocated on January 1. We will be able to meet all of the projects that you approve today with the volume cap we have, but we do know that there's additional projects that are planning to apply for our June and July Board meetings, and we realize that there may be a risk in how we collect our fee structures and not getting fees in a timely manner, and being able to cover the professional costs that our bond counsel and others take on in reviewing these applications and getting them to the inducement stage.

So, with that long introduction, I'll just
state that there's two sections related to our fees, Section 12(b) and 12(c), which we're amending today. What we'd like to do is move the inducement fee, which originally was five days after the inducement resolution was proposed, to five business days before.

In this way, we will get that funding. We'll be able to pay any costs of bond counsel or our activities related to the inducement process and ensure that we can move quickly after the inducement process to do things like public hearings and other actions, without having to wait.

We're also asking to sort of change some of the language and just clarify when the professional deposit fee, which is collected to cover not only the bond counsel but also our municipal advisor and our issuer counsel fees -- and this will help ensure that we also have additional capital from the developer and fees to pay for the work to get to our bond reservation application.

We just want to make sure that we're not left holding the tab for bond counsel and other services if developers try to push too many deals into the pipeline and then don't get their reservations in August and then leave us holding the bill for that work. So, it is a little bit preemptive, but we also know that, because of the demand that's coming in June and July, this will be
kind of a necessary change to make sure that we don't get left holding the bill.

MR. DIETZ: Great. Thanks, David. Is there any question for David from the Board or comment?

(No response.)

MR. DIETZ: Or if not, is there a motion?

MR. WILLIAMS: This is Andy. I'll motion to approve.

MR. DIETZ: Thanks, Andy. Is there a second?

MS. SHIPLEY: This is Lali. I'll second.

MR. DIETZ: Okay. We have a motion. It's been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Hearing no public comment, all in favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Is there any opposed?

(No response.)

MR. DIETZ: Okay. Hearing none, it is approved. Tab Item 7 is approved. On to Tab Item 8, which is the "Presentation, Discussion and Possible Approval of the 2020 Texas Foundations Fund Guidelines."

MR. WILT: Good morning, Chairman and Board members. This is Michael Wilt, Senior Manager of External Relations. And can you just confirm that y'all can hear
me?

MR. DIETZ: Loud and clear.

MS. CARDENAS: We can hear you.

MR. WILT: All right. Perfect. I feel like Dave should do this one. He's on a roll, but I guess I'll go ahead and do it. I am here to present Tab Item 8. This is an action item, asking the Board to approve the 2020 Texas Foundations Fund Guidelines.

With your approval of the guidelines today, we plan to open the application as early as tomorrow, May 14. As you might recall, in February, which seems like a couple years ago, we released the draft of the guidelines for public comment, and that public comment was open from February 13 through March 16.

During that time, we received two comments, one saying that everything was working just fine. Let's not change anything. And the other comment suggested a change, and I'll get to that in a little bit. It's reflected in the redlined version that you have in your Board book.

And I'll walk you through that change and other changes that we made, and then there was one for our attorney. So, if you start in the 2020 partner application process, we updated the dates. This is because we didn't have an April Board meeting.
We would have brought these guidelines to you at that time and opened the application earlier. So now, we intend to open it this month, and then we're extending the deadline to apply for two weeks, until June 19. In the partner threshold requirements on page 2, if you move down a little bit, under six, financial requirements, there's language that's been added that financial reviews have to be done by a third-party certified public accountant.

This came at the request of our attorneys. Melinda Smith, our CFO, reviewed it and made a slight modification. So, the language that exists in this redlined version is a combination of the attorneys' suggested language and then Melinda's suggestion as well.

On page 4, this is the last one, and it's the new language around the administrative allowance. We're going to -- we propose allowing an administrative allowance of up to 5 percent of the grant amount, or 10 percent in special circumstances if the partner can justify it.

This is based on a comment that we received, and also, feedback in general from all the nonprofit partners that we work with, whether it's through this program or our HEART Program, that as budgets tighten and these programs are becoming harder to execute, which is an
ongoing situation, they need a little administrative support to continue operating their programs.

And we actually used to allow for an administrative allowance when our grants were larger. We took it out due to the matching grant system. The grant amount, while we're handing out -- working with more organizations, are a little bit smaller, and if you take out an admin fee, it doesn't leave an incredible amount left over, but we feel like that, given the current situation, it is fair and the right thing to do, to go ahead and add that administrative allowance back in.

That concludes my comments. Happy to answer any questions you have.

