

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

VIA RINGCENTRAL

Wednesday,  
March 10, 2021  
10:30 a.m.

BOARD MEMBERS:

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

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

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P R O C E E D I N G S

1  
2 MS. CARDENAS: Okay. Well, good morning to  
3 everyone. It is now officially 10:30 a.m., and I would  
4 like to call this meeting to order on March 10, 2021, of  
5 the Texas State Affordable Housing Corporation meeting.

6 With that being said, we will begin roll call.  
7 Do we have Bill Dietz?

8 (No response.)

9 MS. CARDENAS: Okay. Courtney Johnson-Rose?

10 MS. JOHNSON-ROSE: Present.

11 MS. CARDENAS: Lali Shipley?

12 MS. SHIPLEY: Present.

13 MS. CARDENAS: Andy Williams? Andy?

14 (No response.)

15 MS. CARDENAS: Is Andy going to be present  
16 today?

17 MS. ELLINOR: Well, Andy was present, and he  
18 logged in and confirmed that he was here. I'm not sure  
19 where he went.

20 Rebecca, do you want to check in with him  
21 perhaps? Oh, there he is. He logged back in.

22 MS. CARDENAS: Andy Williams? We're taking  
23 roll call.

24 MR. WILLIAMS: Present.

25 MS. CARDENAS: Perfect. And Valerie Cardenas

1 present. So, let it be noted that Bill Dietz is absent.  
2 So, we do have a quorum.

3 If I can have everyone join me, please, in the  
4 Pledge of Allegiance.

5 (Pledges were recited.)

6 MS. CARDENAS: Okay. Well, before we continue  
7 with the rest of the items that we have today, do we have  
8 any public comment at this time? Now, saying that, I do  
9 recognize that we do have an order of guest speakers on a  
10 particular item, which is Tab Item 3.

11 So, I'm asking if we have any public comments  
12 that are not related to any specific agenda item that is  
13 [audio skip] today?

14 (No response.)

15 MS. CARDENAS: Okay. Hearing none, again,  
16 we'll reserve public comments when we get to the  
17 respective tab items. We will now move on to the  
18 President's report.

19 David?

20 MR. LONG: Good morning, everyone. Thank you,  
21 Ms. Chairman. Quick update on a couple of things. I'll  
22 keep it relatively short because of the amount of speakers  
23 we have registered for today's meeting. A quick update on  
24 a couple of things.

25 As y'all know, starting today, Texas is

1 reopening per the Governor's most recent announcement. We  
2 will continue to monitor our office protocols. Right now,  
3 staff are going to continue to work currently through the  
4 end of May from their home offices.

5 They have the flexibility to come in if they  
6 need to, starting today, but we will ask them to follow  
7 office protocols. Currently those include wearing masks  
8 when you're in the office and trying to social distance.

9 Regarding the Board meetings for going from  
10 virtual back to in-person, we are still waiting on an  
11 update and further information from the Governor's  
12 Office. We are still currently allowed to meet under the  
13 Governor's Disaster Declaration via virtual meetings, and  
14 until we're told otherwise, we'll continue to do so.

15 Loan committee met last -- yesterday at 10  
16 o'clock. I'd like to always -- I always thank Mr.  
17 Williams for his participation on that. We had a meeting  
18 and the agenda item was presented to the Board members as  
19 well, but just I'd just like to note that in that meeting,  
20 we had a loan to Midpark Towers, LLC under our -- using  
21 our Affordable Housing Partnership Program.

22 That loan will be used in support of other  
23 layered funding for the acquisition and rehab of a 202-  
24 unit multifamily property in Dallas. That loan was  
25 approved by the Committee. It is within the Committee's

1 threshold of approval, and so the Board won't need to take  
2 any action on it, but I'd just like you to be aware of the  
3 loans that we approve.

4 The Committee also took time to review and  
5 discuss our existing loans and other portfolio reports.  
6 There were no other additional questions at that time, and  
7 so we concluded the meeting.

8 Single family home ownership programs continue  
9 to be very busy. We continue to not only have high-volume  
10 demand in our programs, but we also are continuing to meet  
11 the need for outreach and training to our participating  
12 lenders, and their -- and realtors. So, the staff is  
13 continuing to offer those webinars and trainings across  
14 the state. We also registered three additional lenders to  
15 participate in our Single-Family Programs this past month.

16 We continue to raise money -- the Corporation  
17 is currently looking to raise money for its Texas  
18 Supportive Housing Institute, which is our PSA  
19 transactions, where we try and bring in new developers to  
20 educate them, train them, and give them guidance on how to  
21 develop PSA properties, and we received a \$5,000 grant  
22 from our partner Insperity on that. We'd like to thank  
23 them for that support.

24 We continue to expand our Board members who are  
25 participating in our podcasts. We just really appreciate

1 the Board members that have done so. And I'm excited to  
2 announce that on March 12, this Friday, we will be  
3 releasing a new podcast featuring Ms. Johnson-Rose, and  
4 she will be talking about the benefits of buying versus  
5 renting a home.

6 So, thank you, Member Johnson-Rose, for your  
7 participation in that. We just really, really think it's  
8 valuable to have the Board members participate in these,  
9 and we really appreciate all you're doing for that. We  
10 also have some future podcasts coming up on property taxes  
11 and other things that we feel are relevant, including the  
12 National Fair Housing Month, and we'll continue to get  
13 those ready and bring that to the Board's attention when  
14 those are available.

15 Government Relations. As you all know, the  
16 87th Legislature started at the beginning of this year.  
17 Michael Wilt, our Government Relations Manager, has been  
18 communicating and coordinating meetings, virtual meetings,  
19 for myself and him with various partners, affordable  
20 housing partners, and member offices.

21 Those will continue, and I know later on in the  
22 meeting, Michael is going to provide you all with an  
23 update under one of the agenda items. So, I'll stop  
24 there.

25 With that, Madame Chairman, I'll go ahead and

1 conclude. I do like to always mention that we have -- our  
2 next scheduled Board meeting is tentatively set for  
3 Wednesday, April 14, at 10:30.

4 And with that, I'll conclude, and if there's  
5 any other questions regarding the Board report packet that  
6 included all the program area reports, or anything else,  
7 I'm happy to take those questions now.

8 MS. CARDENAS: Okay. Are there any questions  
9 from the Board members?

10 (No response.)

11 MS. CARDENAS: If there are none, we will move  
12 on. Thank you, David, for the President's report.

13 We will now move on to Tab Item 1, which is the  
14 "Presentation, Discussion and Possible Approval of Minutes  
15 of the Board Meeting held on February 10, 2021." I hope  
16 everyone has had an opportunity to review the minutes, and  
17 if so, if there are no changes or revisions or amendments,  
18 if I can have a motion for approval?

19 MS. SHIPLEY: This is Lali. Motion to approve.

20 MS. JOHNSON-ROSE: Courtney Rose seconds.

21 MS. CARDENAS: Okay. I have a first and a  
22 second. Do I have any public comments at this time?

23 (No response.)

24 MS. CARDENAS: Okay. Hearing none, I'm going  
25 to take the votes by roll call, starting with Courtney

1 Johnson-Rose.

2 MS. JOHNSON-ROSE: Approve.

3 MS. CARDENAS: Okay. Lali Shipley?

4 MS. SHIPLEY: Yes.

5 MS. CARDENAS: Andy Williams?

6 MR. WILLIAMS: Yes.

7 MS. CARDENAS: And Valerie Cardenas, yes.

8 Okay. Minutes are approved. Okay.

9 Moving on to Tab Item 2, we have the  
10 "Presentation, Discussion and Possible Approval of a  
11 Resolution Approving a Texas Housing Impact Fund  
12 construction loan to Project Transitions, Inc. in an  
13 amount not to exceed \$1.5 million for the Burnet Place  
14 Apartments."

15 MS. RAMIREZ: Good morning. This is Cassandra  
16 Ramirez, Development Finance Manager at TSAHC. As Valerie  
17 mentioned, this agenda item and resolution is related to a  
18 construction loan to Project Transitions for the  
19 development of Burnet Place Apartments in Austin.

20 This will include 61 units of supportive  
21 housing for persons living with HIV and AIDS. All units  
22 will be leased to households earning 50 percent or less of  
23 the area median income. The Loan Committee approved this  
24 loan at the February Loan Committee meeting with the  
25 following conditions.

1           The loan amount is 1.5 million for a two-year  
2 term at an interest rate of 2.75 percent annually. TSAHC  
3 will collect monthly payments of interest on the  
4 outstanding principal balance of the loan during the term  
5 of construction or until the loan is repaid in full.

6           TSAHC will collect a \$15,000 commitment fee.  
7 Borrower's cash contributions and pledges are to be  
8 replaced through the Federal Home Loan Bank grants and  
9 private fundraising. Borrower must provide evidence that  
10 no more than \$750,000 remains to fill final construction  
11 cost gaps prior to closing on the TSAHC loan.

12           Borrower will draw down zero percent interest  
13 construction sources from the Austin Housing Finance  
14 Corporation and the Texas Department of Housing and  
15 Community Affairs first. TSAHC will have parity with  
16 other first lienholders. Staff has requested year-to-date  
17 financial statements and an updated loan application from  
18 Project Transitions and are pending the review.

19           Are there any questions on this agenda item?  
20 As mentioned, Loan Committee did approve this at the  
21 February meeting with the conditions noted.

22           MS. CARDENAS: Thank you, Cassandra. Do we  
23 have any questions from the Board?

24           MS. JOHNSON-ROSE: No. No, Madame Chair.

25           MS. CARDENAS: Okay. If there is no further

1 discussion regarding Tab Item 2, do I have a motion for  
2 approval?

3 MS. JOHNSON-ROSE: Motion for approval.  
4 Courtney Rose.

5 MS. CARDENAS: Okay. I have a first. Do I  
6 have a second?

7 MR. WILLIAMS: Second.

8 MS. SHIPLEY: This is Lali. I'll second. Or  
9 you can do it, Andy.

10 MS. CARDENAS: Okay. We have a second by Andy  
11 Williams.

12 Before we take a vote, do I have any public  
13 comments regarding Tab Item 2?

14 (No response.)

