

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752

Tuesday,
July 25, 2023
10:30 a.m.

BOARD MEMBERS:

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

<u>AGENDA ITEM</u>	<u>I N D E X</u>	<u>PAGE</u>
CALL TO ORDER		3
ROLL CALL		3
CERTIFICATION OF QUORUM		3
PUBLIC COMMENT		none
PRESIDENT'S REPORT		3
Tab A: Homeownership Finance Report		
Tab B: Development Finance Report		
Tab C: Quarterly Compliance and Residential Services Reports		
Tab D: Quarterly Fundraising Report		
Tab E: Monthly Financial Reports		
ACTION ITEMS IN OPEN MEETING:		
Tab 1	Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on June 20, 2023.	9
Tab 2	Presentation, Discussion and Possible Approval of a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation and Restate the Signature and Approval Authority of Officers of the Corporation.	10
Tab 3	Presentation, Discussion and Possible Approval of a Resolution Regarding the Submission of One or More Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage Revenue Bonds (post August 6, 2023).	13
Tab 4	Presentation, Discussion and Possible Approval of the 2023 Texas Foundations Fund Nonprofit Partners.	18
CLOSED MEETING		none
ACTION ITEMS IN OPEN MEETING		--
ANNOUNCEMENTS AND CLOSING COMMENTS		46
ADJOURN		46

P R O C E E D I N G S

(10:45 a.m.)

1
2
3 MR. DIETZ: It is 10:45 a.m. on July 25, and
4 the Texas State Affordable Housing Corporation Board
5 meeting is called to order.

6 Roll call. William Dietz, Chair. I am here.
7 Valerie Cardenas, Vice Chair is absent. Courtney Johnson-
8 Rose is absent.

9 Lemuel Williams.

10 MR. L. WILLIAMS: Present.

11 MR. DIETZ: Andy Williams.

12 MR. A. WILLIAMS: Present.

13 MR. DIETZ: Okay. So, we do indeed have a
14 quorum.

15 Let's begin with saying the Pledge of
16 Allegiance.

17 (Whereupon, the Pledge of Allegiance was
18 recited.)

19 MR. DIETZ: And to the Texas Flag.

20 (Whereupon, a pledge to the Texas flag was
21 recited.)

22 MR. DIETZ: Any public comment before we begin?

23 (No response.)

24 MR. DIETZ: Okay. Hearing none, President's
25 Report. Mr. Long.

1 MR. LONG: Good morning, Members, Mr. Dietz.
2 Tab Items A through E are in your program area and
3 financial reports. Let me know if you have any questions
4 on those; otherwise, I'll move on.

5 The Loan Committee met on the 21st, last week,
6 Friday. We did it as a virtual meeting. Mr. Williams, as
7 always, thank you for your participation in that.

8 Pretty minimal agenda on that. We had one item
9 that we approved that was a 90-day extension to our Cady
10 Lofts project, which is an AHP loan that we made for a
11 100-unit multifamily project serving 30 to 60 percent AMI
12 in the Austin area.

13 Also, I wanted to let you know that we are in
14 the budget development process for next year. As you
15 know, our annual year is September 1 through August 31.
16 Melinda and her team are working on putting together the
17 budget, working with the staff to make sure that we have
18 all of the program areas identified.

19 And we are working on that. We are looking to
20 present that to you at the August Board meeting.

21 Single family program updates. Continue to
22 have lenders added to our program. Continue to see demand
23 in our program. Although it would be a little bit less,
24 due to the mortgage rates.

25 I will say this. This morning for the first

1 time in I don't even remember we actually had to -- on our
2 rates this morning, we posted an 8-1/2 mortgage rate,
3 which was something I had never seen. I don't think I
4 have ever seen it that high before.

5 But it just shows you where the market is at
6 right now. And it will probably be down tomorrow, but it
7 is up today for whatever reason. And so, we continue to
8 moderate against that.