MS. SHIPLEY: This is Lali. Oh --

MR. DIETZ: Go ahead, Lali.

MS. SHIPLEY: -- thanks. Michael, what exactly is considered an administrative allowance? And is that something that needs to be specifically outlined for partners somewhere?

MR. WILT: We -- administrative allowance can go for -- to pretty much anything. It can just be -- and we kind of allow for it within the current guidelines for things like staff salaries, but just related -- any sort of program costs that are related to implementing the program that don't go towards direct costs, and this is
typically more common in the home repair side than it is with supportive services side.

So say, the home repair side, there -- you rack up some either staff time or ancillary bills that aren't directly related to the home repair itself and the contract work that is procured to do those home repairs, anything outside of the scope of direct costs that would go towards the home repair would be considered administrative costs.

MS. SHIPLEY: Okay. And that's not something that partners need to, I guess, prove or follow up, that they've used the funds in a certain way? It's kind of deliberately less flexible?

MR. WILT: Yeah. We ask for a budget whenever they apply for the grant program. So, it is something that we'll review to make sure that the administrative costs aren't unreasonable.

But typically, we allow a little bit of flexibility with them, and leave it up to them on how they administer the program -- or administer the grant, I should say -- the program that the grant supports.

MS. SHIPLEY: Okay. Great.

MR. WILT: Great.

MR. DIETZ: Good. Any other questions or comments?
MR. DIETZ: Okay. Hearing none, is there a motion?

MS. CARDENAS: This is Valerie. So, moved.

MR. DIETZ: Is there a second?

MS. SHIPLEY: This is Lali. I'll second.

MR. DIETZ: Okay. It's been moved and seconded. Is there any public comment?

(No response.)

MR. DIETZ: Okay. Hearing none, all in favor, please say aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: Okay. Then the 2020 Texas Foundations Fund Guidelines are approved. On to Tab Item 9 -- yeah. Thank you. On to Tab Item 9, which is the "Presentation and Discussion on Developing a Statewide Housing Task Force."

So, this does not carry with it any approval. We're not taking any action today. We're just simply having a presentation and discussion about the potential to develop a Statewide Housing Task Force.

MR. LONG: Yeah. Mr. Chairman, this is David Long. I'll go ahead and start. I just want to
acknowledge that Andy Williams has been a huge part in this discussion. So, first, thank you to Andy. And we've had a chance to discuss the developing consequences and potential opportunities that may result from the current economic downturn that we're seeing as a result of the COVID-19 and resulting changes in unemployment and everything else.

I would like to kind of maybe make a comparison. In 2007, the housing crisis that developed as a result -- that developed, left a lot of financial institutions and investors in severely-overvalued real estate and mortgage-backed securities portfolios, and we saw a dramatic increase in the foreclosures that were not only in Texas, but across the country.

Numerous safeguards and changes were implemented throughout the industry to mitigate poor lending practices that led to massive foreclosures, and while the devastation was extensive and a lot of families were negatively impacted, the ability to deploy financial resources, capital, if you will, in an effort to acquire and bring the thousands of foreclosed properties online, back online, created an opportunity for affordable housing providers.

TSAHC, being one of those providers, developed a program and was able to acquire several properties in
that -- during that process. We worked -- we developed --
David Danenfelzer and his team developed not only the
program, but a very extensive partnership -- group of
partners that they worked with to develop these
properties, creating affordable housing and homeownership
opportunities across Texas.

I would suggest that a similar opportunity may be available to us as a result of the current economic downturn. There was a recent article, a report in the Wall Street Journal, that investors are looking to deploy resources and take advantage of the opportunity that may be created by the pandemic, if you will, pandemic-created economic downturn that we're seeing. And by putting together these funds, they plan to acquire the debt that the lenders are trying to get rid of, whether that be through the real estate or acquiring the mortgage-backed securities and whatever it might be.

In anticipation of both the commercial and residential real estate portfolios that will be impacted, there'll be a lot of anticipated downsizing and downturn in that industry. There are indicators right now that about 11 percent of the more commercial mortgage converted -- that have been converted into mortgage securities will go delinquent in early May.

That amount is actually -- that percentage is
actually greater than what happened during the housing crisis in 2008. CoreLogic recently reported that, while delinquencies are at historic lows and they continued to fall through February, their last month of reporting, which was the 26th straight month of declines in delinquencies in mortgages, they are expecting a jump, a significant jump, in the months ahead, as the impact of the coronavirus outbreak continues to impact not only the economy but employment opportunities and the overall ability of the people to maintain their housing needs.