15 MS. CARDENAS: Okay. Hearing none, I'm going  
16 to take the approval by roll call. Courtney Johnson-Rose?

17 MS. JOHNSON-ROSE: Approve.

18 MS. CARDENAS: Lali Shipley?

19 MS. SHIPLEY: Yes.

20 MS. CARDENAS: Andy Williams?

21 MR. WILLIAMS: Yes.

22 MS. CARDENAS: And Valerie Cardenas, yes. So,  
23 Tab Item 2, as presented, is approved. Okay.

24 Now we move on to Tab Item 3. This one is a  
25 mouthful, so give me a moment here. We are going to

1 discuss the "Presentation, Discussion and Possible  
2 Approval of a Resolution authorizing the issuance of Texas  
3 State Affordable Housing Corporation Multifamily Mortgage  
4 Housing Revenue Notes (Sandpiper Cove Apartments Project)  
5 Series 2021A-1 and 2021A-2, a Funding Loan Agreement, a  
6 Borrower Project Loan Agreement, an Asset Oversight,  
7 Compliance and Security Agreement and a Regulatory  
8 Agreement; authorizing the execution of documents and  
9 instruments necessary or convenient to carry out the  
10 issuance of the Notes; and other provisions in connection  
11 therewith."

12 David Danenfelzer?

13 MR. DANENFELZER: Yes. Good morning, David  
14 Danenfelzer, Senior Director of Development Finance. As  
15 you know, this is -- there's a lot of material,  
16 particularly with addendums to this write-up. So, I won't  
17 go through each and every piece of material.

18 I know that this was posted with the Board book  
19 last week. Board members have had this material, so you  
20 know, we understand that you've had a chance to look  
21 through all of it.

22 But you know, basic summary. This is a project  
23 we received an application for last May 2020. The Board  
24 did approve an inducement resolution last August, and the  
25 project received its volume cap allocation through what we

1 call the collapse process in September of last year.

2           So, we are nearing its deadline for closing,  
3 which is April 18. And this resolution, if passed, would  
4 give us authority to move forward with the closing  
5 process.

6           The description of the property is fairly  
7 simple. It was built in 1969. It is 192 units of family-  
8 targeted housing. The property does benefit from a  
9 Section 8 rental assistance contract, which would be  
10 extended, if closed.

11           The probably more important parts that we  
12 want -- I want to touch on are the public comment, which  
13 was significant for this project. We did discuss a lot of  
14 the public comment and heard additional public comment on  
15 this project at our February Board meeting. And we've  
16 continued to accept and collect letters and other  
17 information from interested parties, all the way up  
18 through the last 24 to 48 hours. So, we've continued to  
19 collect that information and have provided that  
20 information to Board members as it's come in.

21           One point of clarification that was pointed out  
22 to me this week, and I want to make sure I state this  
23 clearly: in the public comment section of the report, it  
24 states that Texas Low Income Housing Information Services  
25 is the -- is a group that -- an advocacy group that is

1 representing Sandpiper Cove in the lawsuit that is also  
2 described in the write-up. To clarify, they are not  
3 representing the Sandpiper Cove tenants.

4 The legal representation is the Lone Star Legal  
5 Aid Program, but Texas Low Income Housing Information  
6 Services has been working with Sandpiper Cove  
7 representatives or tenants and the tenant association for  
8 a number of years, and so they have been very active in  
9 the public comment process and information process.

10 Unless there is, you know, any specific  
11 questions, I'll kind of jump down to the developer  
12 summary. The one thing I wanted to clarify here in the  
13 developer summary is that when we originally induced this  
14 project, the ownership entities were a little bit  
15 different. There was a third entity, and the roles of  
16 each entity has been readjusted.

17 ITEX Group is really the lead developer of this  
18 project. At that time, there were questions about the  
19 ownership structure, and this often happens. We do get  
20 these clarifications over time, but at this present time  
21 and the way we are moving forward with the bond documents  
22 at this time is that ITEX Group and Jeshurun Development  
23 companies are really the lead entities developing, owner-  
24 operators of this property.

25 So, I want to make sure that's clear, because

1 as it notes, previously, there were compliance issues. We  
2 had to kind of work through those, or ITEX worked through  
3 those compliance issues with the Texas Department of  
4 Housing and Community Affairs. And so, because they  
5 worked through those, they have resumed the primary role  
6 in the owner and developer of the project.

7 So that goes on to the recommendation from  
8 staff. And you know, I'll state immediately that this  
9 is -- obviously, I think, in the 14 years I've been here,  
10 I've never presented anything that didn't have a clear  
11 recommendation to the Board.

12 What staff has decided, through our analysis  
13 and review of both the underwriting materials and the  
14 other information on the project is that the project does  
15 meet all of our threshold criteria, but there are concerns  
16 that were raised in public comment: the fact that there  
17 is a lawsuit on behalf of tenants, and there are  
18 significant flood risks that are posed by the -- at the  
19 project.

20 We've provided a lot of detail there. Much of  
21 the public comment and the supporting documents, letters  
22 that have been received over the last week or more, you  
23 know, provide, I think, additional information enough for  
24 the Board to make a clear decision or at least a decision  
25 on how to move forward. But I'll kind of leave the report

1 and the write-up to speak for itself and turn it back to  
2 the Board for any questions at this time.

3 MS. CARDENAS: Thank you, David. I guess,  
4 before we move into public comment, what has been the  
5 communication? Because I did read through the report and  
6 some of the concerns as to, I guess, the rehabilitation of  
7 the project versus other measures.

8 So in regards to one particular item, on the  
9 flood insurance, what has the developer, I guess, posed as  
10 a resolution when -- really when it comes down to flood,  
11 it comes down to elevation levels. So, has there been any  
12 communication as to how that would be remedied?

13 MR. DANENFELZER: Yes. So, there is a letter  
14 that was attached, included with the Board write-up, but I  
15 also met virtually, through phone and -- or  
16 videoconference with the project's architect and the  
17 developer last week.

18 We discussed opportunities to utilize what's  
19 called a flood wall or cofferdam process, which would  
20 basically surround the entire block which the property  
21 is -- where the property is located is a single block of  
22 units. That wall would consist of -- in the discussion we  
23 had, and this is why my report notes a four-foot-tall wall  
24 that was -- that would encompass the entire property,  
25 approximately 2,700 feet in length.

1           There would be openings, both for walkways and  
2 driveways, and each of the walkway openings would have  
3 doors that are flood-proof gates, basically. And then  
4 there are barriers that can be put in place by the  
5 property management company if a significant storm like a  
6 hurricane is coming towards the island. Those would be  
7 put in place to block off those entry or exit ways for  
8 cars.

9           There's also a system of pumps that would be  
10 deployed in the event of a flood coming, and there would  
11 be shutoff valves for the sort of water/wastewater -- I  
12 shouldn't say, wastewater, but the water runoff system  
13 which drains water from the property out into the street  
14 and to the city's system, storm water runoff. There would  
15 be covers over those to prevent back-flooding into the  
16 cofferdam or into the wall.

17           I do understand that the letter that was  
18 provided notes that that wall is six feet tall, and I --  
19 and that could be just an error on my part in the report  
20 from my notes, but whether it is at six feet tall, you  
21 know, that is a system which I've done some research  
22 on. I'm not an architect or a flood engineer.

23           I know that, while they have been deployed  
24 elsewhere, they're not an end-all, be-all solution to  
25 flooding. And I do believe, you know, in my discussions

1 with the architect that he also noted that, you know,  
2 significant storms, a storm like Harvey, may not be  
3 something that a six-foot wall will deal with,  
4 particularly when we consider the -- just the massive  
5 amounts of rain that occurred during Harvey.

6 So -- but again, I would, you know, note that  
7 I'm not a flood engineer. And I'm certain that the  
8 architect or representatives from ITEX will comment on  
9 that during the public comment session.

10 MS. JOHNSON-ROSE: Madame Chair, this is  
11 Courtney Rose. I had a comment or a question about the  
12 litigation. It seemed like there was litigation, and I've  
13 read through that. But in the supporting documents, there  
14 is a letter from the U.S. Department of Housing and Urban  
15 Development, Southwest Region, in support of the project.

16 My confusion is, is the lawsuit on behalf of  
17 the tenants to HUD or against this particular developer?  
18 Who is the lawsuit against?

19 And then second, David, if you could speak to  
20 the letter of recommendation from HUD, and if that had any  
21 type of influence over your decision or lack of a  
22 recommendation for the project?

23 MR. DANENFELZER: Sure. So, to be clear, the  
24 lawsuit, as I understand it, and again, speakers and  
25 public comment may clarify these points, is -- the

1 plaintiffs in the suit are tenants and the tenants  
2 association of the Sandpiper Cove Apartments, which  
3 actually goes by a different name at this point in time.

4 And those tenants are suing the U.S. Department  
5 of Housing and Urban Development directly, and that suit  
6 is currently in the D.C. Circuit of Federal Court. And we  
7 do know that motions have been filed in that suit, but the  
8 status of it is kind of unclear.

9 We know that there's -- I mean, I think you've  
10 probably heard enough about lawsuits to know that they can  
11 take a long time, and there's a lot of maneuvering  
12 and that goes on. And I'm not a lawyer, as well, so I'm  
13 not going to comment really on what the likelihood of --  
14 or where that really is moving.

15 What I do know and from the readings I'm done  
16 and information I have is that the lawsuit requests that  
17 HUD convert the project-based Section 8 rental assistance  
18 contract, which supports all of the units in the property  
19 and provides the difference between what the individual  
20 tenants can afford to pay and what HUD determines to be  
21 the fair market rent for the property or the reasonable  
22 rent for this property, and that if the tenants -- what  
23 they're asking for is that HUD, based on a number of  
24 reasons, should convert that project-based rental  
25 assistance contract to what's called a tenant-based

1 voucher system, allowing the tenants then to take those  
2 vouchers and move anywhere that they would like to move,  
3 and that they could move somewhere else in Galveston.

4 They could move to Houston. They could move  
5 anywhere, really, with those vouchers. Those vouchers are  
6 very flexible and allow tenants a great deal of choice in  
7 where they can live in the future.

8 Now, turning to the letter, the letter  
9 certainly has a lot of weight to it. And what I  
10 understand, though, is that, you know, one of the key  
11 questions that I posed to HUD staff when I visited with  
12 them last week is whether or not, in this particular case,  
13 the courts have ever judged or found that HUD's failure to  
14 enforce their own rules has caused them to lose a suit and  
15 to kind of -- allowed the plaintiffs in similar suits to  
16 this to win.

