

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

VIA RINGCENTRAL

Wednesday,
February 10, 2021
10:32 a.m.

BOARD MEMBERS:

WILLIAM H. DIETZ, JR., Chair
VALERIE V. CARDENAS, Vice Chair
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	4
ROLL CALL	4
CERTIFICATION OF QUORUM	4
PUBLIC COMMENT	5
PRESIDENT'S REPORT	16
Tab A: Homeownership Finance Report	
Tab B: Development Finance Report	
Tab C: Quarterly Compliance and Resident Services Reports	
Tab D: Quarterly Fundraising Report	
Tab E: Monthly Financial Reports	
ACTION ITEMS IN OPEN MEETING:	
Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on December 16, 2020	25
Tab 2 Presentation, Discussion and Possible Approval of a Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto.	26
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 Las Palmas Villa Apartments.	28
Tab 4 Presentation, Discussion and Possible Approval of Amended Policies for the Texas Housing Impact Fund.	32
Tab 5 Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's 2021 Annual Action Plan.	35
Tab 6 87th Texas Legislative Session Update.	37

CLOSED MEETING	none
ACTION ITEMS IN OPEN MEETING	--
ANNOUNCEMENTS AND CLOSING COMMENTS	none
ADJOURN	46

P R O C E E D I N G S

1
2 MR. DIETZ: Everybody, welcome to the February
3 meeting of the Texas State Affordable Housing Corporation
4 Board of Directors. In accordance with the Disaster
5 Declaration by the Office of the Governor, we are meeting
6 today, as we have been, virtually, so the meeting is
7 accessible via phone or online.

8 Let me call roll. Bill Dietz, Chair, I am
9 here. Valerie Cardenas, Vice Chair?

10 MS. CARDENAS: Present.

11 MR. DIETZ: Courtney Johnson-Rose?

12 MS. JOHNSON-ROSE: Present.

13 MR. DIETZ: Lali Shipley?

14 MS. SHIPLEY: Present.

15 MR. DIETZ: And Andy Williams?

16 MR. WILLIAMS: Present.

17 MR. DIETZ: Okay. We are all here, so we do
18 indeed have a quorum. And I'll remind everybody, Board
19 members and anybody else that speaks, to please identify
20 yourself prior to speaking so that we know who's speaking
21 for the record, and make sure and unmute while you're
22 speaking.

23 But before we begin, if everybody could join me
24 in the Pledge of Allegiance. You can either use a flag
25 that you have there available, or you don't need a flag

1 to -- or here's one on the screen for us. How about that?

2 (Pledge of Allegiance and Texas Allegiance
3 recited.)

4 MR. DIETZ: All right. And before we go into
5 the President's Report, we will make an opportunity for
6 public comment. If there are any public comments to be
7 made, then the speakers are limited to three minutes
8 each.

9 And I'll just remind Board members that these
10 are just public comments. It's not really a Q-and-A
11 session. And any public comments, if and when an
12 applicable agenda item were to be discussed at this
13 meeting or any future meeting, then those public comments
14 will be taken into consideration.

15 Sarah, do we have some public comment --
16 individuals that are ready to make those public comments?

17 MS. ELLINOR: Yes. Okay. It looks like we do
18 have Miranda Sprague, so I'm going to unmute you. If you
19 can please introduce yourself and who you represent.

20 Like Bill said, you'll have three minutes to
21 speak.

22 MR. DIETZ: Yeah. If you could also state
23 your -- just state your name and address, that would be
24 great.

25 MS. SPRAGUE: My --

1 MR. DIETZ: For the --

2 MS. SPRAGUE: -- business address or my
3 personal address?

4 MR. DIETZ: Personal address.

5 MS. SPRAGUE: Personal address? Okay. This is
6 Miranda Sprague. My personal -- I work with ITEX
7 Development. We're the co-developer for Sandpiper Cove in
8 Galveston, Texas. My personal address is 4677 Caspian
9 Lane, Davie, Florida 33314.

10 MR. DIETZ: Great. Thanks.

11 MS. SPRAGUE: You're welcome. I -- thank you
12 very much for allowing me to speak today to the TSAHC
13 Board. I appreciate your time. We're really excited
14 about Sandpiper Cove. We believe that being able to
15 rehabilitate this development would do such great good for
16 the residents and community in Galveston.

17 We understand that there is a deep need for
18 affordable housing on Galveston Island. So, to be able to
19 rehabilitate Sandpiper Cove's 192 units and get them back
20 to where they need to be for these residents to have a
21 good life is what we are seeking.

22 Next Board meeting -- the next TSAHC Board
23 meeting, that is, we actually plan to bring this item to
24 your agenda for approval for bond issuance. We're also
25 seeking TDHCA's approval on March 11 for 4 percent tax

1 credits in order to financially close this deal no later
2 than mid-April and start rehabilitation.

3 We've heard a lot of feedback from the Texas
4 Housers and residents in regards to the concerns that are
5 at the property. And we have been diligently doing third-
6 party reports in digging down to see what the causes of
7 problems are in order to have an all-encompassing
8 rehabilitation of this project, to ensure that everything
9 is taken care of and the concerns are addressed.

10 So, we -- again, we'll be in front of you in
11 about a month, and we're excited about this. And if
12 there's any questions in the meantime, ITEX is always
13 available to answer questions or speak with anybody. So,
14 I want to put that out there as well.

15 So that's all. Thank you for your time.

16 MR. DIETZ: Great. Thank you, Miranda, for
17 that comment. Sarah, is there any other individuals
18 wishing to make public comments?

19 (Pause.)

20 MR. LONG: Sarah, I think you're muted.

21 MS. ELLINOR: I'm sorry. Too many things going
22 on in the background. Ray Richardson, you were wishing to
23 make public comment as well. You can unmute yourself now.

24 MR. RICHARDSON: Okay. Good morning, Board.
25 I'm Raynold Richardson. I'm the principal owner of

1 Jeshurun Development who is a co-developer with Sandpiper
2 Cove apartment complex also, which will be coming
3 officially before the Board next month.

4 I just want --

5 MR. DIETZ: If you could also state your name
6 and address for the record? You already said your name.
7 Just your address for the record.