The development funds and investors that are preparing right now, as I mentioned earlier, they're being proactive. They want to be able to create funds that they can acquire and be intentional about how their funds are deployed and put into work for utilization and acquisition of these properties that may become available.

And the creation of a Statewide Housing Task Force would position our Corporation, TSAHC, to expand our outreach, improve our data access, and provide the ability for us to create affordable housing in high opportunity areas and typically areas we may have not been able to access in the past.

I think part of the benefit we would garner through a task force would be being able to access resources both in intellectual as well as the data I
mentioned earlier, and I think one of the things that Mr. Williams has been talking about extensively with me and with David Danenfelzer is how we bring together the resources from the talent that may be available to tap into serve on this task force.

Mr. Williams himself has extensive knowledge and experience in this industry as well as professional relationships that would be beneficial to developing the task force. So, I would like for Andy, if you don't mind, to bring to the presentation kind of your thoughts and perspective on how you think this task force can move forward.

So, with that, Mr. Williams, if you want to kind of add on, I'm happy to chime in as we go along.

MR. WILLIAMS: Thank you, David and Board, fellow Board members. I've been speaking with David. This -- actually -- conversation started prior to COVID-19 and a lot of it came from some of the, you know, vantage point I've had on the ground looking at some of the smaller communities.

So in addition to the action items that David was able to articulate for us being able to execute our mission in the distress, the fact is, Texas has a high unemployment area, and our mission of workforce housing is going to have to become the light, because it really is
the workforce community that is being affected.

And based on my professional experience, some
of these communities, both urban and rural markets,
they're ill-equipped. We have task forces standing up in
cities, municipalities, and they're trying to figure out
the problem.

The problem just got worse, and I believe the
task force will essentially do that. It will give us a
tactical advantage in the market so that we can reach the
local communities in the in-state, provide housing to
local families, and we can build a coalition of capable
builders and developers and make them aware of our
opportunity to collaborate and to refund projects, because
oftentimes, in some of the communities that I work in and
around, they are limited, and so a lot of this is about
capacity-building.

A lot of this is about creating, mixing some
communities, as we've seen some of the projects that
have -- are coming through, the opportunity areas of
developers, for-profit developers, market-rate developers,
take a pause.

This is really an interesting opportunity for
TSAHC and us to take a tactical stance on providing, you
know, subsidized housing in opportunity areas that are in
close proximity to commercial transit that really is a
unique situation. But at the same time, because of the massive layoffs and the unemployment, our indication from looking and researching internally in our conversations is that the workforce community is going to be affected, which is going to put additional strain on the staff.

And a lot of this is about augmenting the staff. The Board and the staff, we do a great job for the state of Texas, but we're limited, and I believe that right now is the time to take a proactive approach, tap in and garner some more resources, and get very laser-focused on workforce and affordable housing, and be proactive versus reactive, as we come out of COVID-19.

MR. LONG: And so -- this is David Long again. Mr. Chairman and members, I don't think we're actually -- Andy, correct me if I'm wrong -- but I don't think we're really looking for the Board to take action on this. We just wanted to let you know kind of what the thought is in terms of moving forward.

I think Mr. Williams would love for this to be something that the Corporation has an active participation in, but certainly not taking the lead on, per se, from the standpoint of all of our staff managing being the task force.

I think there are significant individuals that not only we may know of, that Mr. Williams knows of,
potentially as the Board members, you guys have input, that you can provide that could help us create a really strong task force membership that would guide us and give us insight and help us access data and other resources that we can utilize to be proactive, as Mr. Williams said, in trying to address the needs that are going to come out of the current economic downturn.

So, Andy, do you have a --

MR. DIETZ: This is Bill --


I'm sorry.

MR. DIETZ: No. I was just going to say, thank you very much to Andy and to David for your kind of leadership on, you know, putting together some thoughts and ideas for us about this endeavor. It sounds really interesting.

MR. LONG: So, Andy, I guess from this standpoint, Andy, are you really just -- do you want us to just continue to come back to the Board with kind of updates? Is that how you envision us moving forward? Because I think one of the things, we need to do is discuss kind of a mission, further define a mission, as well as identifying task force membership that we want to maybe consider and identify how best to access those personal resources.
MR. WILLIAMS: Thank you, David. Yes, that is correct. My thoughts were just to bring it to light, and then also, you know, allow the Board to comment and share their thoughts, if they share my perspective, as we, you know, look at, you know, what does, you know, 2022, 2025 look like for Texas?

And you know, if not, you know, share that as well.

MR. DIETZ: Great. Any comments from Board members or questions for Andy, for David?