17 I understand the letter kind of notes that HUD  
18 has never lost on their enforcement of their rules. But I  
19 don't believe it really -- you know, they didn't clearly  
20 answer, my one question is whether or not there was a risk  
21 that if HUD lost, that the tenants wouldn't then get  
22 vouchers. And that those voucher holders, if they left  
23 the property would then, you know, eliminate income to the  
24 property and place the repayment of the bonds at risk.

25 And that's my analysis of the situation.

1 MS. JOHNSON-ROSE: Thank you.

2 MS. CARDENAS: Okay. I guess we'll go ahead at  
3 this point in time now, open it up for public comment  
4 regarding Tab Item 3. I do want --

5 MS. SHIPLEY: This is Lali. I actually have a  
6 question as well.

7 MS. CARDENAS: I'm sorry, Lali. Go ahead.

8 MS. SHIPLEY: Okay. So, I understand that the  
9 opposition to this transaction would like the project to  
10 be rebuilt at a different location, and I assume for a  
11 number of reasons. But from what I understand, relocation  
12 isn't something that the current developers are  
13 considering.

14 David, has there been any analysis as to public  
15 benefit that rehabilitating this project could bring to  
16 the community if the transaction is approved?

17 MR. DANENFELZER: I'm not -- let me try to  
18 rephrase that. So, on the one hand, I heard a question  
19 about there being opportunities or assessments of whether  
20 or not new construction or rebuilding of the property has  
21 been considered.

22 Is that part of the question?

23 MS. SHIPLEY: Not really. I'm trying to frame  
24 it from an understanding that, given what we have in the  
25 current limitations and restrictions that we have, our

1 option that we are considering as a Board is whether or  
2 not this project should be -- we should provide funding  
3 for it to be rehabilitated only.

4 Is that correct? There's no option to  
5 relocate, for the developers?

6 MR. DANENFELZER: That's correct. Yeah.  
7 The developers -- the only option that's been provided to  
8 us is whether or not to fund the rehabilitation, the  
9 renovation of these units, as proposed.

10 MS. SHIPLEY: I understand there's a great  
11 amount of contention as to whether or not the tenants  
12 would like that, and that's correct also?

13 MR. DANENFELZER: That's correct.

14 MS. SHIPLEY: And so, if their options are  
15 either to stay, or you know, go somewhere else, has there  
16 been any analysis as to, you know, how rehabilitating this  
17 project could benefit not just the tenants, if it's  
18 executed the way that it is described to us?

19 I understand they've been -- the tenants have  
20 been told that things have been fixed -- that would be  
21 fixed and weren't. But if it is actually carried out,  
22 whenever there's, you know, renovation or any type of  
23 rehabilitation in a community for properties, anyway, that  
24 has a positive effect on the whole community.

25 And I'm wondering if there's been any sort of,

1 at the very least, acts of good faith by the developer to  
2 share that this is also something that could benefit the  
3 community and answer some of the questions and concerns  
4 that the tenants have with -- and some of the other, I  
5 guess -- those in opposition have about this project,  
6 specifically with its location. And I know there's safety  
7 concerns with flooding, but given what we have, is there  
8 something that we can -- that the developers might be able  
9 to show that this could benefit the community, in addition  
10 to just the site?

11 MR. DANENFELZER: I don't have --

12 MS. SHIPLEY: I know it's long. I apologize.

13 MR. DANENFELZER: -- yeah -- I don't have  
14 anything specific, anything that I've received, but I will  
15 let the developer or other parties providing public  
16 comment to answer that question. I think they would be  
17 the best --

18 MS. SHIPLEY: Okay. Okay.

19 MS. CARDENAS: Okay. Before we move on, do we  
20 have any other comments from the Board members?

21 MS. JOHNSON-ROSE: Yes, Valerie. This is  
22 Courtney. I want to ask about the flooding and TSAHC's  
23 concerns there. It seems like the developers should be  
24 just as concerned about flooding, if not more.

25 The project is in Galveston. We know the

1 history there. Is there a possibility -- and this may a  
2 question for the developer, but it seems like they have  
3 put together a mitigation plan with a four-foot wall?  
4 There's some concerns about is that enough of a mitigation  
5 plan.

6 But it seems like, and I would like them when  
7 they do speak to address the flooding issue, and if their  
8 architects and engineers, working in more -- are they  
9 willing to do that -- do those additional mitigation steps  
10 to protect the asset from flooding?

11 So, it looks like there's an initial plan. It  
12 sounds like we have some concern about if that initial  
13 mitigation plan is enough. But again, just to clarify, my  
14 question is, if it deems that that's not enough, is this  
15 developer willing to take the necessary steps to do more  
16 in regards to flood mitigation?

17 MS. CARDENAS: Okay. So, we'll -- I know  
18 we've got the speakers on the line, so hopefully -- that's  
19 a very good question, and so hopefully one that they've  
20 noted, so that when they're given the opportunity, they  
21 can address that, because -- David, you would be deferring  
22 that as well.

23 Correct?

24 MR. DANENFELZER: That's correct. I would  
25 defer to the developer and their team.

1 MS. CARDENAS: Okay. Do we have any other  
2 questions from the Board?

3 (No response.)

4 MS. CARDENAS: Okay. Hearing none, we'll go  
5 ahead and open up public comments for Tab Item 3. I would  
6 like to remind -- I do have before me a list of 12  
7 speakers. I would like to remind everyone that, as you  
8 are given your turn to speak, that you please state your  
9 full name, who you represent, contact information such as  
10 a phone number and email.

11 I also understand you should have completed a  
12 witness affirmation form and submitted it to our  
13 respective TSAHC staff members. And I please ask that you  
14 limit your comments to three minutes, as I mentioned, as  
15 we do have, you know, a lengthy amount of speakers that  
16 would like to present public comments, and we would like  
17 to be courteous of everyone's time.

18 So, with that being said, if we can call our  
19 first speaker for public comments. Chris Akbari -- or I  
20 don't know if they're in a particular order, or if we can  
21 just have the first speaker?

22 MR. AKBARI: Yes. I'm Chris Akbari. I am --  
23 excuse me -- the president and CEO of ITEX. We represent  
24 the development for Sandpiper Cove. My email address is  
25 [chris.akbari@itexgrp.com](mailto:chris.akbari@itexgrp.com), and my phone number is

1 409-543-4465.

2 And I want to say thank you so much, Vice  
3 Chairman and Board members as well as staff, for having us  
4 here today. I also must say that it's very impressive,  
5 the amount of work that has been put into this matter by  
6 both David and also David Long.

7 They have really done a great job of  
8 investigating these issues, also to helping us, you know,  
9 go through the risks, and make sure that each of those is  
10 addressed. You know, when we spoke to David, you know, it  
11 was very clear that, you know -- that we needed to address  
12 three things: the flooding; the issues with the fact that  
13 it's possible that the tenant association could possibly  
14 win, and the Section 8 vouchers could be removed from the  
15 property; and you know, also some fair housing concerns.

16 And you know, we've really worked hard to make  
17 sure to mitigate those concerns. We have brought in a  
18 team that you'll hear from today from Nixon Peabody, as  
19 well as Coats Rose, who are familiar with fair housing, as  
20 well as the HUD oversight and the Section 8 program.  
21 We'll also have today to speak with you our architect,  
22 Diamond Development, who's very familiar with Galveston  
23 and developing projects there architecturally.

24 And so, our firm is committed to preserving  
25 this housing. We feel like there's a great opportunity to

1 preserve and extend the affordability at this site, you  
2 know, with 192 families who can immediately be impacted  
3 with better housing on Galveston Island, as well as  
4 another over 835 residents who currently are on the  
5 Galveston Housing Authority's wait list.

6 You know, there's a significant number of  
7 housing units that are short in Galveston, and they have  
8 been waiting over 10 years for additional housing and  
9 preservation using Hurricane Ike funds. This is a path to  
10 immediately preserve and assist those families, and we can  
11 mitigate each of the issues that have been presented by  
12 staff, and you'll hear more details on that today.

13 Again, I thank all of you for your time, and I  
14 think it's better for us to go and let the subject matter  
15 experts speak. So, thank you.

16 MS. CARDENAS: Thank you, Chris. Okay. Our  
17 next speaker?

18 MS. ELLINOR: That would be Monica Sussman.

19 MS. SUSSMAN: Yes. Sorry. I was taking myself  
20 off mute. I apologize. Thank you for giving us the  
21 opportunity to speak.

22 This is Monica Sussman. I am with Nixon  
23 Peabody, a law firm. I'm in the Washington, D.C.  
24 office. Previously I was Deputy General Counsel at HUD  
25 and do a lot -- have been working in the Section 8 field

1 for many, many, many, many, many years. We had a call  
2 last week with Chris Akbari.

3 I have to give you my phone number, too, I'm  
4 sorry.

5 MS. CARDENAS: Yes.

6 MS. SUSSMAN: 202-288-5782. That's my cell  
7 phone. I apologize. And if you need -- do you need my  
8 email address as well?

9 MS. CARDENAS: Yes, please.

10 MS. SUSSMAN: Sure. It's  
11 [msussman@nixonpeabody.com](mailto:msussman@nixonpeabody.com).

12 MS. CARDENAS: Thank you.

13 MS. SUSSMAN: Thank you. When Chris Akbari  
14 asked us to get involved, and we've done quite a few --  
15 work on -- with Chris, and previously, his father for  
16 many, many years, we raised this question about the  
17 litigation and the risks of Section 8.

18 As stated earlier, the defendant in that  
19 lawsuit is HUD, not anybody else. And we said, our  
20 experience has been that this is a decision making for HUD  
21 that, to our knowledge, HUD has never been forced by a  
22 court to, you know, convert or to abate a Section 8  
23 contract and to give residents vouchers. This is a  
24 decision that HUD has to make.

25 Subsequent to that, there was a call that we

1 had last week with HUD and with David. And what I said at  
2 that time is, in all my years of doing this work, 30  
3 years, I've never seen so many senior executives from HUD  
4 on a call at the same time as when the top lawyer is there  
5 and the top housing people there, as committed as they  
6 were to this property.