8 MR. RICHARDSON: Okay. My address is 7505
9 Haywood Drive, Houston, Texas 77061.

10 I just want to state for the record that we
11 have been collaborating with Texas Housers, and there may
12 not be a meeting of the minds as far as -- in pursuit of
13 what we want to do at this site. But I just want to make
14 it aware to the Board that myself and Chris Akbari, the
15 principal of ITEX -- we have met with the front office at
16 [inaudible] when we started this venture several months
17 ago, and we do have a support letter from HUD, as far as
18 the asset is concerned, to rehabilitate it.

19 We have support letters from the Congressman,
20 the State rep, the city manager, the Galveston Chamber of
21 Commerce, the Moody Church. And we've also walked the
22 site also and canvassed the residents who are living
23 there. And we really believe the majority of the
24 residents -- at least, we've spoken to a third of them --
25 want to see the site change.

1 I just want to say that when we officially come
2 before the Board next month, we will have the
3 documentation and information from all these folks that
4 we've interacted with, who we've reached out to. And
5 we've even reached out to HUD to ask them, could they do
6 some of the things that Texas Housers wants to be done.

7 And of course, statutorily, they're not in a
8 position to do that. So, we'll be forwarding all that
9 documentation to the Board, so you'll have it next month,
10 so when we make our official presentation for the bonds --
11 and the day after that, we'll go before the TSAHC Board --
12 I mean, the TDHCA Board.

13 And in fact, you know, we talked with them last
14 month on their Board call. This came up. And Mr. Vasquez
15 sent someone out there to inspect the site. That was done
16 a week or so ago, and actually, they saw great improvement
17 at the site since we took over in April of last year.

18 The management company I work for -- I'm the
19 Vice President of -- J. Allen Management Company, we have
20 made a lot of changes since we've took over the site, and
21 which HUD forced the owner to do. And we came on board,
22 and it's been a great success. And we've had great
23 strides with the local police enforcement, in trying to
24 address all the issues at the site.

25 So, I just wanted to let the Board know that

1 this is something that we're all pursuing in collaboration
2 with everybody that's in the Galveston area, Department of
3 HUD, and TDHCA. So, we'll be prepared to present a
4 package to you next month, and hopefully, we can gain your
5 approval.

6 Thank you.

7 MR. DIETZ: Great. Thank you for that
8 comment. Sarah, is there any additional person wishing to
9 make a public comment?

10 MS. ELLINOR: We do have another. There was
11 supposed to be a tenant joining us. I'm not seeing her on
12 here, but we do have Ms. Ericka Bowman. So, Ericka, you
13 can unmute yourself at this time, and introduce yourself,
14 as the others have.

15 MR. DIETZ: And if you would just state your
16 name and address for the record, that would be great.

17 MS. BOWMAN: Sure. Good morning. My name is
18 Ericka Bowman. I live at 4326 Treccia Court, Katy, Texas
19 77493.

20 I am a community organizer with Texas Housers,
21 and I am speaking today more so on the behalf of the
22 tenants that I have been communicating with and helping
23 the unit -- the tenants' unit organization, kind of,
24 galvanize and get more of the voices of the tenants that
25 live there at Sandpiper Cove.

1 Texas Housers has been working diligently with
2 these tenants, and also providing them with the research
3 that we've gathered, and also giving them alternatives to
4 what's been given to them at this point. The tenants at
5 this time aren't happy with -- well, the majority of the
6 tenants that I've spoke with are afraid, I should say --
7 that would be the better word -- of what's being proposed
8 as per this rehab.

9 They have witnessed multiple times throughout
10 the years many new owners coming in, new developers coming
11 in, and making promises that have never been made. They
12 continue to live in the same conditions that they've lived
13 in for almost -- over some 10, some 15, some 20, some
14 longer, years.

15 The conditions have unfortunately affected a
16 lot of these tenants' health, and a lot of them are also
17 very afraid of the rise in crime in the community and in
18 the area. There's been lots of shootings. I get constant
19 calls and constant texts of fear.

20 Tenants understand that this is a proposal --
21 supposedly a proposal -- to get them or give them better
22 living conditions. And I know that coming before you, and
23 even the tenants saying -- coming before you and asking
24 that you deny the award bonds for this transaction, seems
25 somewhat weird, especially coming from a group of

1 residents that are living in some hazardous living
2 conditions.

3 But there are -- but what's being asked is that
4 you take a look of the history of what they have gone
5 through in the past and what's been promised and why they
6 fear that rehab is not going to be enough for them and
7 their families.

8 The place, Sandpiper Cove, without a doubt,
9 needs to be knocked down and rebuilt from the floor up.
10 And the tenants feel that they also -- it should be
11 rebuilt in an area to where there isn't high crime, where
12 there's more opportunity, where there's better schooling.

13 And Texas Housers has been providing them with
14 all the information that they need in making this
15 decision, as well. So, I really wish the tenant was going
16 to be on the phone, because I know that coming directly
17 from the tenants sometimes is more powerful.

18 But I have spent over a year now working with
19 these tenants at Sandpiper Cove. And I have witnessed and
20 gathered videos and pictures and heard and witnessed
21 the -- how they've been treated by management, even before
22 and now, as new management has stepped in.

23 There's a huge fear of retaliation. But I just
24 wanted to make this short. I know we only have three
25 minutes. But I wanted to come to you before today. I

1 know we, Texas Housers, submitted a letter to you, and it
2 was a fairly lengthy letter, but we ask that you take the
3 time to read over this letter and understand exactly why
4 these tenants are begging for you to collaborate with
5 other entities, and to provide them with vouchers to
6 relocate to a safer and a better community, and also that
7 this community, this new building, this new Sandpiper, be
8 done properly and be done right, and that they aren't left
9 with promises and band-aided areas, like as of now.

10 They are painting over railings, staircases,
11 that are literally falling apart. We have videos of that,
12 which is only a small portion of what these tenants have
13 to deal with on a daily basis. And then it's reported to
14 have been remedied or fixed.