9 And as a rate differential for a lot of these
10 buyers that we work with, that is just causing people to
11 stay out of the market right now. But we continue to have
12 demand. We continue to have lenders and realtors
13 participating in our training.

14 So, we are very thankful for that, and very
15 thankful for our team being out there doing their job and
16 making sure that the stuff that does come through our
17 office, we get processed in a very timely manner. And the
18 trainings, and the engagement level is really, really
19 quite spectacular by our staff.

20 On the marketing side, the 2022 annual report
21 was released in our June newsletter. If you are looking
22 to pull that up, we hope to have printed versions out in
23 early August. And we will make sure the Board members
24 each get a copy of that.

25 And anything that we did this year with the

1 annual report is -- there are some multimedia elements in
2 the report. And if you -- on the virtual report, if you
3 pull them up, you actually can click on audio recordings
4 of both my message and some messages from some of our
5 borrowers in the programs, and some of our funders.

6 So, we are very excited to have that kind of
7 very high-end report. And I thought this year's report
8 was very, very well done. And I want to thank the team,
9 Laura and Katie, and everybody that participated in that,
10 for doing such a great job on it.

11 They did a really good job, and it is a really
12 neat report. Not to mention Michael Wilt tried to
13 videotape mine, and he did it about -- I don't know. We
14 had like 40 takes, because I am not good on camera.

15 So, anyway. We have talked about the PSH
16 symposium we are putting together. We finalized the date
17 and the location for this symposium, later this fall. It
18 will take place November 6th and 7th at the Renaissance
19 Hotel.

20 And we are planning to open registration in
21 early August. We are looking to have a really strong
22 support on that. I know that we have gotten a lot of
23 funding that has come in, in support of that.

24 We have received \$66,000 in support from
25 sponsorships, including \$25,000 from our title sponsor,

1 J.P. Morgan Chase. And additional sponsorships have come
2 in from Texas Capital Bank, Insperity, Regions Bank, and
3 the Federal Loan Bank of Dallas, and Capital Impact
4 Partners, and HousingWorks of Austin. So, thank you to
5 all of our sponsors on that, so far.

6 And the work that has gone in in putting that
7 together, I really appreciate all the time. Our plenary
8 speaker will be Gregg Colburn. He is a professor at the
9 University of Washington, and the author of *Homelessness*
10 *Is a Housing Problem*. It is an Amazon bestseller, and we
11 are really excited to start having a lot of good lineup
12 for that.

13 And we are looking forward to it being a very
14 positive event for us. And also, it will be our first
15 time we have ever put on a conference of any kind. So, we
16 are looking forward to that.

17 Texas Foundations Fund, we will be reviewing
18 those with the Board later today under Tab Item 4. We've
19 continued to see a growth in that program. And you will
20 hear from the staff today that we received more
21 applications than we ever have. So, we will have a
22 discussion, and hopefully, the Board will be appreciative
23 of and consider our recommendations later today.

24 Housing Connection, we opened registration for
25 our 2023 Housing Connection on July 21st. The trainings

1 will take place at our office this year, in this room,
2 later in the last week of September.

3 And we'll be offering a three-day course: one
4 on credit counseling, followed by two one-day courses on
5 affordable housing finance. And all those courses are
6 taught by NeighborWorks Austin -- excuse me, NeighborWorks
7 America. And we use their curriculum to do so.

8 With that, I will conclude my remarks. I will
9 remind the Board that our next tentatively scheduled
10 meeting is Tuesday, August 22nd at 10:30. And with that
11 meeting, we will also have an Audit Committee meeting in
12 review of the budget, and then, bringing that to the
13 Board.

14 So, Mr. Chairman, with that, I will conclude
15 unless there is any questions.

16

17 MR. DIETZ: Any questions or comments?

18 (No response.)