7 That was followed up by the letter from HUD,  
8 which you all have, so we have no need to read that again  
9 to you, but they make it very clear in that letter that  
10 this is their decision, their decision to not terminate  
11 the Section 8, but to proceed, as they're concerned about  
12 the lack of affordable housing resources. And I think,  
13 you know, the letter really does speak for itself, and  
14 reiterated all the things that we had advised Chris on  
15 with respect to what the lay of the land was vis-à-vis  
16 continuation of Section 8 and HUD making their decision.

17 And I think, with that, to not use up time, I'm  
18 going to turn this over to my colleague, Harry Kelly, who  
19 is a litigator and has sued HUD many times as well, and  
20 also works in the housing space. So, with that, I'm going  
21 to turn it over to you, Harry.

22 MR. KELLY: Thank you very much, Monica. This  
23 is Harry Kelly, speaking on behalf of the developer. My  
24 phone number is 202-288-4291, and my email address is  
25 [hkelly@nixonpeabody.com](mailto:hkelly@nixonpeabody.com).

1           Just to follow up what Monica said, earlier  
2 this month, we submitted a letter to the Board that made  
3 many of the same points that HUD has made in the letters  
4 that it received. We discussed the broad contractual and  
5 regulatory power that HUD has to deal with issues of  
6 enforcing an owner's obligation under the HAP contract,  
7 and the discretion that it has in putting together a  
8 proper response.

9           We identified case law including the Hawkins  
10 case in the Southern District of Texas that HUD referred  
11 to, where courts have refused to interfere with those  
12 enforcement decisions that are properly committed to HUD's  
13 discretion.

14           The HUD letters are clear examples of the  
15 complicated reasons why HUD has taken its current  
16 enforcement decisions in this particular case, and why  
17 those matters are in fact best left to HUD. Those letters  
18 also make clear that courts have not directed HUD to take  
19 specific enforcement action in the past, and that two  
20 separate Southern District of Texas decisions similarly  
21 have refused to direct HUD to abate a HAP contract or to  
22 order any other specific enforcement action, including  
23 issuance of vouchers.

24           We do not see any reason or any precedent that  
25 would allow a court to treat a pending case against HUD

1 any differently, and certainly, in a case such as this,  
2 the burden should not be on the developer. It should be  
3 on the opponent to come forward and indicate a case in  
4 which a court has directed HUD to take specific  
5 enforcement actions.

6 That has not been done here, and we don't see  
7 any reason why a court would do so in the future. Thanks  
8 very much.

9 MS. CARDENAS: Thank you. Our next speaker?

10 MS. ELLINOR: Tamea Dula.

11 MS. DULA: Good morning. It's Tamea Dula, and  
12 I am with Coats Rose, the law firm in Houston and other  
13 cities across Texas. My phone number is 713-653-7322, and  
14 my email address is [tdula@coatsrose.com](mailto:tdula@coatsrose.com). Okay.

15 So, we have heard from Nixon Peabody that there  
16 is no reason or precedent to direct -- for a court to  
17 direct HUD to take a specific enforcement action. Indeed,  
18 the common way to handle this is that courts defer to an  
19 agency's discretion with regard to any kind of remedy that  
20 the agency has available to it.

21 So, this current litigation is probably  
22 unlikely to result in any directive to HUD to eliminate  
23 the Section 8 subsidies and instead provide project --  
24 excuse me -- tenant-based vouchers to the tenants. That  
25 being said, we have HUD already exercising its remedy.

1           It had, as a result of the current owners of  
2 the project dissolved, directed that the current owner  
3 engage a third-party property management company, which  
4 they did do. They're cooperating in that, and the  
5 property management company has affected some changes,  
6 which HUD, according to its letter, seems to be very happy  
7 with.

8           But the real changes, the mold problems, and  
9 things of that nature, require money. Now, fortunately,  
10 this property is located in -- on a site that allows it to  
11 qualify for a number of different monetary sources that  
12 can provide the substantial amount of money necessary to  
13 deal with the flood and mold mitigation and things of that  
14 nature. And that is what the current applicant to you is  
15 proposing to do.

16           They are going to go out and get sufficient  
17 financing, with your help, in order to achieve a  
18 remediation of this project, to get it fixed so that the  
19 tenants will not have to deal with the issues that they  
20 are complaining to HUD about. Now, HUD is extremely  
21 supportive of the proposed sale to ITEX Development Group,  
22 and they have acknowledged that this is a group of  
23 developers that are well-known turn-around experts with a  
24 history of successfully rehabilitating a number of  
25 projects in Texas, especially those that deal with flood-

1 related issues.

2 Now, this property is the only Section 8  
3 property in -- on the Island of Galveston. As such, it  
4 performs a very important function of providing housing to  
5 people who have the very lowest income levels, because HUD  
6 makes up the difference which they can't pay.

7 And so, HUD is very interested in keeping this  
8 housing and not giving it up. Additionally, this is an  
9 historic building, and the property is going to be placed  
10 on the National Historic Register, which will permit  
11 historic tax credit financing, which will be a very  
12 important part of this financing package that is needed in  
13 order to correct the problem.

14 The TDHCA, the Texas Department of Housing and  
15 Community Affairs, has been processing a congruent -- a  
16 concurrent 4 percent tax credit application. And they  
17 have now recommended that that application be approved,  
18 subject to some conditions.

19 Those conditions have to do with flood  
20 insurance and also with getting all of the necessary noise  
21 studies and things of that nature that are customarily  
22 required in an urban setting --

23 MS. CARDENAS: Ms. Dula? And I appreciate all  
24 the comments, which are very good comments. We're now at  
25 four minutes, and so in order to respectful of everyone

1 else's time, we are needing to move on to the next  
2 speaker.

3 MS. DULA: Thank you.

4 MS. CARDENAS: Thank you.

5 MS. ELLINOR: How about Blair Korndorffer?

6 MR. KORNDORFFER: Hi. Yes. This is Blair  
7 Korndorffer. I represent the developer. I'm with Diamond  
8 Development. Our email is [hawarch@aol.com](mailto:hawarch@aol.com), and my phone  
9 number is 832-224-6400.

10 The area is in a flood area, and I want to  
11 explain a few things real quick about how that works. The  
12 base flood area is a predicted high-water surface  
13 elevation of a flood, as determined by historic data, such  
14 as hurricanes and other things, through topography and  
15 science. FEMA and the National Flood Insurance Program  
16 use that data to set a minimum elevation that we're  
17 required to build buildings at, so that they're safe and  
18 protected from a flood.

19 They then break these flood zones into three  
20 basic areas, and that depends on the type of flood that  
21 you would have. So, the worst area is a B zone where you  
22 have high waves, over three feet tall. The next one is a  
23 coastal A zone, where you have waves from one a half to  
24 three feet.

25 And the last is an A, and then a whole bunch of

1 A's, but A -- in our case, AE zone, where you have wave  
2 action expected to be less than 18 inches or a foot and a  
3 half. If you look at our site, we have -- we are actually  
4 in an AE zone, which is the one with the minimum area,  
5 with a base flood elevation of about 12.9 feet.

6 The buildings are about at an elevation of  
7 10 feet, as it exists right now. So, we're really about  
8 30 inches below what they would expect a flood --  
9 hurricane-type flood to produce.

10 The area around the site is at an elevation of  
11 about eight feet, with the street being down at about six  
12 feet. So, the buildings are about four to five feet  
13 higher than the street right now. And so, they're up in  
14 the air.

15 And then our proposal is to build a flood wall  
16 protecting the entire site, around the entire site, with  
17 the top of the wall being at an elevation of about 14.5  
18 feet. What that is, is 18 inches above the base flood  
19 elevation that they set.

20 That would allow us to facilitate not just the  
21 water level, but also the predicted high wave level that  
22 we would expect at the site. To say that there might not  
23 be a Class 5 storm where you might have something -- an  
24 anomaly, we couldn't design for, but basically, we feel  
25 very safe with doing that action. And we've done that on

1 other projects very successfully.

2 To achieve this, the wall would then be about  
3 six feet tall around the perimeter. It would have a brick  
4 veneer on both sides. It would look pretty much like the  
5 buildings. It would enhance the property, and it would  
6 have a wrought-iron fence on top of that, to get us a  
7 little more height for our security protection.

8 To complete the system, we would have  
9 floodgates that would be closed off. All of the gates are  
10 easily manhandled. The systems are very well defined and  
11 engineered, used all over the country.

12 Whole towns are protected by the same  
13 systems. And the system has worked throughout the United  
14 States, saving billions of dollars a year in flood damage.

15 I'm going to run out of time. So basically,  
16 that's it, other than -- I guess, the last part to is --  
17 right -- there will be a series of pumps. We do close off  
18 the existing drainage system. We go to a forced-main  
19 system.

20 The pumps are two-horsepower type pumps, not  
21 very large. We place those at the low points of the  
22 site. That takes care of all the rainwater. We do get in  
23 these things up to eight to 12 inches an hour in rain, so  
24 we design the pumps to take care of that, as well as water  
25 that will come over the top of the wall in high winds and

1 stuff.

2 So, it is designed to drain off the inside,  
3 pump it back over the wall, so to speak, as the storm  
4 progresses. Thank you.

5 MS. ELLINOR: Okay. Next, we have Ray  
6 Richardson.

7 MR. RICHARDSON: Hello. Can everyone hear me?

8 MS. CARDENAS: Yes, yes.

9 MR. RICHARDSON: Ray Richardson. I am the Vice  
10 President of J. Allen Management Company. I'm a co-  
11 developer with ITEX for the site. My email address is  
12 [ray@jallenmanagement.com](mailto:ray@jallenmanagement.com). My phone number is  
13 713-899-7551.

14 And I want to say that we met with HUD  
15 initially last year sometime, I believe in March, about  
16 taking over this site, and we took over April 2020 on  
17 behalf of the current ownership. During that time, we've  
18 brought the property into compliance, as far as the rare  
19 inspections that were in the past.

20 We had an inspection, an abbreviated  
21 inspection, by TDHCA. We scored an 83, and we addressed  
22 all the physical deficiencies on that inspection, and it  
23 moved forward.

24 Currently, you know, we're still working with  
25 HUD on a -- what -- semi-weekly basis. You know, we're

1 having conference calls with them, and we've been moving  
2 the site forward, addressing the crime issues, security  
3 issues, and the emergency safety and health type issues at  
4 the site, and so far, have been successful, but everyone  
5 knows that the property is in great need of physical  
6 rehabilitation.

