

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

Texas State Affordable Housing Corporation  
6701 Shirley Avenue

Austin, Texas 78752

Tuesday,  
January 17, 2023  
10:51 a.m.

BOARD MEMBERS:

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

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P R O C E E D I N G S

MR. DIETZ: It is 10:51 a.m., and the Texas State Affordable Housing Corporation Board meeting is called to order.

And I apologize for running late. There's a lot of inauguration traffic at the hotel, and I kept waiting for my car and waiting for my car. It's one of those things where you've waited this long, you might as well wait just a minute longer because surely, it's right around the corner. It never came, so I just Ubered over.

(General laughter.)

MR. DIETZ: Let's start with roll call. Bill Dietz, I am present.

Valerie Cardenas is not here today; she is absent.

Courtney Johnson-Rose?

MS. JOHNSON-ROSE: Present.

MR. DIETZ: Lemuel Williams?

MR. L. WILLIAMS: Present.

MR. DIETZ: And Andy Williams is absent.

So, we do have a quorum.

Before we begin, let's start with the Pledge of Allegiance to the United States flag.

(The United States Pledge of Allegiance was recited.)

1 MR. DIETZ: And now to the Texas flag.

2 (The Texas Pledge of Allegiance was recited.)

3 MR. DIETZ: Is there any public comment before  
4 we begin?

5 MS. TAYLOR: Yes. Good morning, Chairman Dietz  
6 and Board members. We're going to start this morning with  
7 a special presentation by Texas Community Bank, and I'm  
8 going to turn it over to Katie Claflin for the  
9 introduction.

10 MS. CLAFLIN: Good morning. My name is Katie  
11 Claflin. I'm Senior Director of Communications and  
12 Development, and I'm here to introduce two very special  
13 guests, Sean Denton, Senior Vice President, and Cary  
14 Mansfield, First Vice President with Texas Community Bank,  
15 and they are here to present a \$10,000 grant check to  
16 TSAHC. The grant will support our 2023 Housing Connection  
17 training which will take place next fall.

18 Texas Community Bank has been a very  
19 longstanding supporter of TSAHC they supported both our  
20 ACT Land Banking Program and our Texas Supportive Housing  
21 Institute, and we're really excited to add Housing  
22 Connection to the list of programs that they support.  
23 Their grant will support training and travel costs for  
24 nonprofits traveling from Laredo, San Antonio, and the Rio  
25 Grande Valley, which is their service area.

1           So, with that, I'd like to invite Sean and Cary  
2 up to say a few words on behalf of Texas Community Bank.

3           MR. DENTON: Good morning, everybody. I don't  
4 think I need a microphone.

5           Well, we're just here to support you guys, do  
6 whatever we can. I know \$10,000 isn't a lot for y'all's  
7 missions that y'all do, but I hope every little bit helps,  
8 and I think we've done this for a couple of years now and  
9 hope to continue doing more.

10          MR. MANSFIELD: We appreciate it.

11          MR. DIETZ: Thank you.

12          MR. L. WILLIAMS: Thank you.

13          MS. JOHNSON-ROSE: Thank you.

14          (Applause; pause for presentation and photos.)

15          MR. DIETZ: Thank you for your continued  
16 support and partnership. Y'all are a valuable part of  
17 this organization, and we really appreciate you.

18          MS. TAYLOR: And we'll get that check to the  
19 right people in a minute, probably Melinda.

20          (General laughter.)

21          MS. TAYLOR: Okay. So, I think you all know  
22 that Mr. Long is unable to join us today; he's under the  
23 weather, but he asked me to step in and do the President's  
24 Report, so I'll start by asking if y'all have any  
25 questions regarding the reports that are included, the

1 reports that we include normally in our Board book.

2 MS. JOHNSON-ROSE: No. I glanced through, and  
3 I have no questions.

4 MS. TAYLOR: Okay. So, I believe David Long  
5 mentioned last month that we transitioned our network from  
6 physical servers to the cloud. Our staff, primarily Nick  
7 Lawrence, and our IT provider continue to focus on  
8 improving our internet speed and restoring or replacing  
9 any employee specific attributes that may have been lost  
10 during the transition, because I know we did have some  
11 issues with some databases or files that just haven't been  
12 transferred.

13 In addition to that, now that the audit is  
14 complete, our accounting staff is focusing on completing  
15 any reporting that comes at the end of the year or at this  
16 time of the year. And they're also working to set up  
17 systems for the new Single Family Bond program, which we  
18 hope we will be pricing at the end of this month and then  
19 releasing next month for potential homebuyers.

20 Accounting staff will also be working on RFPs  
21 for the administration of our 403(b) pension plan, which  
22 is like our 401(k), as well as an RFP for professional  
23 employment organizations that manage our human resources  
24 and payroll.

25 So, I'm going to move on into the Impact Fund

1     Loan Committee. We met last week on January 10. The  
2     committee reviewed and approved a 90-day extension to  
3     Project Transitions for the Burnet Place Apartments; they  
4     have a \$3 million loan. They needed a little bit more  
5     time to finalize approvals from other financing providers,  
6     but we hope that they'll be closi8ng in the next couple of  
7     months.

8             In addition, the committee approved two  
9     construction loans for two properties by the same  
10    developer. These two loans need your approval based on  
11    their size, and they are actually on the agenda for today.