15 So, they're tired of it. And they have every
16 right to be tired of it, especially when it comes to their
17 health and the health of their children. And we
18 understand -- the tenants understand -- that you have a
19 huge role to play in this decision, and it's not an easy
20 one to make. Not an easy decision to make, but they do
21 ask that, before you make this decision, that you sit down
22 and you really, please, listen to what they've brought to
23 the table and why they're asking what they're asking.

24 Thank you.

25 MR. DIETZ: All right. Thank you so much for

1 that comment. All right. Sarah, is there an additional
2 person that would like to make a public comment?

3 MS. ELLINOR: Yes, actually. Elizabeth Rohm.
4 I'm not sure if I'm pronouncing that correctly, but I'm
5 going to go ahead and allow her to speak. She made a
6 comment in the chat feature that she'd like to speak as
7 well.

8 MR. DIETZ: Great. And if you could state your
9 name and address for the record?

10 MS. ROEHM: Hello. Yes. My name is Elizabeth
11 Roehm. I'm a staff attorney at Texas Housers. My address
12 is 1800 West Sixth Street, Austin, Texas 78703.

13 MR. DIETZ: Good. Thank you.

14 MS. ROEHM: And I just wanted to briefly
15 comment today and point your attention to our written
16 comments on this matter, which were posted on TSAHC's
17 website, along with today's meeting's agenda, and just
18 emphasize that we do have concerns at this site.

19 By infusing it with bonds and the tax credits
20 that would go along with that is reinforcing the
21 concentration of subsidized housing for families on
22 Galveston Island in a racially segregated neighborhood of
23 high poverty. That's extremely problematic and something
24 that we believe TSAHC should look into from a fair housing
25 perspective.

1 And we also strongly urge you to look into the
2 floodplain. The 100-year floodplain is at 12 and 13 feet
3 at this property, and the residents who have been there
4 for many years have experienced flooding in the past. And
5 the proposed rehab doesn't elevate to this level, so
6 tenants are left at great risk of future floods.

7 And you know, at a place like Galveston Island,
8 we know there will be hurricanes. There will be storms in
9 the future. And protecting tenants and their personal
10 property and their safety against future flooding is
11 incredibly important, and we feel could be addressed with
12 demolition and rebuild or any kind of building that raised
13 the building to that 12-, 13-foot height, or similar.

14 Secondly, just wanted to point out around
15 inspections that since this was brought up by other
16 speakers, that TDHCA did recently conduct an inspection,
17 but only of -- due to COVID, they only were able to
18 inspect the exterior of the building and vacant units.

19 So there haven't been, to my knowledge, an
20 inspection of inhabited units in, I believe, around a
21 year. I think since the fall, or November or so of
22 2019. So those new inspections that were referred to were
23 you -- you know, haven't been done of vacant units, and
24 the current owner is still in the enforcement proceedings
25 with TDHCA.

1 They just haven't been able to go in and
2 confirm all of that. So, I just kind of wanted to clarify
3 that issue. Thank you so much for your time today, and
4 for taking the time to look at our written comments.

5 MR. DIETZ: Great. Thank you. Thank you for
6 that comment.

7 Sarah, are there any additional individuals
8 wishing to make public comments at this time?

9 MS. ELLINOR: No. I don't believe that the
10 tenant was able to join us, and so that was the last
11 comment that I see.

12 MR. DIETZ: Great. And then just for anybody
13 that made public comments, please be assured that we
14 will -- it's all part of the record now. We'll definitely
15 take all of that under advisement, if and when there is
16 any action item that comes up in a Board meeting.

17 As you are probably aware, there is not today,
18 but if there is one in the future, then we'll take those
19 public comments into consideration, for sure. Okay.

20 So now, we will go on to the President's Report
21 from Mr. Long.

22 MR. LONG: Good morning, Members, Mr.
23 Chairman. Thank you very much. I appreciate the
24 opportunity to kind of just have another meeting.

25 I appreciate y'all's patience. Not only that,

1 your commitment and leadership, because I know, during
2 these virtual times that we're holding these meetings,
3 it's a little more obscure in the sense that we don't get
4 a chance to see each other, have a chance to visit, and
5 just kind of appreciate you continuing to guide our
6 organization.

7 As we continue to work under the COVID
8 restrictions, as you announced, Mr. Chairman, at the
9 beginning of this meeting, I want to assure the Board that
10 staff at our building, that are working in the building --
11 there are few that do go in, and the rest continue to work
12 from home. And that's of utmost importance as to ensure
13 that our staff are maintaining -- we are maintaining a
14 safe and supportive environment for our staff.

15 I did want to kind of just reflect on the fact
16 that this is our first Board meeting of 2021, so
17 welcome. As a result of that, I do want to go ahead and
18 let you know that the Tab Items A through E were provided
19 in the Board book.

20 Those were our program reports, along with our
21 quarterly reports for compliance and resident services and
22 the fundraising report. If you have any questions on
23 that, I'm sure we can try and answer those during the
24 meeting. If not, we just want to make sure you are caught
25 up with all the information that we gather on a monthly

1 and quarterly basis, to provide you for your ongoing
2 information.

3 The big thing that I did want to talk to you
4 about, or at least make you aware of, is even though we've
5 been in a scenario of not being able to go to work on a
6 regular basis in the office, we are continuing to do a lot
7 of things in our programs, and as a result, we continue to
8 add staff. And as of February 1, we've added two new
9 staff members, both in the Single-Family Compliance
10 Program area.

11 Their names are Susan Parker. She is going to
12 work with Donnetta in our MCC Compliance Program. And
13 then Beth Culotta, and she is a Single-Family Compliance
14 Specialist working directly with Delia and her group. All
15 of these individuals work under the Single-Family
16 Compliance leadership with Tim Almquist.

17 I did want to say, a belated birthday to
18 Susan. Her birthday was on Monday the 8th. So, she
19 started with us, and since we don't have any people in the
20 office on a regular basis, it's kind of hard to say happy
21 birthday. But Susan and Beth both started on the 1st, and
22 yet Susan went ahead and had a birthday on us already.

23 So happy birthday to her, since we didn't get a
24 chance to do anything for her in the office. I know
25 Sarah's got their pictures up, and a little bit of

1 background on them was included in the Board Book. So, if
2 you want to look at that, you can get some more
3 information on them.