7 I've had an opportunity to meet with Texas  
8 Housers and some of the residents when we initially took  
9 over, and I think it was about three residents, to provide  
10 them with an overall plan and what we were attempting to  
11 do to bring the site back to where it needs to be. We met  
12 also -- I did, with the Galveston Chamber of Commerce. I  
13 heard one of the board members say, did we do any type of  
14 analysis? What I did so is, meet with the Chamber of  
15 Commerce.

16 I had to go through an extensive process. I  
17 had to make a presentation to the Chamber, and it was very  
18 difficult to get their letter of support, that they  
19 thought that this was a need in this community, and they  
20 bought off on us trying to rehab the project and to bring  
21 the site optics back to a place where it needs to be,  
22 because there is single family construction going on in  
23 this neighborhood. There are duplexes and other things  
24 being built, and you can see that there is a slight turn  
25 in the community moving forward.

1           Also, I have with me here Mr. Matthews, who is  
2 a long-time resident at the site. And he can speak for  
3 himself, and he garnered 60 signatures of other residents  
4 who would like to see the site stay in place or be  
5 rehabbed currently as it is.

6           And so, with that support and the other  
7 residents signing on with us to move the deal forward, and  
8 the support letters we've gotten from the Congressman and  
9 the State rep and the other folks here in the Galveston  
10 area, we are appreciating if you guys would vote to move  
11 the site forward.

12           And since Mr. Matthews is here with me, I'm  
13 going to segue over to him so he can say his piece as far  
14 as -- on behalf of the residents.

15           MR. MATTHEWS: I'm John Matthews. And the  
16 place is --

17           MS. CARDENAS: Mr. Matthews, could you please  
18 state who you represent, as well as your phone number and  
19 your email?

20           MR. RICHARDSON: Sandpiper Cove --

21           MR. MATTHEWS: Our residence, Sandpiper Cove,  
22 where I live, and my address is 3916 Winnie. Our phone  
23 number -- that's 3916 Winnie, Apartment 25. My phone  
24 number, 409-692-8538.

25           And I'm speaking on the behalf of the property,

1 to try to help save it; it's a nice property, and there's  
2 a lot of things that can be done like sidewalks to keep  
3 the mud down. We're doing it now. The trees, the roots  
4 are raising up the sidewalks in some spots. They need to  
5 get that eliminated.

6           Places for kids to play, like a little  
7 playground that got little -- places for kids to play, you  
8 know? We've got police just sitting on the lot all day.  
9 We don't need them. We need to just live like one family.  
10 We see that we have somebody here want to try to keep this  
11 in order, to not tear down the building.

12           So, I'm trying to help as much as I can to keep  
13 this building, because it's not everybody's bad, but I  
14 just say the good -- some folks what are bad. And I like  
15 this place. I moved from Louisiana to here in '69 when  
16 this place opened.

17           And this was beautiful. And I'd like to see it  
18 come back around again like that, and I think -- I bet  
19 this man here really -- he sees forward, sees forward.  
20 And I'm going to go with him all the way, to stick with  
21 him, to see that if we could save it, save it. Because,  
22 hey, all them other projects is rebuilt around this  
23 building.

24           This place could be back, because all this  
25 needs -- roofing a little bit, where people complain.

1 They ain't never had a roof on it since I don't know when.  
2 Roofing. A little -- like when they -- when I moved  
3 here, there was paneling on the walls in part of it, but  
4 they took all the paneling out.

5 It's just sheetrock now, and that's why holes  
6 be in the walls, the kids and everything. And if they  
7 eliminate some of that and take care, it's yours. It's  
8 yours. You just rent, but it's your building. Take care  
9 of it, you know?

10 If we could do that, if we could get the people  
11 together to do this, we could stick together and make this  
12 place out of something, because it is beautiful.

13 MS. CARDENAS: Thank you. All right.

14 MS. ELLINOR: And next we have either Addie  
15 Henderson or Larry Brooks --

16 MR. RICHARDSON: Ms. Henderson didn't make it  
17 and Mr. Brooks didn't make it here, where I'm at, unless  
18 they're on the phone on their own. So that would be all,  
19 from where I'm at.

20 MS. CARDENAS: Okay. Thank you.

21 MS. ELLINOR: Okay. Sorry, Valerie.

22 MS. CARDENAS: Go ahead.

23 MS. ELLINOR: We have Miranda Sprague.

24 MS. SPRAGUE: Hi. This is Miranda Sprague. I  
25 am Senior Vice President at ITEX. So, I represent the

1 developer looking to acquire the Sandpiper Cove and  
2 rehabilitate it. My phone number is 409-853-3681. My  
3 email is [miranda.sprague@itexgrp.com](mailto:miranda.sprague@itexgrp.com).

4 I think our subject matter expertise did a  
5 really good explaining in regards to the lawsuit and the  
6 flood wall, as well as how well J. Allen has come with the  
7 property since taking over in April 2020. I do want to  
8 try to touch on a couple other things, though.

9 In regards to the positive effect of the entire  
10 community, not just the site itself, I think just fixing a  
11 dilapidated asset and bringing it up to modern standards  
12 helps the community as a whole. The site is going to  
13 receive historic tax credits.

14 It's going to be part of -- it's going to go to  
15 the National Register to be part of a historic site. So,  
16 we're preserving it, as well as preserving the history of  
17 it. And I think -- I just want to also clearly state that  
18 ITEX and Jeshurun, who are looking to acquire the  
19 development, do not currently own the development.

20 We were sought to help assist -- get this back  
21 into a place where it is decent and safe and sanitary for  
22 the residents that live there, to have a better place to  
23 live, by way of having and taking of the issues that the  
24 residents have spoke of on -- just now, with the sidewalk  
25 repairs, mitigating the flood issues, and taking care of

1 the mold issues, along with several other items that we've  
2 come across that are issues at the site, and that we don't  
3 deny, and that do need to be repaired.

4 Other than that, I'm all done.

5 MS. ELLINOR: Okay. Next, I think we have  
6 Bobken Simonians.

7 MR. SIMONIANS: Good morning. This is Bobken  
8 Simonians with ITEX. My email address is  
9 [bobken.simonians@itexgrp.com](mailto:bobken.simonians@itexgrp.com). Phone number, 213-255-9220.

10 I'd like to recap some of the items that were  
11 raised. Number one, the project, over the last 50, 60  
12 years, has been -- has had periods of neglect. It does  
13 need to be rehabbed. It does need to be brought to modern  
14 standards.

15 To do that, there is need for financing, and  
16 financing doesn't come easy. This is a way, through bond  
17 allocation, tax credits, low-income housing tax credits  
18 and historic tax credits, to bring the project back to the  
19 modern standards and remedy the years of neglect that it  
20 has suffered.

21 The points to be emphasized: the lawsuit that  
22 is often referred to on behalf of the tenants, it does not  
23 necessarily mean all the tenants. There are a few tenants  
24 that are involved in that lawsuit. The majority of the  
25 tenants -- at least you have the signatures of over 60

1 tenants that are in support of rehab.

2 So, it's a misnomer to characterize the lawsuit  
3 on behalf of all the tenants. I'd like to emphasize that  
4 point that it's not all the tenants. It's just a few of  
5 the tenants.

6 Texas Housers is representing those tenants and  
7 their advocacy, which we honor. We know the firm very  
8 well. They are good people, and they are trying to do  
9 good, but the lawsuit does not represent everyone.

10 The second issue that was brought up is  
11 cancelling the HAP contract and issuing tenant-based  
12 Section 8, assuming, implied, that those tenants can  
13 easily find other places to live in Galveston. That is  
14 not correct. Not all the landlords accept Section 8's.

15 As a matter of fact, throughout the country,  
16 Section 8 tenants, people who have the vouchers in hand,  
17 are not able to live where they want to live, and not  
18 every landlord accepts them.

19 Third, the -- in Island of Galveston, there are  
20 no other -- or there aren't many options for low-income  
21 tenants to reside. Some of the people have lived there  
22 for years. They have their communities. They have their  
23 schools.

24 They have their neighbors, places that they  
25 shop, and in some cases, their families are in the area.

1 It is not prudent to assume that somebody can live in  
2 Dallas, if they had the vouchers, and move over there.  
3 No.

4 People want to live there, because nobody is  
5 forcing the tenants to be there. They want to be there,  
6 if they had the affordable housing. So, the location is  
7 preferred by the tenants. And in Galveston, there aren't  
8 many affordable housing options to be there.

9 Lastly, regarding the wall and the flood  
10 protection, if you are planning to build a new structure  
11 in Galveston, you have to be a foot above the flood level,  
12 12 foot, 9 inches, I believe it is. We are raising the  
13 standard of the rehab to the new construction standard,  
14 meaning that we are meeting all the FEMA and local  
15 support -- local requirements to protect against a flood.

16 That flood wall has been tested for the last  
17 20, 30 years, that's around the world. They're using the  
18 flood type -- flood wall type measures to protect against  
19 flooding. As a matter of fact, Holland, in Europe, the  
20 whole country is around the -- some sort of a wall  
21 protection, and the country's surviving pretty well.

22 Lastly, I'd like to emphasize that we have  
23 support of the city, chamber of commerce, many, many of  
24 the elected officials in Galveston that are supporting  
25 this project, and HUD supports, which is unprecedented.

1 We sat down with the highest levels at HUD, on their legal  
2 side, on their management side, who were basically in  
3 total support of this project and trying to make sure this  
4 thing happens, because if it doesn't happen, the project  
5 does not have another solution to bring the project up to  
6 modern standards.

7 And if you don't, you are forcing the neglected  
8 project to continue on as is. And remedies will not be as  
9 good as the one that we are offering currently. Thank  
10 you.

11 MS. ELLINOR: Thank you. And then we have one  
12 last speaker, Elizabeth Roehm -- or Roehm?

13 MS. ROEHM: Hi, there. This is Elizabeth  
14 Roehm. I work at Texas Housers. I'm an attorney here.  
15 My contact information is 512-677-5809, and my email is  
16 [elizabeth@texashousing.org](mailto:elizabeth@texashousing.org).

17 So, we've submitted extensive materials to you  
18 and your staff on this matter. So, I'll be brief, but  
19 we -- but I do want to respond to some of the things that  
20 have come up today.