12            And I know Andy is not here today; we usually  
13    ask him for any other remarks regarding the Loan  
14    Committee, but I do want to say that, you know, Andy  
15    always joins our Loan Committee meetings, he always adds  
16    guidance and we appreciate his experience in the field,  
17    what he does, because that does bring a lot of good  
18    insight into the decisions that we make.

19            So, I'm going to move on to our Single Family  
20    Program updates. Since we met last December, the  
21    Homeownership team has conducted four Realtor continuing  
22    education trainings. Those are primarily done by Frank  
23    Duplechain -- I don't know if he's here -- but he's back  
24    out to traveling around, and since last month those four  
25    training courses have reached 67 Realtors.



1           We also offer mandatory lender training online  
2 to new and existing loan officers so they can learn and  
3 continue to learn about our Down Payment Assistance  
4 Program and MCC program.

5           We had 377 loan officers complete that training  
6 since the last Board meeting. We also added five new  
7 lenders and continue to add lenders that are offering our  
8 down payment assistance and MCC programs.

9           And we also have webinars that we offer for our  
10 lenders and Realtors, and during this period we had 182  
11 Realtors and lenders participate in those webinars. So,  
12 staff continues to market our programs, especially during  
13 this time when there's usually a slowdown in real estate.  
14 Courtney probably knows that pretty well. And so, this is  
15 a great time to reach out to a lot of those lenders and  
16 Realtors that may be looking for new ways to reach  
17 potential homebuyers.

18           And then today, I think, our Homeownership and  
19 Marketing teams are announcing our upcoming bond program  
20 that I just mentioned. We're going to be announcing it  
21 today to the lenders and Realtors, and then we're going to  
22 be releasing an explanation on the bond program with an  
23 FAQ document and also a video that explains the difference  
24 between bond and non-bond down payment assistance, because  
25 there is a difference, primarily in the income limits and

1 other requirements by the IRS.

2 I'm going to touch on fundraising now. Since  
3 November 29, which was Giving Tuesday, and the end of the  
4 year, we usually do a push for donations from primarily  
5 Realtors and lenders, and our staff raised \$6,000 during  
6 those two efforts, and that goes towards Housing  
7 Connection, which is the same program that Texas Community  
8 Bank just provided that funding for today. We also, of  
9 course, want to thank them, Sean and Cary, who are here,  
10 and they, as Katie mentioned, have been longtime partners  
11 of our programs for many, many years, and we thank them  
12 for that.

13 Our Supportive Housing Institute, which is a  
14 training that we've been holding for developers to build  
15 supportive housing since probably September, I think, is  
16 when we started this training this year. It concluded in  
17 December, but next month we will be having a project  
18 reveal presentation for funders, so the development teams  
19 will be making presentations for potential funders, and  
20 I'm hearing that we're going to have Texas Capital Bank  
21 host it, actually, at their offices here in Austin, so  
22 that will be a great opportunity for them.

23 Michael Wilt participated in the public hearing  
24 for our Annual Action Plan, for the draft of it. That was  
25 held last week. To my knowledge, we have not received any

1 public comment on the Annual Action Plan, either at the  
2 hearing or in writing, so you should expect that plan to  
3 come back to you next month for final approval, and it  
4 will go to the Governor's Office after that.

5 So, as Mr. Dietz knows very well, the  
6 legislative session has begun, and with that, a lot of  
7 traffic and a lot of activity of tracking legislation.  
8 Katie and Michael and the team will be keeping track of  
9 any legislation that gets filed that impacts TSAHC or  
10 affordable housing, and so we'll be updating the Board  
11 either weekly or monthly -- we haven't quite decided  
12 yet -- but we're going to keep you updated on any bills  
13 that get filed.

14 I think that is all I have. I did want to  
15 mention that at the end the very last item we're going to  
16 conclude our strategic plan presentation. We would have  
17 done it in December, but the staff that's actually going  
18 to present today were all at a training, and so we really  
19 wanted them to present their material, not have myself or  
20 somebody else that doesn't work with the material every  
21 day give the presentation. So, it will be the last one.

22 I did want to mention that many, many years  
23 ago -- I think, Bill, you probably were on our Board  
24 already -- we went through a whole Strategic Plan  
25 facilitation with Mission Capital to come up with a lot of

1     what we still use. We're going to start doing that again,  
2     hopefully in the next month or so.

3             We're going to back to Mission Capital to ask  
4     them to help us facilitate a new kind of brainstorming  
5     session to help us come up with potentially some new goals  
6     and structure for our Strategic Plan. So, hopefully, next  
7     year -- not next year, this year, but next fiscal year  
8     you'll see a little bit of an updated plan.

9             MR. DIETZ: Great.

10            MS. TAYLOR: Do you guys have any other  
11     questions for me?

12            (No response.)

13            MR. DIETZ: Well done.

14            MS. TAYLOR: Thank you.

15            MR. DIETZ: Well, concluding the President's  
16     Report, we'll go into our action items for the open  
17     meeting.

18            Tab item 1 is the Presentation, discussion, and  
19     possible approval of the minutes of the Board meeting that  
20     was held December 6, 2022. We need to adjust that one  
21     item. It says 2023 on the agenda here.

22            MS. TAYLOR: Oh, you're right; it was 2022.

23            MR. DIETZ: Any questions, comments,  
24     corrections to the minutes?

25            (No response.)

1 MR. DIETZ: Is there a motion to approve the  
2 minutes as submitted?

3 MR. L. WILLIAMS: Chairman Dietz, this is  
4 Lemuel Williams. I'll make a motion to approve our Board  
5 minutes for December 6, 2022.