19 MR. DIETZ: No. Yes?

20 MR. L. WILLIAMS: Real fast. David, what was
21 that event, again, that is going to be in November?

22 MR. LONG: The 6th and 7th.

23 MR. L. WILLIAMS: Okay.

24 MR. LONG: And there will actually be a one-day
25 training on the 8th that is a separate event. That is a

1 carryover.

2 MR. L. WILLIAMS: Great. Okay. Thank you.

3 MR. DIETZ: Any other questions?

4 (No response.)

5 MR. DIETZ: Okay. We'll move into the action
6 items for our open meeting.

7 David, do you want to introduce our legal
8 counsel who is here with us today?

9 MR. LONG: Yes. Sarah is here, in place of
10 Routt. You all know Sarah. She has been here several
11 times with Coats Rose.

12 But Routt is out of the country. I think he is
13 still out of the country, isn't he?

14 MS. SCOTT: Uh-huh.

15 MR. LONG: He is out of the country this week.
16 So Sarah is sitting in as Routt. And she is here.
17 You're in very good hands with Sarah here.

18 We had a call with her yesterday on some other
19 stuff, so Sarah is very familiar with us and understands
20 exactly what we have got on our agenda. So, thank you,
21 Sarah, for being here.

22 MS. SCOTT: Yes. Happy to be here.

23 MR. DIETZ: Tab Item 1 is the presentation,
24 discussion and possible approval of minutes of the Board
25 meeting that was held on June 20, 2023.

1 Is there any correction or addition, or comment
2 or question about the minutes?

3 (No response.)

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

6 MR. L. WILLIAMS: Chair, this is Lem. I will
7 make a motion to approve the Board minutes of June 20,
8 2023.

9 MR. A. WILLIAMS: I will second.

10 MR. DIETZ: Okay. It has been moved and
11 seconded.

12 Is there any public comment?

13 (No response.)

14 MR. DIETZ: Hearing none, all in favor, please
15 signify so by saying aye.

16 (A chorus of ayes.)

17 MR. DIETZ: Okay. The minutes are approved as
18 presented.

19 Tab Item 2, the presentation, discussion and
20 possible approval of a Resolution to restate, ratify, and
21 affirm the officers of the Corporation, and to restate the
22 signature and approval authority of the officers of the
23 Corporation.

24 MR. LONG: I am going to have Melinda come up
25 and make this presentation. She worked really hard to

1 make sure that this information is updated, and she can
2 tell you kind of if this is an annual requirement by our
3 by-laws, to have this authorized by the Board, reaffirmed
4 by the Board, and any changes and updates.

5 So, Melinda, why don't you go ahead.

6 MS. SMITH: Melinda Smith. I am the Chief
7 Financial Officer. Good morning.

8 As David pointed out, the by-laws of the
9 Corporation require that the Board ratify the officers of
10 the Corporation annually. And it is the same officers.
11 David is President. Janie is the Executive Vice
12 President. Myself, CFO. Rebecca DeLeon is Secretary, and
13 Cynthia is Assistant Secretary.

14 So, we are asking the Board to approve the
15 resolution to ratify the officers.

16 MR. DIETZ: Great. Any questions?

17 MR. LONG: I would add, it also identifies the
18 Board members of record, as well.

19 MR. DIETZ: Yes. It says "signature
20 authority." And does that mean each of the people on here
21 has signature authority on behalf of the Corporation?
22 What does that say?

23 MR. LONG: The signature authority that we
24 authorize is basically restricted to myself, Janie, and
25 Melinda. We do have internal authorities that we have

1 allowed staff to take on varying dollar amounts.

2 But then, they all roll up to an approval
3 process when we do literally the weekly payables. Those
4 get processed with the signature authority approval,
5 including Melinda and myself. And in my absence,
6 obviously, Janie can sign off as well.

7 MR. DIETZ: Okay. Great.

8 Any other questions? Comments?

9 (No response.)