21 So we and tenants that we work with to outline  
22 what we think is a better way to remedy the poor  
23 conditions that we all acknowledge are presently at  
24 Sandpiper Cove, to get vouchers for tenants who wish to  
25 leave, to elevate the base height of the building to 11

1 feet for flooding, which has happened in recently  
2 constructed Galveston public housing, to use GLO  
3 mitigation or other funds to foot the cost of such  
4 improvements, and to demolish the current buildings on the  
5 site and disperse units to reduce the concentration of  
6 poverty in this location and this Census tract, and  
7 rebuilding as something with mixed income.

8 So, to address a few of the things that I've  
9 heard today is -- I heard the other speakers on behalf of  
10 the developer -- would address their housing issues. They  
11 didn't hear much about that, but I do want to point out  
12 that this site is in the highest poverty Census tract on  
13 Galveston Island, with 58 percent of people living in  
14 poverty.

15 Continuing to concentrate the Section 8 in this  
16 area defies their housing principles and really continues  
17 to concentrate affordable housing in this racially  
18 segregated neighborhood of high poverty. It was mentioned  
19 that -- about bringing this up to modern standards, and I  
20 want to point out that modern standards would mean not  
21 allowing 192 units of new, low-income housing in one place  
22 in a high-poverty area.

23 I also heard other people talk about the need  
24 for more affordable housing on Galveston Island. We're  
25 completely in agreement with that, and I want to point out

1 that HUD granting tenant-based vouchers to current  
2 tenants, along with demolishing and redeveloping this site  
3 as mixed-income housing, would increase the overall number  
4 of affordable housing units available, because that would  
5 open up private, market-rate housing as affordable through  
6 use of those mobile vouchers.

7           Regarding the litigation, which my  
8 organization, to be clear, is not a part of, it represents  
9 a risk. And I just want to point out that if -- yes --  
10 you decided HUD has written a letter, but we shouldn't see  
11 the outcome of the pending litigation based on their  
12 assertions about the expected outcome.

13           And this -- I just want to point, you know,  
14 this meeting is not that lawsuit. It's still undecided.  
15 I know we've talked about it today, but you know, this is  
16 not a hearing, and so that should be, I think, seen as an  
17 open question.

18           Regarding the four-foot wall, I will say, to be  
19 honest, I don't know a lot about -- I don't know much  
20 whatsoever about that type of solution, but it does  
21 terrify me that -- about people not being able to get out  
22 if you're closing such a wall during a flood. That seems  
23 worth exploring before approving the project, on the  
24 assumption that that will be the solution.

25           As an advocacy organization, what I do know is

1 that Texas Housers wrote an extensive report on the  
2 bungled evacuation of Sandpiper Cove specifically during  
3 Hurricane Laura in August of last year, where Sandpiper  
4 Cove residents didn't receive adequate notification of  
5 avenues for escape or how to get out of the city, as  
6 people who are transport dependent. And as a result, at  
7 least some residents failed to evacuate in what could have  
8 been a deadly situation.

9 So, my colleague was actually on the ground  
10 helping people leave and get to safety, because the city  
11 systems weren't adequately reaching residents. So just  
12 this is an extremely vulnerable population with flooding  
13 events, and that requires careful consideration.

14 That should include communication with the city  
15 Office of Emergency Management and other agencies, in  
16 addition to elevating the buildings fully. So, we  
17 continue to urge deferral of TSAHC action until an  
18 adequate solution can be crafted, and we do think a better  
19 solution is possible.

20 Thank you so much.

21 MS. ELLINOR: Thank you. I do believe --  
22 Rebecca, do we have any additional public comments?

23 MS. DeLEON: None that I know of.

24 MS. ELLINOR: Okay. So that concludes the  
25 public comment that we have for now, Valerie.

1 MS. CARDENAS: Okay. Thank you to all the  
2 speakers that came before to, you know, voice their  
3 concerns, either in opposition or in -- you know, in favor  
4 of this item.

5 Do we have any further discussion or questions  
6 from the Board at this time?

7 MS. JOHNSON-ROSE: Yes, Valerie. This is  
8 Courtney. I have a question just on the urgency of this  
9 matter. Can this decision be deferred? Is there a  
10 deadline that has to be met in order for a decision on  
11 today?

12 MS. CARDENAS: I would venture to say that, you  
13 know, this is obviously something that is coming before  
14 the Board, TSAHC. And so, you know, if there is any  
15 information that is lacking or lack of clarity, at the end  
16 of the day, you know, we're going to make a motion on this  
17 item, and it's at the discretion of the Board.

18 MS. JOHNSON-ROSE: Okay. So many things that  
19 the architect or engineering firm talked about in terms of  
20 flood mitigation -- it seemed like some of that was still  
21 in process. But it sounds like what you're saying, Madame  
22 Chair, is that this is information that we have, and we  
23 have to make a decision based on the information that we  
24 have available to us right now.

25 MS. CARDENAS: Again, you know, without --

1 every Board member has, you know -- I guess they're going  
2 to have their vote or their position. It is going to be  
3 at the discretion of the Board whether a motion will be  
4 made. You know, we do have to follow protocol.

5 A motion has to be made. You know, it has to  
6 go through its normal course. And so, if it is -- you  
7 know, whatever the outcome is, whether it's that there is  
8 a recommendation made or an approval or a denial on this  
9 tab item, or if a motion is not seen through, that's going  
10 to basically be here -- it's going to commence here  
11 shortly, if that makes sense.

12 MS. JOHNSON-ROSE: Yes, ma'am.

13 MR. LONG: Valerie, this is David Long. The  
14 only other comment I would make is that I think David  
15 brought up earlier, the timing related to the authority  
16 that we have in terms of allocation of the bonds, and  
17 David, if you want to confirm that again?

18 Do you want to just kind of --

19 MR. DANENFELZER: Sure.

20 MR. LONG: -- bring that to the Board's  
21 attention one more time, please?

22 MR. DANENFELZER: Sure. Again, this is David  
23 Danenfelzer, Senior Director of Development Finance. The  
24 bonds for the project are on what we call a reservation  
25 timeline. That timeline expires on April 18.

1           So, we are very short of time. That's not to  
2 say there is not an opportunity to withdraw the current  
3 reservation and resubmit to get an extension. However, we  
4 did propose that question to the developer, ITEX.

5           We'd also understand, though, that there are  
6 contracts to purchase and close on the property, which  
7 would need to be extended, and that is both a costly and  
8 time-consuming effort. So, we don't know that there  
9 isn't, you know -- we don't know that there's not an  
10 opportunity to extend and get it, but we do know that  
11 there are hurdles that would have to go -- you know, to be  
12 overcome to make sure that they can get that additional  
13 time.

14           MS. CARDENAS: Okay. Thank you. Is there any  
15 additional discussion at this time from the Board?

16           (No response.)

17           MS. CARDENAS: Okay. Seeing none, if -- is  
18 there a motion regarding Tab Item 3, as presented?

19           MR. WILLIAMS: This is Andy. I motion to deny.

20           MS. CARDENAS: Okay. I have a motion on the  
21 floor to deny. Do I have a second?

22           (No response.)

23           MS. CARDENAS: Okay. Do I have a second?

24           (No response.)

25           MS. CARDENAS: If there is no motion to

1 second -- again, receiving no motion for Tab Item 3, then  
2 this item fails.

3 MS. JOHNSON-ROSE: Madame Chair, this is  
4 Courtney. So, with that, is the next thing just -- is it  
5 for us to do a motion to approve, or does this item just  
6 get tabled?

7 MS. CARDENAS: At this point in time, since  
8 there was no motion -- a second, I'm sorry. There was a  
9 motion to deny, but there was no second made as I called  
10 for it. Then the motion -- or the item is [inaudible] at  
11 this moment in time.

12 MR. THORNHILL: Valerie, this is Routt  
13 Thornhill, General Counsel. Madame Chairperson, you can  
14 entertain a motion to approve.

15 You have a motion that was offered to deny. It  
16 failed for lack of second, but you can also entertain a  
17 motion from another member of the Board to approve, and  
18 then if it -- if you get a second, then you can have  
19 discussion and a vote.

20 If you don't get a second, then it would fail,  
21 as did the motion to deny. Does --

22 MS. CARDENAS: Okay.

23 MR. THORNHILL: -- that seem clear?

24 MS. CARDENAS: Yes.

25 MS. JOHNSON-ROSE: Can I ask a clarifying

1 question to General Counsel? Can this Board make a motion  
2 for it to go back to our staff and the developer to try to  
3 work through a better solution and bring it back at the  
4 April meeting?

5 MR. THORNHILL: Yes, you can table it and  
6 reconsider.

7 MS. JOHNSON-ROSE: Okay. What would that  
8 motion sound like, if that's the motion that I want to  
9 make?

10 MR. THORNHILL: Then you'd say -- you'd make a  
11 motion that the Board table this item for consideration at  
12 this meeting and -- or approval at this meeting or a  
13 decision at this meeting, and you submit it back to staff  
14 to reexamine and resubmit at another Board meeting.

15 MS. CARDENAS: But you said approval, when  
16 she's wanting to table the item.

17 MR. THORNHILL: Well, you can make a motion to  
18 table it for reconsideration at another meeting --

19 MS. CARDENAS: Okay.

20 MR. THORNHILL: -- and allow the -- and  
21 instruct the staff to work with the developer to come up  
22 with some concerns that you have for the current item.

23 MS. CARDENAS: Okay.

24 MS. JOHNSON-ROSE: With that in mind, Madame  
25 Chair, I would like to make a motion that we table this

1 item, to be brought back at the April Board meeting or at  
2 a special Board meeting for this particular item.

3 MS. CARDENAS: Okay. I have a motion on the  
4 floor to table this item and to bring back to the April  
5 Board meeting for further consideration. Do I have a  
6 second?

7 MS. SHIPLEY: Madame Chair, this is Lali. I'll  
8 second.

9 MR. DRANSFIELD: Madame Chairman, this is Bob  
10 Dransfield in Dallas.

11 MS. CARDENAS: I have a second. Do I have any  
12 comments, public comment at this time, other than the --  
13 anything unrelated to what has already been presented, of  
14 course?

15 MR. LONG: Go ahead, Bob.

16 MR. DRANSFIELD: Madame Chairman, this is Bob  
17 Dransfield in Dallas with Norton Rose Fulbright. We're  
18 your bond counsel. I'm at 2200 Ross Avenue, Suite 3600,  
19 214-855-8068.