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

7 MS. JOHNSON-ROSE: Second.

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

10 (No response.)

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

13 (A chorus of ayes.)

14 MR. DIETZ: Okay. The minutes are approved as  
15 submitted.

16 Tab item 2 is the Presentation, discussion, and  
17 possible approval of a \$2 million loan to National Church  
18 Residences, or an affiliate, for the acquisition and  
19 rehabilitation of Oak Bluff Apartments, a 39-unit  
20 multifamily community in Columbus, Texas.

21 Mr. Danenfelzer.

22 MR. DANENFELZER: Good morning. David  
23 Danenfelzer, Senior Director of Development Finance.

24 The writeup that you have before you for agenda  
25 item 2 also includes notes for agenda item 3; however, we

1 are not moving forward with agenda item 3, just to be  
2 clear.

3 The Loan Committee met last week about the Oak  
4 Bluff Apartments, as well as the Tejas Cove loan which  
5 we'll be talking about next. The consensus among the  
6 staff and the committee was to go ahead and withdraw the  
7 permanent loan recommendations for these, and so we did  
8 not move forward with those; they were rejected. The  
9 construction loans, however, are still being offered to  
10 the developer.

11 The notes here are pretty full as far as the  
12 summary of the project, but Oak Bluff, I'll go into a  
13 little bit of detail for you. It is a 39-unit acquisition  
14 rehab project that serves residents ages 55 and older.

15 The property is supported by a Section 8 rental  
16 assistance contract, which does help to ensure long-term  
17 affordability. Also, it provides for deeper  
18 affordability, so there is some units here that will be  
19 reserved for households earning up to 30 percent area  
20 median income.

21 The project here is located in what's  
22 considered both a low income or economically distressed  
23 area and a rural community, the community of Columbus. I  
24 did actually get a chance to drive by this the other day  
25 on my way to Houston for a meeting on Thursday, and the

1 property is in fairly good condition,

2 It was built in the late '90s but it does need  
3 help. The roofs need replacement, there's obviously some  
4 mechanical updates that are needed, parking lot needs to  
5 be probably resurfaced and repainted and everything, so it  
6 is in need of capital expenditure at this time.

7 Another important thing to note is this project  
8 did receive 9 percent housing tax credits from the Texas  
9 Department of Housing and Community Affairs in 2022, so  
10 this is the timeline that they would be getting ready to  
11 go ahead and close on both their tax credit award and move  
12 forward with the construction.

13 The intended closing date right now is April,  
14 and so they are still locking in some of the final  
15 construction contract bids, as well as their partnership  
16 agreement with their tax credit syndicator.

17 I'll leave it at that for now, but if you have  
18 any more questions, I'm here to answer them.

19 MR. DIETZ: Just kind of a procedural question.  
20 We've got these two tab items, tab item 3, which is the  
21 permanent loan, was not approved at the committee level.  
22 Is that correct?

23 MR. DANENFELZER: Correct. So, we're just  
24 simply withdrawing that for today's meeting, so you won't  
25 have to vote on that.

1           MR. DIETZ: But since it's still on the agenda,  
2 do we need to take any action on it?

3           MR. THORNHILL: Staff can withdraw it and  
4 postpone it to whenever they bring it back up. You don't  
5 have to reject it or accept it; it's just that the staff  
6 is withdrawing it.

7           MR. DIETZ: Okay. I just wanted to make sure  
8 since it's on the agenda and it publicly was on the agenda  
9 that was submitted --

10          MR. THORNHILL: Right, and for us to be able to  
11 take action on it, it has to be on the agenda, but if  
12 we're not going to take action on it, then we just  
13 withdraw it.

14          MR. DIETZ: Okay, good. So, we don't have to  
15 take any action. Okay, good. I just wanted to be clear  
16 on that.

17                 So, on tab item 2, any questions, comments?

18          MS. JOHNSON-ROSE: Yes. So just to be clear,  
19 this is a construction loan.

20          MR. DANENFELZER: Correct.

21          MS. JOHNSON-ROSE: They'll pay back the \$2  
22 million for deferred maintenance, upgrades, and things of  
23 that nature to the facility.

24          MR. DANENFELZER: Right. And it's all part of  
25 the full 9 percent housing tax credit refinancing of the



1 project. So, after the period of construction, once it's  
2 done, the full amount of tax credit equity will come in,  
3 and a permanent mortgage will replace our construction  
4 loan, so they'll pay us back the \$2 million and then the  
5 full permanent financing will be put in place.

6 MS. JOHNSON-ROSE: Okay, got it.

7 MR. L. WILLIAMS: Part of the construction loan  
8 here, does that also include the capital improvements that  
9 need to be done, or is that going to be separate?

10 MR. DANENFELZER: It includes everything.  
11 There's a portion of our financing that would be used for  
12 an acquisition piece, the part that is not eligible for  
13 the tax credits to be used, but the majority of it, as we  
14 look at the total sources uses right now, will be used for  
15 actual capital improvements and rehab.

16 MR. L. WILLIAMS: Okay.

17 MS. JOHNSON-ROSE: Mr. Chairman, I'll make a  
18 motion to approve.

19 MR. DIETZ: Okay. It's been moved that we  
20 approve the \$2 million loan to National Church Residences  
21 for the acquisition and rehabilitation of Oak Bluff  
22 Apartments. Is there a second?

23 MR. L. WILLIAMS: Chairman, this is Lemuel.  
24 I'll go ahead and second that.

25 MR. DIETZ: Okay. It's been moved and

1 seconded. Is there any public comment?