MS. CARDENAS: This is Valerie. So, I think, you know, obviously any endeavor that is going to help stimulate our economy in Texas, you know, in whatever sector of business is great. I would suggest, if you -- there was a lot of talking.

There was a lot of information. I'm more of a visual -- I guess if -- maybe update us, if it's even just one page, to say, this is what it would look like. This is what the end result may potentially look like, right, which would, you know, benefit all and TSAHC having a hand in it.

So, I know this is very preliminary. It was just, you know, to bring it to light, as you mentioned, but if there -- for the next time, if it's just to say, look. We're estimating the task force will be so many
individuals. This is what we're trying to accomplish, and again, this would be more or less what would be hopefully the end result.

MS. JOHNSON-ROSE: This is Courtney. I totally agree that this is a great concept, and I think the point is well-taken that the workforce housing, as well as affordable housing, is going to become even more important and critical for the state in the upcoming year and months to come.

So I think that it's great to have a task force or a group that is constantly talking about opportunities and where opportunities are, and a great mechanism for TSAHC to be able to use, to pretty much source developers and being able to kind of spread the word to a targeted group about the resources that we offer.

So, I think it's great in concept. To Valerie's point, would love to hear more about it.

MR. LONG: This is David Long. And what -- I guess what I would say is, certainly, we will work -- staff will work with Mr. Williams to try and put together a one-pager, a white paper, if you will, narrative to allow for the Board to have a better perspective of what this looks like as we move forward.

And we certainly will keep you informed as we move along as well. So I will take that initiative with
Mr. Williams, and we'll work internally with staff at TSAHC, as well as with Mr. Williams' leadership and guidance to kind of move forward with kind of assembling the task force, and we'll keep you up to date as we move along.

MR. DIETZ: Great. Thanks again. This is Bill Dietz. Thanks again, Andy and David. Any other questions or comments about this particular endeavor?

(No response.)

MR. DIETZ: Okay. If not, then we will move into Tab Item 10, which is the "Presentation, Discussion and Possible Approval of Additions to the Corporation’s Fiscal Year 2020 Broker Listing."

MS. SMITH: Good morning.

MR. DIETZ: Do we have a presentation about that?

MS. SMITH: Yes. Good morning. This is Melinda Smith. I'm the Chief Financial Officer. And this is really just a procedural item. Our investment advisors -- the investment advisor that helps us with the Corporation's investment has asked us to add a list to the broker listing -- a name -- pardon me -- to the broker listing and the Public Funds Investment Act requires that the Board approve the broker listing.

So, we're adding the name, Robert W. Baird, to
the list of brokers that the advisors can use to purchase
securities.

MR. DIETZ: Great. Thank you, Melinda. Any
questions or comments about that broker listing?
(No response.)

MR. DIETZ: Okay. If not, is there a motion?

MS. CARDENAS: This is Valerie. So, moved.

MR. DIETZ: Thanks, Valerie. A second?

MR. WILLIAMS: This is Andy. I'll second.

MR. DIETZ: Okay. It's been moved and
seconded. Is there any public comment?
(No response.)

MR. DIETZ: All right. And then before we vote
to approve, note for the record that -- this is Bill Dietz
again -- that I am abstaining from this particular tab
item due to a business relationship with one of the listed
brokers.

And so, we'll go forward with the vote. All in
favor, please signify by saying aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?
(No response.)

MR. DIETZ: Okay. So, the Corporation's Fiscal
Year 2020 Broker Listing is approved with four ayes and
one abstention.
MS. SMITH: Thank you very much.

MR. DIETZ: Thank you. Great. All right. Is there any reason to go into a closed meeting today?

MR. LONG: This is David Long. No, sir. There’re not any items needing to be addressed under closed session.

MR. DIETZ: Great. Any other business or comments or discussion points before we close our meeting?

MR. LONG: Just a reminder, Mr. Dietz. David Long again. Currently, the next scheduled Board meeting tentatively is June 10.

MR. DIETZ: Fantastic. Well, thank you very much. I think that went pretty well. Thanks again to Sarah and Rebecca and anybody else that worked hard to make this unique format happen, and I appreciate everybody's attendance and efforts in making this flow very smoothly. So, with that, we are adjourned.

(Whereupon, at 11:49 a.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF: TSAHC Board
LOCATION: teleconference
DATE: May 13, 2020

I do hereby certify that the foregoing pages, numbers 1 through 6161, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas State Affordable Housing Corporation.

DATE: May 15, 2020

(Transcriber)

On the Record Reporting
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