20 And I just wanted to point to you all that the  
21 application -- the bond reservation deadline for them  
22 is -- while, it's 18th. That's a Sunday, so practically  
23 speaking, it's the 16th of April. If we go to your April  
24 Board meeting, just to you let you know, there wouldn't be  
25 enough time to process the closing and meet that April 16

1 closing deadline.

2 So practically speaking, well, the action that  
3 you would do to delay that, which is absolutely within  
4 your prerogative, would be to ultimately end up with a, I  
5 think -- a withdrawal and a re-application of the volume  
6 allocation process.

7 I don't think you can get the bond financing  
8 concluded with that deferral to the April meeting in time,  
9 but again, that's clearly your prerogative to decide how  
10 you want to approach it. But I just wanted you to be  
11 aware that, by doing that, you're going to run up against  
12 that April deadline.

13 So, I'm happy to answer any questions you all  
14 might have about that, but I do want to bring that to your  
15 attention.

16 MS. JOHNSON-ROSE: Thank you so much for  
17 mentioning that, sir. One question for our TSAHC legal  
18 counsel is, what are the parameters for us to do a special  
19 Board meeting for a particular item, before our April  
20 meeting?

21 MR. LONG: Routt, do you want to respond to  
22 that? This is David Long. Routt, do you want to engage  
23 on them having a --

24 MR. THORNHILL: Look, I'm sorry. I had my mute  
25 on, David. I apologize. This is --

1 MR. LONG: Go ahead.

2 MR. THORNHILL: -- Routt Thornhill, General  
3 Counsel. As long as you comply with the notice provisions  
4 in the statute of being adequate time for posting and  
5 notice to the public, you can have a meeting.

6 MS. CARDENAS: And what is that timeframe,  
7 David, to allow ample time for posting and being  
8 compliant?

9 MR. LONG: We typically would have to post and  
10 be out with our Board book and agenda posted eight days  
11 out to get sufficient time for the public to be aware of  
12 the meeting and what the agenda items would be. And then  
13 we would go through our normal process of bringing  
14 together a Board packet and getting that out to Board  
15 members.

16 We would do that about a week in advance. But  
17 under statute, I think it's an eight-day posting notice.  
18 I would let Sarah or Routt confirm for that for me. But I  
19 mean, with --

20 MR. THORNHILL: That's correct. That's  
21 correct.

22 MR. LONG: So, depending on when you wanted to  
23 re-meet, regardless -- or time-wise, the Board can hold a  
24 meeting at any time, and call the meeting. We just have  
25 to meet the statutory posting requirements, and then you

1 can set the agenda based on whatever you want, once we  
2 have -- you know, as long as we post the agenda within  
3 that timeframe.

4 MR. DRANSFIELD: And Madame Chair, this is Bob  
5 Dransfield again. If you don't mind me just interjecting  
6 one thought, just to remind you that the process for  
7 approval -- you know, after you all take it and then the  
8 process from there goes to the -- you know, the Bond  
9 Review Board for their approval, as well as the State  
10 Attorney General's Office. And the State Attorney General  
11 will require there to be probably a 12-business-day lead  
12 time from the time that they get a substantially final  
13 transcript.

14 So, you know, just keep that in mind, as well  
15 as the Bond Review Board approval, which is, you know,  
16 necessary for this project as well. So, you know,  
17 practically speaking, you're probably talking about a  
18 deferral of maybe a week to -- I guess, it's no more than  
19 two weeks.

20 That's just kind of eyeballing the calendar  
21 pretty quickly.

22 MS. CARDENAS: Okay. So, you're saying that if  
23 we should consider the outcome of this item based on a  
24 motion to consider tabling it and we were to post a -- or  
25 schedule a special Board meeting, that would -- and

1 meeting all the compliance, right, at the posting, we  
2 would need to do this within a week, two weeks, tops?

3 MR. DRANSFIELD: Probably pretty close. If  
4 you're going to try to maintain the same reservation  
5 capacity that you have right now, which expires on the  
6 18th, that practically speaking is the 16th of April, then  
7 you'd need to back up from that.

8 So, you'd say, okay, then. That would move --  
9 right now the anticipated closing date for this project  
10 was going to be, I think, the week before that. So if you  
11 were to say, just a hypothetical -- say, you were going to  
12 try to target the 14th of April for the closing, that  
13 Wednesday, you'd kind of back up at least 12 business days  
14 from there. And then the other interaction with that is,  
15 you know, where you are with the Bond Review Board stuff  
16 and the TDHCA, those other kinds of parallel tracks.

17 But yes, that's, I think, the scenario that  
18 you've got to be thinking about. You'd be looking at, I  
19 think, realistically, you know, a deferred meeting no  
20 later than probably that last week of March, and -- you  
21 know, if you're going to stay with that same volume  
22 allocation.

23 That, of course, does not preclude you or the  
24 project from withdrawing the request for volume allocation  
25 and resubmitting it, but it does have those impacts that

1 Mr. Danenfelzer had referenced earlier, as it relates to  
2 the project. So --

3 MS. JOHNSON-ROSE: Madame Chair?

4 MR. DRANSFIELD: -- I don't know if that's  
5 confused the issue enough that --

6 MS. JOHNSON-ROSE: Madame Chair, this is  
7 Courtney Rose again.

8 MS. CARDENAS: Yes?

9 MS. JOHNSON-ROSE: Can I amend the motion,  
10 instead of the April meeting? Can I amend the motion to  
11 say that we will reconsider in a special Board meeting to  
12 be held before March 30, 2021?

13 MS. CARDENAS: Certainly. Okay. So I have a  
14 motion on the floor, as presented by Courtney Johnson-  
15 Rose. Do I have a second?

16 (No response.)

17 MS. SHIPLEY: This is Lali. I mean, given the  
18 explanation for the timing and feasibility of this  
19 decision, I cannot reinstate my second from the previous  
20 motion. So, I do not second this.

21 MS. CARDENAS: Okay. We do not have a second  
22 at this time. Do I have any other Board members?

23 MR. WILLIAMS: This is Andy. Based on the  
24 explanation and also the biggest thing is the reservation  
25 of bonds and the recommendation from staff, I'm going to

1 stand with my denial, and I'm also not going to second.

2 MS. CARDENAS: Okay. Since I do not have a  
3 second, this motion fails regarding Tab Item 3.

4 So, with that being said, we now move on to Tab  
5 Item 4, which is the "Presentation, Discussion and  
6 Possible Approval of the Texas Foundations Fund: Winter  
7 Storm Relief Funding Guidelines."

8 MR. WILT: Good morning, Chairwoman, Board  
9 members. I'm Michael Wilt, Senior Manager of External  
10 Relations. As you all are familiar with, the state of  
11 Texas was ravaged with a series of winter storms in late  
12 February.

13 In response to that, we heard from a couple  
14 organizations that were actively doing repairs, primarily  
15 plumbing repairs. So, like I said, we had some  
16 organizations reach out to us, ask if we were going to  
17 have any funding available, and in discussions with  
18 leadership here at TSAHC and other staff members, we  
19 quickly put this program together.

20 Before I go over the guidelines that are in  
21 front of you, I just wanted to thank everybody that was  
22 responsible for this, particular the leadership team of  
23 David, Janie and Melinda for nimbly helping to coordinate  
24 our organizational response. With Hurricane Harvey and  
25 now Winter Storm Uri, it's been a lot more active in this

1 disaster recovery space, and our leadership team has been  
2 very supportive of those efforts.

3 Our response to Harvey with the HEART Program  
4 was a little different in that we worked with the Rebuild  
5 Texas Fund to administer their funding. We had a longer  
6 timeframe to get that funding out the door as clean-ups  
7 and rebuilds after a hurricane aren't -- they are time-  
8 sensitive, but they don't require the same level of  
9 urgency as this winter storm did.

10 With pipes that burst and all the plumbing  
11 issues being the primary problem, we knew that  
12 organizations had to get -- organizations responding to  
13 repairs had to do them right away, so we had to be a lot  
14 more nimble in our response. And thankfully, everybody  
15 was on board with that from TSAHC's standpoint.

16 I also want to thank Katie, Laura, and Anna.  
17 This was a team effort to create the guidelines and  
18 application, websites, scoring criteria, communication  
19 emails, and we did it in a really short amount of time.  
20 Again, it just reflects how expediently we're trying to  
21 get funds out the door.

22 That said, even though it's a quick process, we  
23 do have some discretion in how we're recommending these  
24 funds go out, and the guidelines reflect that. You'll see  
25 that there are some threshold guidelines that we're

1 requiring.

2           You have to be an existing nonprofit partner  
3 through the Texas Foundations Fund or the HEART Program  
4 that was a Hurricane Harvey Response Program. By current,  
5 that means 2020 to 2021 Texas Foundations Fund partner, or  
6 you must have received a HEART grant during the period of  
7 2018 to 2020.

8           You also have to be in good standing with  
9 [audio interference] requesting funds, reporting, et  
10 cetera. We want to make sure that we have some comfort  
11 level with the organizations who apply for this funding,  
12 particularly when it comes to their financial  
13 statements.

14           We're not going to allow organizations outside  
15 of those programs, because we've already vetted  
16 organizations that have gone through those programs. And  
17 if we were to allow a new organization, it would just  
18 extend the timeline. And like I said, the point of this  
19 program is to make it expedient as possible.

20           The funds must serve households at 80 percent  
21 or below. This reflects the same income limits for our  
22 HEART Program, and it's the income limit that we tend to  
23 focus on when it comes to natural disasters, with the  
24 understanding that, for Texas Foundations Fund, the income  
25 limit is 50 percent and below, but we understand that

1 those households between 50 and 80 percent, they probably  
2 don't have a few thousand bucks in emergency funding to go  
3 towards some plumbing repairs. So that's why we increased  
4 the income limits to 80 percent on these disaster rounds.

5 Homes have to be owner-occupied or owned by the  
6 organization applying for funds. And you have to be  
7 serving a county -- the household has to be in a county  
8 that's eligible for individual assistance, per FEMA's  
9 Federal Disaster Declaration that was issued in February.