2 (No response.)

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

5 (A chorus of ayes.)

6 MR. DIETZ: Okay. It is approved as presented.  
7 Thank you.

8 And then as noted previously, we're skipping  
9 tab item 3 because that has been withdrawn by staff,  
10 having not survived the committee vote.

11 Tab item 4 is the Presentation, discussion, and  
12 possible approval of a \$2 million loan to National Church  
13 Residences, or an affiliate, for the acquisition and  
14 rehabilitation of Tejas Cove, a 61-unit multifamily  
15 community in Bay City, Texas.

16 MR. DANENFELZER: Similar to the last project  
17 we discussed, Tejas Cove is an acquisition rehabilitation  
18 project, serving residents 55 years of age and older.  
19 This project is also supported by a Section 8 rental  
20 assistance contract, and so it does also have some 30  
21 percent AMI units, as well as mostly the 50 percent AMI  
22 units.

23 I have not been able to visit this property; I  
24 did not have a chance to on my drive last week. But from  
25 pictures and from the reports that I have, it is in

1 similar condition, built in a similar time period, and is  
2 also in need of significant repair after close to 20 years  
3 of use. The project is a little bit larger because it is,  
4 obviously, almost twice the number of units, 61 units in  
5 total.

6 And I should note, too -- I didn't mention in  
7 the last -- National Church Residences is one of the  
8 largest nonprofit senior and supportive housing or  
9 assisted living developers in the nation. They are based  
10 out of Ohio.

11 We've never worked directly in this manner with  
12 them before, but their reputation is quite stellar in the  
13 industry, they have multiple projects. In fact, I think  
14 they have close to 7,000 active units in the state of  
15 Texas, and we did do a compliance review of them, and  
16 there were no issues of compliance or noncompliance that  
17 were brought up by the Texas Department of Housing and  
18 Community Affairs when we investigated that. So, they're  
19 an excellent developer; we have all the faith that we can  
20 in their ability to complete these projects.

21 MR. DIETZ: Any questions or comments?

22 (No response.)

23 MR. DIETZ: And then similarly, tab item 5?

24 MR. DANENFELZER: Similarly, tab item 5 has  
25 been withdrawn.

1 MR. DIETZ: Has been withdrawn.

2 MS. JOHNSON-ROSE: So, we're only doing  
3 construction loans.

4 MR. DANENFELZER: Correct.

5 MR. L. WILLIAMS: And David, have you had a  
6 chance -- I guess, just like the other one, were you able  
7 to just kind of make a beeline to this one, or it was just  
8 a lot of driving further?

9 MR. DANENFELZER: I just wasn't able to drive  
10 by this one. I had meetings in Houston in the afternoon  
11 and easy to go through Columbus but not so much Bay City,  
12 and I wasn't able to kind of swing back through.

13 But I've looked at the property needs  
14 assessment for this property and so it has lots of photos,  
15 and similar conditions. The roofs obviously have  
16 darkening, and you can tell there's been weather events  
17 before that have kind of worn them away over time, air  
18 conditioning units appear to be older, and so I think  
19 every single one of them will be replaced during this  
20 rehabilitation.

21 MS. JOHNSON-ROSE: What was the year built?

22 MR. DANENFELZER: I believe this one was 2001.  
23 I don't have the specific number right in front of me  
24 right now; I apologize for that.

25 MS. JOHNSON-ROSE: About 20 years.

1           MR. L. WILLIAMS: And is the timeline similar  
2 to the previous one? Because I know previously, we  
3 discussed April.

4           MR. DANENFELZER: Yeah, this one is also to  
5 close in April. The financing partners are identical, so  
6 it is the same tax credit syndicator, so they're trying to  
7 line up both closings at the same time. It makes it very  
8 easy for the syndicator to place all their funding at once  
9 rather than have multiple closings over different times.

10          MR. DIETZ: Any additional questions or  
11 comments?

12          MS. JOHNSON-ROSE: No questions from me.

13          MR. DIETZ: Is there a motion?

14          MR. L. WILLIAMS: Chairman, this is Lemuel.  
15 I'd like to make a motion to approve tab item 4, as listed  
16 in the Board report.

17          MR. DIETZ: It's been moved that we approve the  
18 \$2 million loan to National Church Residences for the  
19 acquisition and rehabilitation of Tejas Cove. Is there a  
20 second?

21          MS. JOHNSON-ROSE: Second.

22          MR. DIETZ: Moved and second. Is there any  
23 public comment?

24          (No response.)

25          MR. DIETZ: Hearing none, all in favor please

1 say aye.

2 (A chorus of ayes.)

3 MR. DIETZ: Approved as submitted.

4 Real quickly, just for the benefit of the  
5 Board, if I understand correct, the reason for not moving  
6 forward with the permanent loans is just we want to pause  
7 on that and just as an organization kind of decide what  
8 our overarching policy regarding permanent lending will be  
9 going forward before, we take on anything of this size on  
10 a permanent basis. Is that accurate?

11 MR. DANENFELZER: Yes. The Loan Committee and  
12 executive had a very detailed discussion about how we will  
13 look at permanent loans moving forward and how we should  
14 be doing a little bit better job of budgeting and  
15 foreseeing these opportunities and maybe creating a  
16 certain set-aside within our budget so that we know how  
17 much we would be able to commit on a year-to-year basis.