10 MR. DIETZ: Is there a motion?

11 MR. A. WILLIAMS: Motion to approve Tab Item 2
12 as written.

13 MR. L. WILLIAMS: Chair, this is Lemuel
14 Williams. I will second that.

15 MR. DIETZ: Okay. It has been moved and
16 seconded.

17 Is there any public comment?

18 (No response.)

19 MR. DIETZ: Hearing none, all in favor, please
20 signify so by saying aye.

21 (A chorus of ayes.)

22 MR. DIETZ: Okay. The Resolution to restate,
23 ratify, and affirm the officers of the Corporation, and to
24 restate the signature and approval authority of the
25 officers of the Corporation is approved as presented.

1 MS. SMITH: Thank you very much.

2 MR. DIETZ: Tab Item 3 is the presentation,
3 discussion and possible approval of a Resolution regarding
4 the submission of one or more applications for allocation
5 of private activity bonds to the Texas Bond Review Board
6 for qualified mortgage revenue bonds post August 6, 2023.

7 MS. LEVECQUE: Good morning, Mr. Chairman, and
8 members of the Board. I am Joniel LeVecque. I am the
9 Senior Director of Single Family programs.

10 Last month, during our June Board meeting, the
11 Board approved a resolution authorizing the Corporation to
12 apply for \$300 million in qualified mortgage revenue
13 bonds, after August 14th, during the general collapse.
14 After further consideration, we are asking the Board to
15 approve a resolution authorizing us to apply after that
16 August 14th date, for amount up to \$500 million in
17 reservation of qualified mortgage revenue bonds.

18 On advice of counsel, you will note in Section
19 5 of this resolution that it will also repeal any other
20 resolutions or actions to the extent of any conflict. So,
21 this resolution is replacing that resolution from the June
22 Board meeting.

23 This resolution also authorizes the Corporation
24 to issue qualified mortgage revenue bonds, or to convert
25 all or a portion of that volume allocation to mortgage

1 credit certificates. Please let me know if you have any
2 questions at this time.

3 MR. DIETZ: So basically, previously, at the
4 previous Board meeting, we had approved authorizing the
5 Texas State Affordable Housing Corporation to request bond
6 allocations up to \$300 million. We don't know how much of
7 that --

8 MS. LEVECQUE: Correct.

9 MR. DIETZ: -- might be available. And you are
10 just recommending now that rather than requesting up to
11 \$300 million, that we request up to \$500 million.

12 MS. LEVECQUE: Correct.

13 MR. DIETZ: Again. We don't know.

14 MS. LEVECQUE: We don't know if we are going to
15 get one dollar of that, or \$500 million.

16 MR. DIETZ: Yes.

17 MS. LEVECQUE: It is the amount that is
18 available. And the class is dependent upon the issuers,
19 and all of the sub-ceilings to apply between now and then,
20 and those that don't apply. Whatever is left goes into
21 that general collapse and becomes available on a first
22 come first served basis.

23 So, David and I will be prepared to hit the
24 send button on our emails at 8:00 a.m. exactly.

25 MR. DIETZ: Is that \$300 million to \$500

1 million increase primarily a result of just we anticipate
2 that we might have that much demand?

3 MS. LEVECQUE: Yes.

4 MR. DIETZ: So, we might as well request.

5 MS. LEVECQUE: Yes. You know, we use our
6 volume cap for bond programs, either for mortgage revenue
7 bonds for mortgage loans, or mortgage credit certificates.
8 And what we have been applying for in the last few years
9 has mostly been to fund our MCC program. But we want to
10 leave the option available to also have a bond loan
11 available as well.

12 MR. DIETZ: Any other questions?

13 MR. L. WILLIAMS: A quick question. So, I
14 guess we did the 300. Now we are considering the 500.

15 I guess, would there be consideration for more
16 later down the road? Or this is --

17 MR. LONG: The way the collapse works, it is a
18 one-time collapse.

19 MR. L. WILLIAMS: Okay.

20 MR. LONG: So, if available, we would get the
21 amount that we are asking for.

22 MR. L. WILLIAMS: Okay.

23 MR. LONG: And if there was anything left on
24 the table, which there likely wouldn't be, because it is a
25 competitive round of application in the collapse, what

1 would happen then is, we would have to have Board approval
2 for an additional amount.