4 I don't know if they're actually on, and I
5 wasn't going to try and embarrass them, but if either one
6 of them is on the call -- Sarah, you might tell me. Are
7 they are on the call?

8 MS. ELLINOR: They are, if you'd like for them
9 to say hello.

10 MR. LONG: I think each one of them -- I think,
11 starting with Susan, each of them should at least say hi,
12 so we can at least embarrass them.

13 MS. ELLINOR: Okay.

14 MR. LONG: So, Susan, do you want to start, and
15 just say hi? And welcome aboard.

16 MS. PARKER: Hi. Can y'all hear me?

17 MS. ELLINOR: We can.

18 MR. LONG: Yes, we can.

19 MS. PARKER: Okay. Wonderful. Well, thank you
20 so much, and thank you for the birthday wishes. It's a
21 different kind of birthday during COVID, but we -- you
22 know, we still had a good time. And just wanted to say,
23 I'm so blessed to be here, and thank you so much.

24 MR. DIETZ: You're welcome.

25 MR. LONG: Beth?

1 MS. CULOTTA: Hi, everyone. I'm Beth
2 Culotta. I am extremely happy to be a part of the TSAHC
3 family, as a Single-Family Compliance Specialist. My
4 heart definitely is with low- and moderate-income
5 individuals, and I am just so thankful to be here.

6 And thank you for letting me say hello.

7 MR. DIETZ: Welcome.

8 MR. LONG: Well, again, welcome aboard to both
9 you, and I know they actually came into the office in a
10 very restricted scenario and set up their offices and had
11 some training last week. So, I know they're now already
12 working at home. So very good training by Donnetta and
13 Delia, respectively. And we're happy to have them on
14 board.

15 Moving on, the Loan Committee met yesterday,
16 and we did review a couple of loans that required
17 Committee action. I included the agenda with my
18 President's Report to the Board members.

19 One of those loans was a loan to the Guadalupe
20 Neighborhood Development Corporation for the La Vista de
21 la Lopez apartments. That is a loan that we will be
22 making in coordination -- and that was approved -- and
23 that we'll be making in coordination with the Committee's
24 guidance.

25 And that loan does not require Board approval,

1 so that one will be moving forward internally. We did
2 approve another loan for \$1.5 million in the construction
3 of -- construction loan to the Project Transitions for
4 Burnet Place apartments.

5 That is a -- being \$1.5 million, that is an
6 agenda item that will end up on our Board for probably the
7 March meeting. But again, that was approved by the
8 Committee for recommendation to the Board for
9 consideration.

10 I would like to thank Mr. Williams. He is
11 graciously always attending these meetings. I know it's a
12 little -- a remote meeting, again, and it's a little hard
13 to get everybody's personal input on stuff, because it's a
14 pretty chaotic call, with so many people on the call, but
15 I really appreciate his time.

16 And I would offer a chance for him right now,
17 if he wanted to add anything or say anything? Mr.
18 Williams, do you have anything to add about the Committee
19 yesterday?

20 (No response.)

21 MR. LONG: No? Okay. I will move on.

22 MR. WILLIAMS: David, I'm sorry. Yeah. No. I
23 just --

24 MR. LONG: That's okay.

25 MR. WILLIAMS: -- yeah. I think the Loan

1 Committee is doing a great job. We're working on
2 approving loans.

3 There's a -- I'd like the Board to know there's
4 a lot of dialogue. I think we're taking a lot of
5 fiduciary duty on how we deploy capital, and also, the
6 programmatic behind how we can get our funding down
7 statewide.

8 So, I do appreciate the Loan Committee's
9 efforts and their diligence and professionalism.

10 MR. LONG: Thank you, Mr. Williams. I
11 appreciate that. And again, I would like to commend
12 Cassandra Ramirez. She does a great job of leading us
13 through that, those committees, and her and Dave
14 Danenfelzer and Ericka have a lot of information and stuff
15 that they present to the Committee. And its good
16 information that we're able to not only look at from a
17 report standpoint, but also, as we -- as they present loan
18 activity to us for our consideration, they always have a
19 very good write-up and a lot of information so that we can
20 make the decision with that.

21 The rest of the report, Mr. Chairman -- I'll
22 just kind of let you all quickly go over it, in terms of
23 my President's Report. Single Family Program activity, we
24 obviously have a lot of things going on. In Single
25 Family, we continue to have great demand in our single-

1 family mortgage programs.

2 We are doing a lot of trainings. As you can
3 see in my President's Report, there's a lot of training
4 activity going on. And we continue to sign up new lenders
5 to participate in our Single-Family Programs.

6 Fundraising and business development, we are
7 continuing to have Katie and her team continue to take an
8 active role in trying to find additional capital that we
9 can deploy for our programs. And the most recent one that
10 she's working on right now is an organization, Arnold
11 Ventures Foundation, and they've come to us with an
12 opportunity to take down and maybe deploy some additional
13 capital for our ACT property acquisition, and maybe using
14 that to also help build some capacity with some smaller
15 development. So, we'll look forward to continuing to hear
16 how that works out.

17 Marketing, I wanted to go back and again
18 mention that -- I want to thank our Board members, those
19 of you who have participated in our podcast segments. I
20 know Ms. Cardenas and Ms. Shipley have already done one.
21 I know Ms. Rose is working on one. So, I appreciate that.

22 Not to be left out -- if Mr. Williams or Mr.
23 Chairman, if you would like to participate, I'm sure staff
24 would love to get on the segment regarding something that
25 we can put out on our website for educational

1 purposes. But so far, they've been really successful, and
2 we really, really appreciate their time and the effort of
3 the Board members that have participated so far.

4 We are working with our master servicer,
5 Lakeview Loan Servicing, to send out communication to
6 TSAHC homeowners to educate them about the mortgage
7 assistance that's been available under the CARES Act and
8 other local resources, so that we continue to provide our
9 homeowners the opportunity to know, if they're struggling,
10 that there's an opportunity for them to have resources to
11 maybe help them out.

12 So, we appreciate our opportunity to work with
13 our master servicer. That partnership continues to be
14 very beneficial to not only TSAHC, but the people that we
15 serve.