18 Right now, we commit sort of a large pool of  
19 funding for any type of loan, but obviously, with a  
20 permanent loan we're not looking at a recycling of that  
21 after a year or two; we're looking a permanent 15-year  
22 commitment of those funds, and that makes a little bit of  
23 a difference in how we project cash flows out for the  
24 duration.

25 MR. DIETZ: But we don't have anything on the

1 books like that right now.

2 MR. DANENFELZER: We currently do have some  
3 older permanent loans that we've done over time, but as  
4 the program has grown, you know, we've gone from doing 2-  
5 to 3 million to over \$6.5 million this year, so as we kind  
6 of look at that, the desire or the demand that that takes  
7 on our cash flows into the future increases, so we want to  
8 be a little bit more strategic on how we move forward on  
9 that.

10 MR. DIETZ: Thank you.

11 Okay. Then as we previously noted, tab item 5  
12 has been withdrawn, so moving on to tab item 6,  
13 Presentation, discussion, and possible approval of a  
14 resolution regarding the submission of one or more  
15 applications for allocation of private activity bonds,  
16 notices of intention to issue bonds and state bond  
17 applications to the Texas Bond Review Board, and  
18 declaration of an expectation to reimburse expenditures  
19 with proceeds of future debt for Eden Court Apartments.

20 MR. DANENFELZER: Hi again. Dave Danenfelzer,  
21 senior direct of Development Finance.

22 This project is also with National Church  
23 Residences. This is a project; however, we did originally  
24 bring to the Board in 2021, or I think in January '22 is  
25 when we actually brought it to the Board, but we received

1 their original application in November of '21.

2 This is a two-property portfolio located in  
3 Seguin, Texas, of 110 units, and like the previous  
4 projects, they are supported with project-based rental  
5 assistance and have similar structure as far as overall  
6 financing except for these are 4 percent housing tax  
7 credits with our bond financing.

8 And to be clear, our bond financing is  
9 typically used either for both the construction and  
10 permanent; however, it is not an actual cash contribution  
11 or commitment of the Corporation. We are conduit issuer,  
12 and so there will be a bond purchaser who will actually be  
13 funding the transaction.

14 Eden Court itself is a combination of two  
15 separate properties, as I noted, in Seguin. The total  
16 budget is approximately \$29.8 million now, and these  
17 underwriting numbers have been updated since we looked at  
18 them in January of last year.

19 And what we saw is that the current allocation  
20 that the Board had approved last January was \$15 million.

21 In IRS requirements you do have to issue at least 50  
22 percent of the total proceeds for a project needs to be in  
23 the form of private activity bonds in order to meet the  
24 tax rules.

25 We're getting really close to that \$30 million



1 mark on construction, and so speaking with the developer  
2 and talking with staff, we have a cushion right now of  
3 about 7 or \$8 million of additional volume cap we're  
4 unlikely to commit to any other project, and so we decided  
5 to bring this back before we go and submit the tax credit  
6 application here and reserve the bonds for an additional  
7 million dollars just to give us a little cushion.

8 While the current budget is at 29.8-, I will  
9 say this is a budget that they've been going through with  
10 their contractors. They are ready literally tomorrow to  
11 submit the reservation and secure this and start 180-day  
12 clock of closing, so we are ready to go on this.

13 I spoke with the developer a number of times on  
14 Friday as well about the tax credit application, and they  
15 are ready to go. They actually pre-submitted it to the  
16 Texas Department of Housing on Friday, so we're just  
17 waiting for this approval to make sure we've got  
18 sufficient volume cap to get this across the finish line  
19 in the next 180 days.

20 MR. DIETZ: Great. Any questions or comments?  
21 Any discussion?

22 MS. JOHNSON-ROSE: No questions from me,  
23 Chairman.

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

25 MS. JOHNSON-ROSE: Motion to approve the

1 allocation of private activity bonds, notices of intention  
2 to issue bonds and state bond applications to the Texas  
3 Bond Review Board, and declaration of expectation to  
4 reimburse expenditures with proceeds of future debt for  
5 Eden Court Apartments. I so move.

6 MR. DIETZ: Is there a second?

7 MR. L. WILLIAMS: Chair, this is Lemuel. I'll  
8 second that.

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

11 (No response.)

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

14 (A chorus of ayes.)

15 MR. DIETZ: Okay. It's approved as submitted.  
16 Thank you, Mr. Danenfelzer.

17 MR. DANENFELZER: Thank you very much.

18 MR. DIETZ: Now we'll move on to tab item 7,  
19 which is Presentation and discussion of the Texas State  
20 Affordable Housing Corporation's fiscal years 2022 and  
21 2023 strategic plans.

22 MS. LeVECQUE: Good morning, Mr. Chairman and  
23 members of the Board. I'm Joniel LeVecque. I am the  
24 senior director for Single Family Programs, and I have the  
25 great pleasure of introducing a couple of the managers

1 within our department.

2 First, we have Delia Davila, and she is the  
3 senior manager for single family compliance, so she'll be  
4 presenting for us first, and then after that we have  
5 Donnetta McGrew, who is our MCC program compliance  
6 manager. Both of them will be presenting the 2022  
7 outcomes from our strategic plan, along with a few of the  
8 highlights of the 2023 goals.

9 MS. DAVILA: Good morning. My name is Delia  
10 Davila, and I am the Senior Manager for the Single Family  
11 Compliance Department. I will be presenting our 2022  
12 Strategic Plan outcomes and the 2023 Strategic Plan goals  
13 for this department.