3 MR. L. WILLIAMS: For additional. Okay.

4 MR. LONG: The Board is authorizing us today --
5 as Ms. LeVecque said, you are authorizing us the ability
6 to submit an application for that volume cap of that
7 amount.

8 MR. L. WILLIAMS: Okay.

9 MR. LONG: Now, we are asking you today to
10 increase it from \$300 million to \$500 million.

11 MR. DIETZ: So, last month, we approved \$300
12 million, but you haven't gone forward with an application
13 yet. We just approved that. Since the application hasn't
14 happened yet --

15 MR. LONG: That is correct.

16 MR. DIETZ: You have kind of rethought a little
17 bit, and thought, yes. Let's change that application to
18 \$500 million, instead of \$300 million.

19 MR. LONG: That is correct. Okay. And the
20 reason -- Section 5 is in the resolution, because it
21 basically supersedes any prior resolution.

22 MR. L. WILLIAMS: Okay.

23 MR. LONG: As we got a minute ago. Counsel
24 advised that we remove -- add that language to make sure
25 there wasn't any question about whether we have two

1 resolutions pending.

2 MR. L. WILLIAMS: Yes. Okay.

3 MR. LONG: This would basically override that
4 prior resolution that was approved by the Board last
5 month.

6 MR. DIETZ: And there is not another Board
7 meeting between now and that time.

8 MR. LONG: That is correct.

9 MR. DIETZ: So, this is the last opportunity
10 for you to come to us for an adjustment in this request.

11 MR. LONG: That is correct.

12 MS. LEVECQUE: And I would like to add to the
13 question of kind of reevaluating how much the need was.
14 Last month, we submitted resolutions to apply for two
15 collapses, one being for single family, which was up to
16 \$300 million. And then one for all subceilings general
17 collapse; it was up to \$300 million.

18 And we realized if for some reason in that
19 first collapse, we didn't get as much, then we need to be
20 prepared to make up for that in that second collapse as
21 well.

22 MR. DIETZ: Gotcha.

23 MR. L. WILLIAMS: Okay.

24 MR. DIETZ: So theoretically, if you get as
25 much as you requested in that first one, you may not

1 request as much in the second one. We are just
2 authorizing you, in case you need to go up to that level.

3 MS. LEVECQUE: Correct. Yes. Being prepared.

4 MR. DIETZ: Yes.

5 Any other questions or comments? Discussion?

6 (No response.)

7 MR. DIETZ: Is there a motion?

8 MR. L. WILLIAMS: Chair, this is Lemuel. I
9 would like to make a motion for the Corporation to apply
10 for allocating of private activity bonds to the Texas Bond
11 Review Board for qualified mortgage revenue bonds upwards
12 to \$500 million.

13 MR. A. WILLIAMS: I will second.

14 MR. DIETZ: Okay. It has been moved and
15 seconded.

16 Is there any public comment?

17 (No response.)

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

20 (A chorus of ayes.)

21 MR. DIETZ: Okay. It is approved as presented,
22 with the increase to \$500 million as stipulated.

23 MS. LEVECQUE: Thank you very much.

24 MR. LONG: Thank you.

25 MR. DIETZ: Tab Item 4 is the presentation,

1 discussion and possible approval of the 2023 Texas
2 Foundations Fund Nonprofit Partners.

3 MR. WILT: Good morning, Chairman Dietz and
4 Board members. I am Michael Wilt, Senior Manager of
5 External Relations. I am here to present Tab Item 4,
6 which asks you to consider and possibly approve our 2023
7 Texas Foundations Fund grantees.