16 Government relations. As many of you know, on
17 January 12, the 87th Legislative Session opened
18 up. Michael Wilt, our Government Relations Manager, has
19 been very active in making sure that there is
20 communications, bill tracking, and meetings set up, as
21 best we can.

22 I am basically -- with Michael, a lot of times,
23 we have calls. I know Janie and a few other people join
24 us on calls when we feel it's appropriate. But right now,
25 we've just been trying to engage with the leadership at

1 the Capitol, as well as some of the organizations that we
2 have worked with over the year, that will also be
3 addressing affordable housing needs across the state. I
4 know Michael actually has an update during the Board
5 meeting later on, so I'll stop with that.

6 Mr. Chairman, that concludes my report. I
7 always like to remind you that our next scheduled Board
8 meeting is tentatively scheduled for March 10 at 10:30
9 a.m., and we will continue to work with the Board members
10 and staff to make sure that we have an agenda put together
11 and coordinate that with you to ensure your availability
12 for the meeting on March 10.

13 And with, I'll conclude, unless there's any
14 questions.

15 MR. DIETZ: Great. Thank you, Mr. Long. Are
16 there any questions from Board members or comments?

17 (No response.)

18 MR. DIETZ: Okay. If not, we'll move into our
19 action items for the meeting today.

20 Tab Item 1 is the "Presentation, Discussion and
21 Possible Approval of Minutes of the Board Meeting held on
22 December 16, 2020." Are there any additions, corrections,
23 changes, comments about the minutes?

24 (No response.)

25 MR. DIETZ: And if not, if you'd like to make a

1 motion to approve?

2 MS. CARDENAS: This is Valerie. Motion to
3 approve.

4 MR. DIETZ: Is there a second?

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

6 MR. DIETZ: Okay. It has been moved and
7 seconded that we approve the minutes from the Board
8 meeting on December 16, 2020. Is there any public
9 comment?

10 (No response.)

11 MR. DIETZ: Hearing none, all in favor -- or
12 actually, we'll do this roll call style to make sure I can
13 hear the responses. So, Bill Dietz, yes. Valerie
14 Cardenas?

15 MS. CARDENAS: Yes.

16 MR. DIETZ: Courtney Johnson-Rose?

17 MS. JOHNSON-ROSE: Yes.

18 MR. DIETZ: Lali Shipley?

19 MS. SHIPLEY: Yes.

20 MR. DIETZ: And Andy Williams?

21 MR. WILLIAMS: Yes.

22 MR. DIETZ: Okay. Great. The minutes from
23 December are approved.

24 Tab Item 2 is the "Presentation, Discussion and
25 Possible Approval of a Resolution Regarding the

1 Application for and Conversion of Reservation for
2 Allocation of Private Activity Bonds to Mortgage Credit
3 Certificates and Containing Other Matters Incident and
4 Related Thereto."

5 MS. LeVECQUE: Good morning, Mr. Chairman and
6 Board members. This is Joniel LeVecque. I'm the
7 Homeownership Program Director. Can you all hear me okay?

8 MR. DIETZ: We can.

9 MR. LONG: Yes.

10 MS. LeVECQUE: Great. Thank you. So, in order
11 to ensure that we have eligible homebuyers' access to our
12 Mortgage Credit Certificate Program, we are asking you
13 approve the resolution under Tab Item No. 2 that will
14 authorize us to submit an application for allocation of
15 private activity bonds to the Texas Bond Review Board.

16 This is a reservation that will utilize all of
17 the 2019 carry-forward allocation in the amount of
18 \$667,865,165.50, and also allow us to convert all of this
19 to volume allocation for the Mortgage Credit Certificates
20 Program.

21 I will accept any questions you might have at
22 this time, and I ask your approval of this resolution.

23 MR. DIETZ: Great. Are there any questions or
24 comments?

25 MS. JOHNSON-ROSE: Mr. Chairman, I'll make a

1 motion -- this is Courtney Johnson-Rose -- for approval.

2 MR. DIETZ: Thank you. Is there a second?

3 MS. CARDENAS: This is Valerie. Second.

4 MR. DIETZ: Okay. It's been moved and seconded
5 that we approve the resolution regarding the application
6 for and conversion of reservation for allocation of
7 private activity bonds to mortgage credit certificates.
8 Is there any public comment?

9 (No response.)

10 MR. DIETZ: Okay. Hearing none, we'll go
11 through the roll call vote. Bill Dietz, yes. Valerie
12 Cardenas?

13 MS. CARDENAS: Yes.

14 MR. DIETZ: Courtney Rose?

15 MS. JOHNSON-ROSE: Yes.

16 MR. DIETZ: Lali Shipley?

17 MS. SHIPLEY: Yes.

18 MR. DIETZ: And Andy Williams?

19 MR. WILLIAMS: Yes.

20 MR. DIETZ: Great. The resolution is approved.

21 MS. LeVECQUE: Thank you.

22 MR. DIETZ: Thank you. Tab Item 3 is the
23 "Presentation, Discussion and Possible Approval of a
24 Resolution Regarding the Submission of one or more
25 Applications for Allocation of Private Activity Bonds,

1 Notices of Intention to Issue Bonds and State Bond
2 Applications to the Texas Bond Review Board for the Las
3 Palmas Villa Apartments."

4 Mr. Danenfelzer?

5 MR. DANENFELZER: Good morning. David
6 Danenfelzer, Senior Director of Development Finance here.
7 This is a project that we did look at last August, and the
8 Board has already induced the application. Staff will
9 begin working very soon on drafting all of the documents
10 and preparing things in order to get ready to bring it
11 back to you for closing in the future.

12 However, at this time, one of the things that's
13 changed since last August was a small change in the
14 structure of the ownership entities. This was required
15 based on the fact that the property is a HUD-financed
16 property in some aspects, and a new entity needed to be
17 entered in order to transfer the contracts and other
18 rights to the new ownership.

19 And in looking at all that, bond counsel
20 basically agreed with the developer that it was necessary
21 to go ahead and amend our original inducement in order to
22 include this new entity and make sure that, for tax
23 purposes and for legal reasons, we wanted to make sure
24 everything is -- you know, all the I's are dotted, and all
25 the T's are crossed on this deal.