10 Like I mentioned, these are the gatekeeper  
11 requirements, the threshold criteria for getting funds out  
12 the door. It will be a competitive application, and we've  
13 crafted some scoring criteria to score the applicants.  
14 We'll share that scoring criteria online, a few things  
15 that we're looking for in order to weight the  
16 applications.

17 Some logistic considerations. Between those  
18 two programs combined, we could have upwards of 60  
19 applicants. Obviously, we're not going to get 60  
20 applicants. Not all those organizations that we've funded  
21 are active in this space, and not everybody is doing  
22 winter storm repairs.

23 We're not sure how heavily subscribed this  
24 program will be. We're putting it out there, because we  
25 have had organizations come to us for this type of

1 funding, but we don't know. You can't really anticipate  
2 what -- the volume of applications that we're going to  
3 get.

4 We're asking for a commitment of \$300,000 to  
5 this program, and you'll see in the guidelines,  
6 organizational award to be capped at \$30,000, and the per-  
7 household cap is \$5,000. We understand that repairs are,  
8 on average, about \$3,000 per home.

9 If the guidelines are approved today, we'll  
10 open up the application today. We have an application  
11 ready to go, and the deadline for applications would be  
12 two weeks from Friday. That's Friday, March 26.

13 With that, I'll take questions.

14 MS. CARDENAS: Thank you, Michael. Do we have  
15 any questions, any additional questions, comments, for  
16 Michael?

17 (No response.)

18 MS. JOHNSON-ROSE: No questions. Madame Chair,  
19 I will make a motion to approve. This is Courtney Rose.

20 MS. CARDENAS: Okay. I have a motion for  
21 approval for Tab Item 4 as presented. Do I have a second?

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

23 MS. CARDENAS: Okay. I have a first and  
24 second. Do I have any public comment at this time?

25 (No response.)

1 MS. CARDENAS: If there is none, I will take  
2 roll call for approval. Courtney Johnson-Rose?

3 MS. JOHNSON-ROSE: Yes.

4 MS. CARDENAS: Lali Shipley?

5 MS. SHIPLEY: Yes.

6 MS. CARDENAS: Andy Williams?

7 MR. WILLIAMS: Yes.

8 MS. CARDENAS: And Valerie Cardenas, myself,  
9 yes. Okay. So, Tab Item 4 is approved as presented.

10 Now, we move on to Tab Item 5, which is the  
11 "87th Texas Legislative Session Update."

12 MR. WILT: Thank you, Chairwoman. Again, it's  
13 Michael Wilt, Senior Manager of External Relations. I  
14 anticipate I'll be giving you an update every month until  
15 the end of session, which is in May. We'll probably have  
16 a special session after that.

17 But I'll just focus on things that have  
18 happened between February and today. Of note is that  
19 committees started meeting. Urban Affairs, which is the  
20 committee that covers housing, had an organizational  
21 meeting.

22 Their first meeting was an organizational  
23 meeting last week, and they had invited testimony from  
24 cities and agencies specific to how they were handling the  
25 COVID-19 pandemic and their response. Urban Affairs is

1 currently meeting right now. It's an extension of that  
2 organizational meeting from last week.

3           They haven't taken up any bills yet. We're  
4 still trying to meet with the clerk of that committee. I  
5 think that's in correspondence into her and waiting for a  
6 time -- to firm up a time whenever we can sit down with  
7 her.

8           Senate Local Governments, which is the housing  
9 committee on the Senate side, had an organizational  
10 meeting, a very brief one last week. They'll be meeting  
11 on Mondays at 1:30 or upon adjournment. We did meet with  
12 the committee staff yesterday and had a very productive  
13 meeting.

14           We went over bills that were specific to  
15 TSAHC. We went over some housing bills that were more  
16 general but that are a priority for housing  
17 organizations. I sent over the bill list after our  
18 meeting, the ones that we went over, and offered us as a  
19 resource, if they ever have any housing bills that come  
20 across their desk and they don't know what they do.

21           David and I met with Andrea Chavez in Speaker  
22 Phelan's office -- Phelan's office. Excuse me. Again,  
23 had a very productive meeting. We actually had two  
24 meetings, because the first one was in the middle of the  
25 winter storms and my cell phone dropped, like many others

1 experienced.

2 So, ended up meeting with her again the  
3 following Monday. The meeting went really well and ended  
4 up inviting her to the Housing Working Group meeting,  
5 which meets every other Fridays. It's all the housing  
6 organizations. They get together. And she sat in on that  
7 last Housing Working Group meeting to get some more  
8 exposure to the organizations who are in the housing space  
9 at the Capitol, and a lot of bills and issues that were  
10 important to them.

11 Like I mentioned those Housing Working Group  
12 meetings, I continue to attend those. We've had two.  
13 They meet every other Friday morning. Our next one is  
14 this Friday. It's a great way for housing organizations  
15 to check in on bills and issues and figure out what the  
16 priorities are for different organizations.

17 The meetings are not an opportunity for people  
18 to advocate for issues. It's simply meant as a way to  
19 share information and updates, and it's open to anyone.  
20 Capitol staff routinely attend, as well as representatives  
21 from TDHCA and a lot of housing advocacy organizations.

22 One other meeting that I'm working in the  
23 schedule -- I just got availability this morning from  
24 Adrienne Evans in the Lieutenant Governor's Office, and  
25 David and I should be meeting with her either tomorrow or

1 early next week.

2 Important upcoming dates. The most important  
3 is this Friday, March 12. That's the bill filing  
4 deadline.

5 So, the bill track that I'm sending you, they  
6 get updated every Friday. You'll see some additional  
7 bills on that track this Friday, and then beyond that, you  
8 may see a couple more attached, but you know, starting  
9 Friday, March 19, there won't be any additional bills  
10 after that.

11 Speaking of legislation, I started listing the  
12 bills that implicate TSAHC at the top. There are a couple  
13 of those. SB 1024/HB 2670 was filed last week. It would  
14 expand our Homes for Texas Heroes Program to include  
15 social workers as an eligible profession.

16 This bill really didn't come as a surprise to  
17 us. We heard from a lot of social workers during the  
18 interim that were hoping that their profession can be  
19 added to that program, and we did check in with the bill  
20 authors, and the bill came at the request at the National  
21 Association of Social Workers.

22 Checked in with some Homeownership staff, and  
23 they seem satisfied with the proposed definition of social  
24 worker. It basically would be a licensed social worker.  
25 I just wanted to make sure that it wouldn't be a problem

1 for us to administer that change, if the legislation were  
2 to pass.

3 SB 596, by Senator Gutierrez, would create a  
4 Statewide Veterans Land Bank Program that we would be  
5 tasked with administering. This is a re-filed bill from  
6 last session when Senator Gutierrez was in the House. We  
7 worked with him a little bit last session.

8 It was very late in session, because  
9 originally, the General Land Office was tasked with this,  
10 as the legislation was originally filed last session, and  
11 we were -- GLO didn't have any interest in doing it. They  
12 suggested that we do it, and so we started working with  
13 Representative Gutierrez's staff at the time.

14 We still have some questions, comments, et  
15 cetera about the bill. David and I are meeting with  
16 Senator Gutierrez's chief of staff tomorrow to go over  
17 some initial comments that we have.

18 Those are the two primary bills. Well, those  
19 are the only bills that specifically mention us. The  
20 other thing I should mention is that I created a track for  
21 bills that would modify the Open Meetings Act, as some of  
22 them may provide for these Board meetings to remain  
23 virtual.

24 That's all I have. I'm happy to answer any  
25 questions.

1 MS. CARDENAS: Thank you, Michael. Thank you  
2 for sending us those bill tracks. I know you've been  
3 sending them, you know, weekly, and they've been very  
4 informative, so thank you for that.

5 MR. WILT: Sure.

6 MS. CARDENAS: Does anyone have any questions  
7 for Michael at this time? You know, I believe that was  
8 just an update, so there's no vote needed. But if there's  
9 any questions for him?

10 (No response.)

11 MS. CARDENAS: Okay. If there are none, I  
12 believe that that -- this concludes any agenda items. I  
13 don't know if there is a need for a closed meeting?

14 MR. LONG: This is David Long. No, there's  
15 not, Madame Chair. The only thing I would do is remind  
16 the Board members that there is a -- the next scheduled  
17 Board meeting is tentatively set for Wednesday, the 14th  
18 of April, at 10:30.

19 And before we close, if you don't mind, I would  
20 like to go back and thank and recognize the staff for  
21 their effort. I know the Board voted on Tab Item 4 and  
22 thank you again for your approval and support of that  
23 agenda item. As everyone knows, the state was ravaged  
24 pretty heavily by the storms that we went through and the  
25 impact that it had on everybody around us.

1 I want to thank the staff for their prompt  
2 attention to making sure that that was something we could  
3 address at this Board meeting. I think they work  
4 diligently to make sure we had some kind of guidelines  
5 drafted, and that would allow us to then come to you with  
6 the ability to put something in place, so that we could  
7 move forward and start to provide assistance across the  
8 state.

9 So, thank you to the staff.

10 MS. CARDENAS: Yes. Thank you. They always do  
11 a great job. Okay. If -- I guess there are no items to  
12 discuss at this time.

13 It is now 12:13 p.m., and this will bring us to  
14 a close of our TSAHC Board meeting. So, if I could have a  
15 motion to adjourn?

16 MS. JOHNSON-ROSE: So, moved.

17 MS. CARDENAS: Okay. Do I have a second?

18 MS. SHIPLEY: This is Lali. I second.

19 MS. CARDENAS: Okay. I have a first and a  
20 second. Courtney Johnson-Rose? I'm taking roll call, I'm  
21 sorry -- for the motion.

22 MS. JOHNSON-ROSE: Oh, yes.

23 MS. CARDENAS: Lali Shipley?

24 MS. SHIPLEY: Yes.

25 MS. CARDENAS: Andy Williams?

1 MR. WILLIAMS: Yes.

2 MS. CARDENAS: And myself, Valerie Cardenas,  
3 yes. Okay. Thank you.

4 The meeting is now officially adjourned. Thank  
5 you to everyone for attending today's meeting.

6 (Whereupon, at 12:14 p.m., the meeting was  
7 adjourned.)

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C E R T I F I C A T E

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

I do hereby certify that the foregoing pages,  
numbers 1 through 75 75, 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: March 15, 2021

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

On the Record Reporting  
7703 N. Lamar Blvd., #515  
Austin, Texas 78752