8 Mr. Williams of Austin, by the way, our
9 supportive housing symposium registration will open up on
10 Friday, August 4th. So, be on the lookout for information
11 on that, if you want to attend.

12 Before I present our slate of proposed
13 grantees, I want to turn it over to Anna Orendain to give
14 you a quick recap of the program to date. This isn't
15 something you asked for, but it is something we have done
16 in the past. It has probably been five years since we did
17 this.

18 We know how important this program is to you
19 all, and how important it is to get a sense of the
20 organizations we are working with in your community. So,
21 to that end, Anna has compiled detailed information that
22 summarizes the history of the program in a few different
23 ways, and she is going to just give you a few quick bullet
24 points that summarizes that -- what is in front of you.

25 MR. DIETZ: Great.

1 MS. ORENDAIN: Good morning. This is Anna.
2 As you may know, the Texas Foundations Fund was started in
3 2008, with just four grantees and a total of \$200,000
4 funding.

5 Now, the program has changed and grown a lot
6 throughout the years. It is no longer competitive. It
7 has become more inclusive, allowing organizations that
8 provide critical repair services, supportive services, and
9 housing counseling services to apply for funding.

10 In particular, once we dropped the matching
11 grant requirement and the requirement that all grantee
12 organizations conduct a yearly audit, we saw a great
13 increase in the number of yearly grantees. In fact, I
14 believe it nearly doubled.

15 And after 2021's winter storm Uri, we noticed
16 that a lot of our critical repair grantees also expressed
17 a need for disaster relief funding. So, in 2022, we met
18 that demand by creating the Texas Foundations Fund
19 disaster recovery program, which provides a bank of
20 disaster relief funding that can be rapidly deployed
21 whenever disaster strikes.

22 And with all that growth in demand, it is
23 thanks to the generous funding from the Board that we have
24 been able to remain well funded, and keep individual grant
25 amounts still sizeable, and making a difference for each

1 organization even as the program continues to expand.

2 Through 2022, the Texas Foundations Fund has
3 awarded over \$8 million in total. And with the proposed
4 2023 funding, that amount will go to over \$9 million in
5 funding.

6 MR. WILT: Yes. And the information is
7 presented in a few different ways. Basically, the first
8 spreadsheet is just every organization to date. Year by
9 year, it has been awarded over the course of the year, as
10 you can see way back to 2008.

11 In 2009, we were dealing with the competitive
12 grants and just \$50,000 per organization. We did that for
13 the first few years, and then continued to progress and
14 grow beyond that.

15 And then the next set of data is organizations
16 just listed alphabetically, still color-coded by region,
17 and the years that we partnered with them. You can see
18 that some of these organizations we have had a very long
19 relationship with through this program.

20 And then last, which is significant to the
21 Board and the questions that you all have asked them in
22 the past is, how this is broken out by region. And so, if
23 you are curious where we have deployed the most funding,
24 you know, it is typically the Central Texas area, because
25 we get a lot of quality applicants from Austin.

1 But we try to have a better regional dispersion
2 of funds throughout the years. And we have made
3 modifications to the program to encourage that.

4 MR. DIETZ: Thank you for this detail.

5 MR. A. WILLIAMS: Yes.

6 MR. DIETZ: It is really full, and it gives a
7 good overview. You answered probably a lot of potential
8 questions that we have had by providing this information.
9 This is great data. So that is a good idea, whoever's
10 idea it was to do this; great idea.

11 MS. ORENDAIN: Also, for the record, I do want
12 to restate that my name is Anna Orendain. I am a
13 Marketing and Communication Specialist.

14 MR. DIETZ: Thank you.

15 MR. A. WILLIAMS: Thank you.

16 MR. DIETZ: For the record.

17 MS. ORENDAIN: Yes.

18 MR. WILT: So that is 2008 through 2022. And
19 then what you have before you in the Board packet is our
20 recommendation for 2023.