1 Nothing else about the transaction that you
2 reviewed last August has changed at this point. You know,
3 again, we'll continue to move forward, but this is sort of
4 a clean-up and a little bit of a correction to make sure
5 that we have all of our ducks in a row to get this through
6 as fast and efficiently as we can and bring it back to you
7 for final approval.

8 MR. DIETZ: Great. Thank you. Are there any
9 questions for Mr. Danenfelzer or any comments from the
10 Board?

11 MS. JOHNSON-ROSE: Mr. Chairman, this is
12 Courtney. So just to clarify, we've already approved
13 this, and this is just because -- it's coming back to the
14 Board just to do a little bit of clean-up in regards to
15 name change and entity change?

16 MR. DANENFELZER: That's correct. Yeah. And
17 to be specific, and I'll put it on the -- in the
18 transcript, that there's an additional legal entity to be
19 named, Apartments of Las Palmas 1, a Limited Liability
20 Corporation, which needs to be added to the inducement
21 resolution that we passed last August, in order to make
22 sure that when we issue the bonds, that party is able to
23 go ahead and utilize bond proceeds to pay back costs of
24 the transaction.

25 MS. JOHNSON-ROSE: Okay. I understand. Thank

1 you.

2 MR. DIETZ: Great. Any additional questions or
3 comments from Board members to Mr. Danenfelzer?

4 (No response.)

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

6 MS. JOHNSON-ROSE: Mr. Chairman, this is
7 Courtney Johnson-Rose. Motion to approve.

8 MR. DIETZ: Thank you. Is there a second?

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

10 MR. DIETZ: Okay. It's been moved and seconded
11 to approve the resolution regarding the submission of the
12 private activity bonds with regard to the Las Palmas Villa
13 apartments. Is there any public comment?

14 (No response.)

15 MR. DIETZ: Okay. Hearing none, we'll do our
16 roll call vote. Bill Dietz, yes. Valerie Cardenas?

17 MS. CARDENAS: Yes.

18 MR. DIETZ: Courtney Johnson-Rose?

19 MS. JOHNSON-ROSE: Yes.

20 MR. DIETZ: Lali Shipley?

21 MS. SHIPLEY: Yes.

22 MR. DIETZ: And Andy Williams?

23 MR. WILLIAMS: Yes.

24 MR. DIETZ: Okay. It is -- the resolution is
25 approved.

1 Tab Item 4, the "Presentation, Discussion and
2 Possible Approval of Amended Policies for the Texas
3 Housing Impact Fund." Is that you as well, Mr.
4 Danenfelzer?

5 MR. DANENFELZER: Yes, it is. Again, Dave
6 Danenfelzer, Senior Director of Development Finance.
7 There's a write-up. It's on page 64 of the Board Book, so
8 it is after the actual policy in the Board Book. So, if
9 you keep tabbing down, you can see it.

10 But essentially, in working over the past year
11 to identify new organizations that we can work with and to
12 help us target a wider variety of both nonprofit and for-
13 profit applicants, the Loan Committee has discussed many
14 times of how we can kind of fine-tune our policies and
15 requirements in order to make sure that we create as level
16 of a playing field for all parties, and also to make it as
17 flexible as possible, while still maintaining the
18 financial fiduciary responsibilities that we take, and to
19 be -- you know, to get the best applicants, but also to be
20 reasonable in our assessments.

21 One of the things that came up, that was
22 brought up in late December and early January and the Loan
23 Committee discussed in January was Section 8(c) regarding
24 financial strength of applicants. What we've done is
25 simply create more level playing field, again, for both

1 nonprofit and for-profit entities.

2 You can read the actual change, but what you'll
3 see is that we have previously had a standard for
4 nonprofits that was a two-part standard based on the
5 revenues that the nonprofit earned. And then we had a
6 second standard for for-profit entities which was very
7 similar to the nonprofit but didn't have a differentiation
8 between the revenues that the for-profit entities generate
9 or earn on an annual basis.

10 And so, it was decided to go ahead and just
11 blend those two standards into, you know, one standard
12 that's for all nonprofit and for-profit applicants. And
13 on the policy itself, the edits are on page 6 of the
14 proposed policy.

15 And if these are adopted today, we'll -- you
16 know, we'll accept all the changes in the redlined version
17 that you -- that's presented to you and post a new
18 version.

19 MR. DIETZ: Great. Thank you. Are there any
20 questions or comments for Mr. Danenfelzer from the Board?

21 (No response.)

22 MR. DIETZ: And if not, I'd entertain a motion.

23 MR. WILLIAMS: This is Andy. I motion to
24 approve.

25 MR. DIETZ: Great. Is there a second?

1 MS. JOHNSON-ROSE: This is Courtney. I will
2 second.

3 MR. DIETZ: Okay. It's been moved and seconded
4 to approve the amended policies for the Texas Housing
5 Impact Fund. Is there any public comment?

6 (No response.)

7 MR. DIETZ: Hearing none, we'll do our roll
8 call vote. Bill Dietz, yes. Valerie Cardenas?

9 MS. CARDENAS: Yes.

10 MR. DIETZ: Courtney Johnson-Rose?

11 MS. JOHNSON-ROSE: Yes.

12 MR. DIETZ: Lali Shipley?

13 MS. SHIPLEY: Yes.

14 MR. DIETZ: And Andy Williams?

15 MR. WILLIAMS: Yes.

16 MR. DIETZ: Okay. The changes -- or the
17 amended policies for the Texas Housing Impact Fund are
18 approved.

19 MR. DANENFELZER: Thank you very much.

20 MR. DIETZ: Tab Item -- sure. Thank you.

21 MR. THORNHILL: Chairman Dietz? Chairman
22 Dietz, this is Routt Thornhill, General Counsel.

23 MR. DIETZ: Yes?

24 MR. THORNHILL: Did you vote on that? I didn't
25 hear you.

1 MR. DIETZ: Yes.

2 MR. THORNHILL: Okay. All right.

3 MR. DIETZ: Yeah. I voted first. No. No
4 problem. Thank you. Great.

5 Tab Item 5 is the "Presentation, Discussion and
6 Possible Approval of the Texas State Affordable Housing
7 Corporation's 2021 Annual Action Plan."