14 I'd like to start by telling you a little bit  
15 about myself and the Single Family Compliance Department.  
16 I joined TSAHC ten years ago, and this department  
17 consisted of only two people. Today we have a staff of  
18 seven. Compliance team is divided between DPA, which is  
19 me, and then the MCC department, which is run by Donnetta,  
20 and today I'd like to talk to you about the DPA team.

21 The main goal for the DPA team is to review  
22 grant and second lien DPA packages for approval. We also  
23 work with an outsource company named MetaSource to help  
24 review files as needed when staff is sick or on vacation.

25 As part of the daily compliance reviews, the

1 team also manages calls and emails from over 200  
2 participating lenders who need our help with our  
3 application process or have specific questions about  
4 TSAHC.

5 As team manager, I work directly with financial  
6 services to determine daily interest rates, loan  
7 purchasing issues, and including our latest programs or  
8 program changes. We also work with Emphasys, which is the  
9 software that runs our online portals. This is the portal  
10 where lenders submit their compliance packages for all of  
11 our programs and how they track their approval status.

12 I'm excited the DPA team's strategic outcomes  
13 from last year and our new goals for 2023. Last fiscal  
14 year one of our goals was to review compliance files  
15 within 48 hours of submission. To better track our review  
16 times, I have trained Heather Whittier, one of my  
17 specialists, to run the daily report directly from our  
18 lender portal. The report is then used to assign files to  
19 the staff and track the files' progress. This will assure  
20 that the team is reviewing all files submitted within 24  
21 hours or less.

22 We always have a goal of providing industry  
23 leading customer service, so in efforts to be more  
24 available to our lenders, we assigned new duties to our  
25 Core Leader, Kayla Gillaspy. As Core Leader, Kayla

1     answers all lender calls as fast as possible, she  
2     collaborates directly with the specialists to make sure  
3     the lenders' needs are met.

4             We also began a new process in which our  
5     specialists will not just review compliance packages but  
6     will also email loan officers directly when an incomplete  
7     file is received in efforts to correct any issues for  
8     faster approval.

9             Our new fiscal year goal for the DPA team will  
10    be measuring this new process by reaching out to our  
11    lenders to see how that affects our approval rate over the  
12    next year.

13            Any questions?

14            (No response.)

15            MS. DAVILA: I would like to then turn it over  
16    to Donnetta McGrew to talk about our MCC program.

17            MR. DIETZ: Great. Thank you very much, Delia.

18            MR. L. WILLIAMS: Thank you.

19            MS. JOHNSON-ROSE: Thank you.

20            MS. DAVILA: Thank you.

21            MS. MCGREW: Good morning, Chairman and Board  
22    members. My name is Donnetta McGrew, and I'm the MCC  
23    Program Manager for the Single Family Compliance  
24    Department at TSAHC. I'm here today to present the  
25    highlights of our 2022 strategic plan outcomes, as well as

1 our current goals for 2023.

2 When I joined TSAHC five years ago, I was the  
3 only managing the Mortgage Credit Certificate Program. As  
4 the program has grown, I have been given the privilege of  
5 building a team and hiring two specialists to join me.

6 Our team's main objective is to review  
7 compliance packages and issue MCCs in a timely manner for  
8 our stand-alone and combo files. In addition to daily  
9 compliance file reviews, my team handles all calls and  
10 emails from over 200 participating lenders and borrowers  
11 who need assistance with our application process, have  
12 specific questions about refinancing, and need guidance on  
13 how to use our DPA and MCC programs and filing packages.

14 To ensure that our program is running  
15 efficiently and effectively, I work closely with IT  
16 Services to purchase loans and program or update our  
17 database for our latest programs or program changes. I  
18 also collaborate with Emphasys to troubleshoot issues and  
19 manage projects within the MCC and DPA team.

20 I'm now excited to present to you the outcomes  
21 of the MCC team's Strategic Plan from last year and our  
22 new goals for 2023.

23 As you're aware, our team is responsible for  
24 reviewing compliance files, issuing MCCs and providing  
25 customer service to lenders and borrowers. Last fiscal

1 year we set a goal to review compliance files within 48  
2 hours of submission. To achieve this goal, we hired an  
3 additional specialist, Monique McQueen, to assist Susan  
4 Parker and myself in the review process. To increase  
5 efficiency, I created a daily report that splits our  
6 team's workload into pre- and post-closing reviews.

7 Both Monique and Susan are cross-trained to  
8 review any files. Monique focuses on post-closing files  
9 and Susan on pre-closing files. This allows for  
10 simultaneous review and ensures that files are processed  
11 in a timely manner.

12 Providing industry-leading customer service is  
13 always a top priority for our team. To be more available  
14 to our lenders, Monique handles all emails in our MCC  
15 Compliance inbox, and Susan answers our department phone  
16 calls from lenders and borrowers to assist in their needs.

17 In addition, in November of 2021, we  
18 implemented our outreach process. After a review, we will  
19 notify a lender if the file is missing documents or fees,  
20 and we also reach out to lenders with outstanding files  
21 with us that are at risk of cancellation.

22 This allows us to stay in constant contact with  
23 the lender during and after closing to ensure that the  
24 borrower's MCC is issued without delay. I'm pleased to  
25 report that these efforts have resulted in 2,024 MCCs

1 being issued.

2           Additionally, for Homeownership Month in June  
3 of last year, we collaborated with the Marketing and  
4 Homeownership teams to put together a Facebook Live that  
5 received 560 views, a Q&A training on MCCs with 364  
6 downloads, and a podcast with 329 downloads.