21 We didn't make any significant changes to the
22 program for this year. The only change that we made is
23 that it would be first come, first served. And if we got
24 too many applicants -- so, I don't know how many
25 applicants is too many applicants, at this point. I think

1 the determination is, if we can still make a significant
2 grant amount to each organization, then we are comfortable
3 taking on more and more organizations.

4 So, I don't know what the number is where we
5 would have too many. But we haven't reached it yet.

6 The 2023 Texas Foundations Fund application
7 opened in April. And the deadline to submit is Friday,
8 May 26th. We received 67 completed applications from
9 nonprofits serving communities throughout Texas.

10 We conducted a thorough review. First, we do a
11 review of all the applicants to determine if they met all
12 of our criteria. And then, Anna followed up with
13 organizations that have deficiencies in their application.

14 And we were able to clear almost all of them.
15 We determined that 66 of the 67 applicants met the
16 requirements to be selected as a grantee. The total
17 funding commitment you all made to this program was \$1
18 million.

19 And our recommendation is to disperse the funds
20 the same way we did last year, which is we rank the
21 organizations out by budget size, small, medium, and
22 large. And then we make equal grant contributions to each
23 organization within the tiers of the budget.

24 In order to make all the grant amounts even, we
25 had to commit an additional \$2,000 to the program budget.

1 Therefore, the total award amount we are asking you to
2 approve is \$1,002,000.

3 We included a brief description of each
4 proposed grantee in the Board writeups, so you can see the
5 program that this would support, their geographic area,
6 and the funding priority to be served as well.

7 Before I close on the comments, I just want to
8 recognize the Accounting Department, Laura and Katie in
9 our department for all their work in reviewing the
10 applicants. Especially for Accounting, because we asked
11 them to do a lot quicker turnaround for this.

12 But really, I want to recognize Anna for all of
13 her hard work administering this program. It is a heavy
14 lift. It was when Katie did it. It was when I did it.

15 And it is just so much more cumbersome now,
16 given that we are working with twice as many grantees as
17 we did just a few years ago. And it requires a lot of
18 crossing the Ts, dotting of the Is, the high level of
19 attention to detail.

20 And Anna has just done an admirable job of
21 staying on top of everything in an aggressive manner. So,
22 I wanted to give credit where credit is certainly due.

23 That concludes my presentation. I am happy to
24 answer any questions.

25 MR. DIETZ: And in a brief, I know we have got

1 the -- I think we have got the details here in our packet.

2 But the criteria generally, obviously, has to have
3 something to do with housing. Let's just kind of real
4 briefly kind of look at the criteria that we are looking
5 for, for somebody to qualify.

6 MR. WILT: Organization type; nonprofit, or
7 technically, a governmental entity. But we don't really
8 get governmental entities anymore.

9 Organizational experience, three years
10 administering or three years operating in housing. Two
11 years operating the program they are asking us to fund.

12 And then, they have to serve an underserved
13 population in their community, however they want to define
14 it. And the households that they serve have to be very
15 low income, so that is 50 percent of the area median
16 family income or below.

17 And then, the program has to be for either
18 critical home repair or services, housing services. And
19 that could be supportive services, or housing counseling
20 services.

21 So, that is kind of the bare minimum, and then
22 there is some financial requirements that we ask of
23 applicants as well.

24 MR. L. WILLIAMS: Excuse me, Chair, I have got
25 a question.

1 MR. DIETZ: Yes. Go ahead.

2 MR. L. WILLIAMS: So, Anna and team, I mean,
3 this information -- thank you so much for putting this
4 together. I mean, it is really good stuff.

5 From what I see here on 2022, I counted 54
6 organizations. And then, everyone received 67 complete
7 applications, but staff determined 66. I guess, can you
8 help me understand what happened to that one?

9 I mean, it is just -- I can understand that
10 there was a variable between, let's say 80 to 60 or you
11 know, 60 to 70. But we are 66, 67. What happened to that
12 one organization?