8 MR. WILT: Good morning, Chairman Dietz and
9 Board members. I'm Michael Wilt, Senior Manager of
10 External Relations. I'm here to present the Corporation's
11 draft 2021 Annual Action Plan for possible approval. If
12 you recall, in December, you approved the draft Plan for
13 publication and allowed us to make it available for public
14 comment from December 18 through January 20.

15 During that time, we also participated in a
16 virtual public hearing along with TDHCA on the Annual
17 Action Plan and State Low Income Housing Plan. That was
18 on January 6. We didn't receive any public comment at
19 that hearing or during the public hearing window.

20 We did make two changes to the draft Plan
21 between December and now. On page 8, we updated the
22 homeownership numbers to reflect activity through the end
23 of the year. And on page 20, we updated numbers under the
24 Housing and Economic Assistance to Rebuild Texas Program,
25 to reflect activity documented in a grantee report that we

1 received in January.

2 As a reminder, this plan is prepared in
3 accordance with Texas Government Code, Section 2306.566,
4 which requires us to develop a plan to address the state's
5 housing needs. Also, according to subsequent sections,
6 our Annual Action Plan must be included each year in the
7 State Low Income Housing Plan, which is prepared by TDHCA.

8 TDHCA is scheduled to take up the State Low
9 Income Housing Plan at their Board meeting tomorrow. They
10 put some placeholder language for our Annual Action Plan,
11 but presumably, they'll have that State Low Income Housing
12 Plan approved tomorrow.

13 Assuming you all approve this Plan, we'll send
14 it over to them, and they'll fit it into the State Low
15 Income Housing Plan, and then it will be sent to the
16 Governor, Lieutenant Governor and Speaker of the House.
17 With that, I'll take any questions.

18 MR. DIETZ: Great. Thank you. Any questions
19 or comments?

20 (No response.)

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

22 MS. CARDENAS: This is Valerie. Motion to
23 approve.

24 MR. DIETZ: Thank you. Is there a second?

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

1 MR. DIETZ: Okay. It's been moved and seconded
2 that we approve the Texas State Affordable Housing
3 Corporation's 2021 Annual Action Plan as presented. Any
4 public comment?

5 (No response.)

6 MR. DIETZ: Hearing none, we'll do our roll
7 call vote. Bill Dietz, yes. Valerie Cardenas?
8 Valerie, are you muted?

9 MS. CARDENAS: Yes, I'm sorry. Yes.

10 MR. DIETZ: Okay. Great. Courtney Johnson-
11 Rose?

12 MS. JOHNSON-ROSE: Yes.

13 MR. DIETZ: Lali Shipley?

14 MS. SHIPLEY: Yes.

15 MR. DIETZ: And Andy Williams?

16 MR. WILLIAMS: Yes.

17 MR. DIETZ: Great. The 2021 Annual Action Plan
18 is approved. Thank you, Mr. Wilt.

19 MR. WILT: Thank you.

20 MR. DIETZ: And then Tab Item 6 is our update
21 on the 87th Texas Legislative Session. So, this tab item
22 doesn't require any action. It's just for our
23 edification.

24 MR. WILT: Again, it's Michael Wilt, Senior
25 Manager of External Relations. As David mentioned, the

1 legislative session started in January, on January 12, and
2 it ends on May 31 of this year. I'm just going to provide
3 you a quick update on what we know and what we've done to
4 date.

5 On January 12, the Texas House of
6 Representatives elected Dade Phelan of Beaumont as the new
7 Speaker of the House. He replaces the outgoing Speaker,
8 Dennis Bonnen, who retired. We've reached out to our
9 contact there to see if we can get a meeting scheduled
10 with her to just give her an update on what we do and who
11 we are.

12 She's somebody new that we haven't worked with
13 in the past, so we're looking forward to meeting her.
14 Over on the Lieutenant Governor's side, we have yet to
15 schedule a meeting with our contact there, but we will do
16 so this month.

17 And then on the Governor's side, we met with
18 our liaison there last month, and we had a really good
19 meeting with her. And she had some additional feedback
20 that she requested of us that we provided to her after
21 that meeting.

22 Starting in late December and running into
23 January and also today, we've been meeting with industry
24 organizations that operate in the housing space to
25 understand what their legislative agenda is. We've had

1 six of those meetings to date. Today will be the seventh.

2 As you can imagine, because of the unique
3 circumstances surrounding the session, nobody really has
4 what we call affirmative legislative agendas. Some people
5 are trying to clean up some bills that were passed last
6 session that need some technical changes or some non-
7 substantive changes or corrections, and there a few items
8 that people are playing defense on.

9 But nobody, with the exception of one
10 organization, is really trying to press for anything major
11 in terms of affirmative legislation. Two committees that
12 we report to are House Urban Affairs, the House Committee
13 on Urban Affairs, and the Senate Committee on Local
14 Government.

15 Those are the two committees that oversee
16 general housing and affordable housing issues. Regarding
17 House Urban Affairs, the committee looks a little bit
18 different. In the Board back-up, I did include the
19 committee members for each of these committees.

20 The House committee assignments just came out
21 last week. The chair is new. It's Representative Philip
22 Cortez out of San Antonio. He replaces Representative
23 Angie Chen Button who chaired it last session. The vice
24 chair is Representative Justin Holland from Rockwall, also
25 new to the committee.

1 There are two returning members, Diego Bernal
2 of San Antonio and Jarvis Johnson of Houston. But outside
3 of that, the make-up of the committee is brand-new, which
4 typically means some of these members aren't as familiar
5 with housing issues.

6 In the past, David and I would have been at the
7 Capitol by now multiple times, making the rounds, meeting
8 with these committee members. We're not doing that, to
9 date. We're trying to figure out what our interactions
10 are going to look like for the rest of the session; it
11 will be way more limited than what we've done in the past.

12 Members are -- some member offices are
13 scheduling in-person visits. It's kind of rare. Most
14 people prefer phone calls or Zoom meetings. They are
15 really trying to limit the number of people that are going
16 into the Capitol building.