7           This allows lenders to ask us questions,  
8 discuss any issues or get clarification on anything that  
9 they may have been struggling with, and as a result, we  
10 did receive a 17 percent increase in reservations the  
11 following month.

12           I am pleased to present to you our fiscal year  
13 goal for the MCC team. Our objective is to expand our  
14 outreach process to include borrowers and enhance their  
15 understanding of the Mortgage Credit Certificate. To  
16 achieve this goal, we will begin emailing borrowers to  
17 advise them that a Mortgage Credit Certificate is on the  
18 way and provide them a clear time frame of when they can  
19 expect to receive their MCC.

20           In addition, we will be creating an MCC  
21 cancellation request form that borrowers will be required  
22 to sign if they choose to cancel their MCC. This will  
23 ensure that all parties involved, including the borrower,  
24 understand the potential benefits that they may be losing  
25 by canceling their MCC.



1           Furthermore, we will be working closely with  
2       Emphasys to create and develop and enhance a daily report  
3       for the Single Family Compliance Department. This report  
4       will be updated as files come in and will enable our team  
5       to review files in a couple of hours or even minutes,  
6       which will improve our overall efficiency and allow us to  
7       quickly identify and address any issues that may arise.

8           We are confident that these strategies will  
9       enable us to effectively expand our outreach to borrowers,  
10      improve our review process and provide enhanced support to  
11      the borrowers. We will be monitoring our progress  
12      throughout the fiscal year and making any adjustments to  
13      ensure that we meet our goals.

14           Thank you for your time and your attention, and  
15      we're open to any questions or comments.

16           MR. DIETZ: Thank you very much.

17           Questions or comments?

18           MR. L. WILLIAMS: Thank you for the report. I  
19      have a couple of questions.

20           I'm hearing a central theme of 200 calls, 200-  
21      plus calls, and I think it's yourself and two others,  
22      including, I think, there's one other outsource. I guess  
23      my question is and what I'm trying to wrap my head around  
24      is how long does it take you and the team to respond to  
25      these calls. Are they calls, emails, what are they?

1 MS. MCGREW: For my team ours is a little bit  
2 more extensive because it involves the taxes, so a lot of  
3 people want to know how do they file their taxes, if they  
4 do qualify they may have a primary residence but may use  
5 it as an investor property. So, my department's calls may  
6 be anywhere between five to six minutes, also depending on  
7 the time of year. Right now, it's tax season, so  
8 everybody has questions.

9 MS. LeVECQUE: And I would actually like to  
10 clarify that we have over 200 approved lenders, so the  
11 calls are much greater than that.

12 MR. L. WILLIAMS: Okay.

13 MS. JOHNSON-ROSE: Not just the lenders and the  
14 borrowers.

15 MS. LeVECQUE: The borrowers and the hundreds  
16 of loan officers that work for each of those lenders. We  
17 have probably close to 1,500 lenders who actually are  
18 actively participating in our programs, so the call volume  
19 is much greater than that.

20 MR. L. WILLIAMS: And you said run about five  
21 to six minutes, but it could be longer, just depending  
22 upon the questions.

23 MS. MCGREW: Yes.

24 MR. L. WILLIAMS: I have 10,000 more questions  
25 but I'll keep them. I could just call in and add that to

1 the calls.

2 (General laughter.)

3 MR. L. WILLIAMS: No. Just last piece, I  
4 definitely want to make a commendation here. It's  
5 sounding as if the social media outreach is really  
6 working, like you're seeing engagement, you're seeing  
7 interaction, the podcasts.

8 I guess have you received any feedback from the  
9 Realtors, the borrowers, the lenders themselves saying,  
10 hey, the information that you're providing is helping me  
11 or helping our clients to answer X, or just any type of  
12 feedback?

13 MS. MCGREW: Yes, sir. So, on our  
14 Homeownership side we did do a survey that adds questions  
15 about our customer service and the information we put on  
16 our website, so we did get good feedback saying that  
17 they -- a lot of people are discouraged from using the MCC  
18 program because it's a lot of paperwork and they don't  
19 understand it.

20 So, we did get a lot of feedback and more  
21 lenders wanting to have more programs and videos, so we  
22 actually did more videos to explain the MCC process on how  
23 to use it, liability, how much of the credit you can use.  
24 So, I believe that just getting the information out there  
25 at least is encouraging more people to come to us with

1     those questions so that way we can clarify everything for  
2     them to be able to use our program.

3             MR. L. WILLIAMS: By any chance do you think  
4     that could be handled in conjunction with, I guess, kind  
5     of the support calls that you're handling, whether it be  
6     the borrowers or the lenders, where if you see a central  
7     theme that's occurring where they're asking questions  
8     about taxes, not going too much into sensitive information  
9     where there could be a video or a podcast, something  
10    around that where that volume could drop? Because like I  
11    said, part of the 10,000 additional questions I'm thinking  
12    like if this call volume is in the thousands and there's  
13    only four of you, I mean, you're not going to get to all  
14    of them and eventually something has to give from a  
15    support side of the house.

16            MS. MCGREW: So, we did have our Homeownership  
17    team create videos, and we do have certain questions.  
18    There's a link that we put on our address, and we do send  
19    emails and in our main address where they can click on  
20    these.

21            We also refer them to our FAQs on our website  
22    where they click on how do I refinance, what is your  
23    application process. We have now moved our refinance  
24    application process online to make it easier.

25            So, with a mixture of our Homeownership team

1 and our social media, we have implemented different ways  
2 to push more of the videos out there and create links  
3 where it's not a constant email.

4 MR. L. WILLIAMS: Okay.

5 MR. DIETZ: And that has helped. Our  
6 Homeownership and Marketing teams really worked closely  
7 with our Compliance Department and said, okay, what are  
8 you see as the most frequently asked questions or the  
9 biggest errors.

10 And that's another thing we'll do, is say what  
11 are your biggest errors that you're seeing from lenders,  
12 and they will build the trainings or the FAQs on those  
13 items, and then we'll see a difference in files submitted  
14 based on that training and we'll see those errors reduced.

15 So that's a really great part of our team and how well  
16 everyone works together from our Marketing, Homeownership  
17 and Compliance teams.

18 MR. L. WILLIAMS: Yeah. I'd be interested to  
19 see what it will look like, I guess, kind of midpoint,  
20 because if my memory serves me right, that was part of the  
21 strategic plan for the Marketing group where kind of  
22 putting together more helpful information, so we're  
23 holding them accountable.

24 But other than that, good work, good work. I  
25 know it's a lot, but definitely good work. So, appreciate

1       it. Thank you.

2               MS. MCGREW: Thank you.

3               MS. JOHNSON-ROSE: I want to compliment the  
4 team also too. A lot of times when people think of TSAHC,  
5 they don't know about the revenue bonds and the other type  
6 of things that we do.

7               This is what they think of, the MCC and Single  
8 Family Homeownership Programs, so the responsiveness of  
9 this team is really important as what I see as the face of  
10 the organization. So, thank you all for the systems and  
11 cross-training and the processes that you all have put in  
12 place with a small but mighty team to handle this much  
13 volume. Great job.

14              MS. LeVECQUE: Thank you. And I'm glad you  
15 mentioned that. You know, one of the things that we say  
16 quite frequently in our training and our outreach is that  
17 MCCs are Texas's best kept secret and we don't want it to  
18 be anymore, so we work really hard at that.

19              And just kind of as a little side note, we  
20 recently -- this is kind of year-old data, but when you  
21 talk about the growth of the program, we recently looked  
22 at production numbers for other state housing finance  
23 agencies across the nation. And looking at those numbers  
24 that were published in, I think, October or November, we  
25 exceeded production for every housing finance agency in

1 the nation.

2 MS. JOHNSON-ROSE: Wow!

3 MS. LeVECQUE: By quite a bit. So, when you  
4 say a small team, that's exactly it, you know, our  
5 organization of less than 30 people and some of those  
6 organizations employ upwards of 300 people, and we're  
7 producing almost twice as much as our next closest housing  
8 finance agency, so it's pretty impressive what we do.

9 MS. JOHNSON-ROSE: Yes, it is. Awesome job.

10 MR. DIETZ: Thank you very much. Good  
11 presentation.

12 MS. LeVECQUE: Thank you.

13 MR. DIETZ: And my understanding is there's no  
14 action needed by the Board; that's just for our  
15 edification.

16 MS. TAYLOR: That's correct, there's no action.

17 But that is the end of the agenda that we have  
18 for today's Board meeting. I think we generally let you  
19 know that the next Board meeting is scheduled for February  
20 21, and Rebecca will, of course, send out an email to make  
21 sure that we have quorum for that meeting.

22 MR. DIETZ: And I know it's surprising here,  
23 but would it be appropriate to go into closed meeting to  
24 discuss personnel matters, just to discuss the action that  
25 has happened recently to update the Board?

1 MS. TAYLOR: Sure, I'd be happy to do that. We  
2 can do that for sure.

3 MR. DIETZ: Why don't we do that, and maybe  
4 Melinda can stay as well.

5 MS. TAYLOR: Yes, Melinda can stay, and Routt.  
6 Sure, let's go ahead and do that.

7 MR. DIETZ: So, it is 11:42 --

8 MR. L. WILLIAMS: Motion to adjourn?

9 MR. DIETZ: No, we're going to go into closed  
10 meeting in accordance with Texas Government Code 551.074  
11 to discuss personnel matters.

12 MS. JOHNSON-ROSE: Move to move into closed  
13 session?

14 MR. DIETZ: Yes. We're going to move into  
15 closed session, correct.

16 (Whereupon, at 11:42 a.m., the meeting was  
17 recessed, to reconvene this same day, Tuesday, January 17,  
18 2023, following conclusion of the closed session.)

19 MR. DIETZ: We are now back in open meeting; it  
20 is 12:01. We were in closed meeting and no action was  
21 taken during that closed meeting.

22 And so, are there any announcements or closing  
23 comments?

24 MS. TAYLOR: Other than to let you know that  
25 our next Board meeting is scheduled for Tuesday, February



1 21, and Rebecca will send out an email as we approach that  
2 date just to verify that we have quorum.

3 MR. DIETZ: Anything from the Board?

4 MR. L. WILLIAMS: No.

5 MR. DIETZ: Okay. If not, it is 12:02, and we  
6 are adjourned. Thank you very much.

7 (Whereupon, at 12:02 p.m., the meeting was  
8 adjourned.)

C E R T I F I C A T E

MEETING OF: TSAHC Board

LOCATION: Austin, Texas

DATE: January 17, 2023

I do hereby certify that the foregoing pages,  
numbers 1 through 4242, 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: January 23, 2023

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

On the Record Reporting  
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