17 As the committee assignments just came out on
18 the House side, I'm still working to see who the committee
19 clerk is. In the past, we've been invited to speak at
20 those organizational committee meetings. Those are the
21 first meetings that they have each session, but the
22 session will probably look different. We don't know what
23 those organizations meetings will look like.

24 On the Senate side, you may recall, if you've
25 been around on the Board for a couple sessions, that

1 typically we reported to Senate Intergovernmental
2 Relations, and last session, it was chaired by Senator
3 Eddie Lucio, who we have a really strong relationship
4 with. He's moved on to serve as Vice Chair of Senate
5 Finance, and Senate Intergovernmental Relations doesn't
6 even exist anymore.

7 It's been replaced by the Senate Local
8 Government, and that's chaired by Senator Paul Bettencourt
9 out of Houston. The vice chair is José Menéndez from San
10 Antonio. Both of those members served on
11 Intergovernmental Relations in the past, as well as
12 Senator Nichols, who's also on the committee, but the
13 other committee members are new, as in they didn't serve
14 on Intergovernmental Relations last session.

15 I should note that I contacted the -- who we
16 thought was the presumptive clerk of Senate Local
17 Government, Ms. Favianna Moreno. It turns out she's not
18 the clerk. We use a tracking organization -- or a
19 legislative tracking organization called Telicon to get
20 all of our up-to-date information on the Capitol. They
21 had erroneously tabbed her as the clerk of that committee,
22 but she's not.

23 So again, we're working to figure out who the
24 clerk is. On the Senate side, we'll meet with that person
25 and figure out what their plans are for the session when

1 it comes to organizational meetings and meetings
2 thereafter.

3 Regarding legislation, the bill filing began in
4 November. We've seen a modest number of housing bills
5 filed, between then and now. As of this morning -- I
6 added a couple more this morning -- we're tracking
7 65 bills.

8 Our intent is to send you our bill track on
9 Friday starting with this Friday and every Friday
10 thereafter until the end of session. As we've done in the
11 past, we'll keep you up to date on pertinent legislation
12 through that bill track.

13 We'll keep you up to date in future Board
14 meetings on member visits. In the off chance that we need
15 you to maybe testify at a committee hearing, we will see
16 if your presence is needed as the session continues.

17 Regarding what the Legislature has to get done,
18 they only have to do two things. They have to pass the
19 budget, and they have to do redistricting. The latter
20 will likely happen after session, because they're waiting
21 on some census data in order to do redistricting. They
22 can't do it until they get that data.

23 Also, in early February, Governor Abbott laid
24 out five emergency items: expanding broadband internet
25 access; stopping any efforts to defund police; statewide

1 bail reform; ensuring election integrity; and providing
2 civil immunity to businesses that opened during COVID-19-
3 related shutdown. Since they're emergency items from the
4 Governor, they can be taken up at any time.

5 And again, like, I said, the session looks
6 different. We don't know, outside of Governor
7 priorities -- Governor's priorities and what they have to
8 get done, what they'll have the appetite to do.

9 It's a fluid situation. I hate using that
10 term, but you know, we'll find out more as the days and
11 weeks go on. They're very limited in their deliberations
12 currently, and I imagine that they'll be meeting more
13 frequently, but everything's just kind of a wait-and-see
14 approach for now.

15 With that, I'll close, and I invite any
16 questions.

17 MR. DIETZ: Thank you, Mr. Wilt. Any questions
18 or comments from Board members?

19 (No response.)

20 MR. DIETZ: That was a good, thorough update,
21 and interesting and appreciated. Great.

22 I think that brings our action items to a
23 close, and I'm not aware of any reason for us to go into
24 closed meeting today. Is that correct, Mr. Long?

25 MR. LONG: That is correct. That is correct.

1 I did want to add -- Sarah, did you ever get any
2 information that would allow us to -- let me add this.
3 Mr. Chairman, we did have somebody that followed up during
4 the agenda items you were going over just now.

5 One of the people that was trying to get in was
6 having some issues during the public comment period, and I
7 wasn't sure if they were able to finally get in. But if
8 they were, I was going to suggest to the Board that we
9 might allow the public comment to be made at this time, as
10 other business, since it's not addressing any one of the
11 public items -- I mean, the agenda items, but to just
12 ensure that all public comment is offered up the chance to
13 being heard by the Board.

14 So, Sarah, I'll just see if you've had any
15 follow-up, to see if that individual was able to join the
16 meeting?

17 MS. ELLINOR: Well, no. She's on, but she's --
18 I am unable to unmute her. I think she -- we've been
19 trying to get her the right phone number, and for whatever
20 reason, she's not able to get in correctly. So, she was
21 wondering if she could type into the chat feature and have
22 read those comments aloud?

23 I just got that, so I guess that would be a
24 question for you or Routt.

25 MR. LONG: I mean, I'll let Routt respond to

1 that, but I think if she wanted to provide written
2 comments similar to what Texas Housers did, she could
3 certainly just put together a written comment and turn
4 that in as well, and we would be happy to post that, if we
5 needed to, for her benefit.

6 MS. ELLINOR: Okay.

7 MR. LONG: I'll leave that to Routt. Routt, do
8 you think there's any reason that we need to -- I don't
9 know how long her comments would take to draft at this
10 point, if she doesn't have them already drafted.

11 MS. ELLINOR: Okay. Ericka will --

12 MR. DIETZ: And --

13 MS. ELLINOR: -- turn it in, that she will turn
14 in a written response.

15 MR. DIETZ: Okay.

16 MR. LONG: Okay. That's fine.

17 MR. DIETZ: Great. Well, good. Anything
18 else? We've already talked about the time and date for
19 the next Board meeting.

20 Any other business at all, Mr. Long or Board
21 members?

22 MR. LONG: This is David. I don't have any
23 additional business to bring up at this time.

24 MR. DIETZ: Great. Well, good. Well, thank
25 you all for your time and your presence today, and with

1 that, we will adjourn this meeting at 11:28, so see you
2 all next month.

3 (Whereupon, at 11:28 a.m., the meeting was
4 adjourned.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: via RingCentral
DATE: February 10, 2021

I do hereby certify that the foregoing pages,
numbers 1 through 47, 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: February 19, 2021

(Transcriber)

On the Record Reporting
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