13 MR. WILT: Well, last year it was the same
14 thing. We had 55 and approved 54. This year, we had 67
15 and approved 66.

16 It was an organization in the Houston area that
17 didn't have anything close to what we were looking for,
18 for financial reporting.

19 MR. L. WILLIAMS: Okay.

20 MR. WILT: They were turning over individual
21 bank statements, as opposed to organizational statements.

22 MR. L. WILLIAMS: I have got you.

23 MR. WILT: So

24 , our -- despite numerous attempts, despite
25 Anna's numerous attempts to get the correct information,

1 it became apparent that they just didn't have it.

2

3 MR. L. WILLIAMS: Gotcha. Okay.

4 MR. DIETZ: Okay. I was just going to say,
5 some of the organizations on here aren't obviously housing
6 organizations.

7 So, I imagine there are organizations that are
8 operating supportive services in some way. Like, CDCs.
9 And how does that fit into -- I see several different
10 CDCs. Like, what do they typically do?

11 MR. WILT: Home repair.

12 MR. DIETZ: They do home repair?

13 MR. WILT: Yes.

14 MR. DIETZ: Okay.

15 MR. WILT: By and large.

16 MR. DIETZ: Okay. Great. As you can tell,
17 we're all kind of absorbing the information you have given
18 us. It is good data. Yes.

19 MR. WILT: Yes. I mean, the CDC of Freedmens
20 Town does home repair in Houston. Blackland CDC operates
21 housing in East Austin, and they either repair the housing
22 or sometimes they provide services to the tenants of those
23 housing. So, just looking at some of those.

24 Southfair CDC does home repair in the South
25 Dallas area. Galilee CDC does home repair in San Angelo.

1 So, yes. Most of them are doing home repairs.

2 MR. DIETZ: And it just looks like we're just
3 not getting many applications from out in West Texas, some
4 of the less populated areas of the state. Is that
5 accurate?

6 MR. WILT: That is largely accurate. We have
7 two organizations. Well, I don't know if you can -- I am
8 from Amarillo. It is debatable if you consider that West
9 Texas, but we have two organizations that we have worked
10 with over the past several years up there.

11 El Paso, we tend to have three to five
12 organizations that we have worked with. Galilee is the
13 only one, and so the Concho Valley in San Angelo that they
14 serve.

15 We had organizations from Lubbock in the past.
16 I don't think we have any this year. And then, it has
17 been tough to identify organizations in the Permian Basin.

18 MR. DIETZ: Questions?

19 MR. L. WILLIAMS: I have a couple more, if I
20 may.

21 MR. DIETZ: Please.

22 MR. L. WILLIAMS: So, Michael, help me
23 understand the administration piece. Because as I am
24 flipping through this and let me preface my comment here.

25 It is nothing -- it is nothing negative to

1 anyone, or any one organization. I mean, everyone is
2 deserving of these funds to go and provide housing repairs
3 for Texans. So, I just want to make that very clear.

4 But when I start looking at the various
5 organizations and their budget sizes, I mean, we are
6 talking about -- let's just call it for what it is, since
7 it is on paper. Small organizations, budget size below \$2
8 million, each would get a \$10,000 grant.

9 You are still going to have to put in the same
10 amount of effort for a \$10,000 grant to a \$50,000, or even
11 a \$100,000 grant. I am just trying to understand. Like,
12 okay. Is that going to be a strain on the organization to
13 administer and support those grants?

14 Because I kind of have a follow-up comment.
15 But I just -- I kind of want to understand, especially for
16 myself and for the other Board members. What is that
17 dynamic going to look like?

18 Is that going to be a strain? Is that going to
19 be a problem?

20 MR. WILT: A few ways to answer that. We try
21 to make this program as easy as possible for organizations
22 to apply for, and then to report how the grant funds are
23 used. I don't think it is too much to ask, in terms of
24 what we require, for even a \$10,000 grant.

25

1 We do allow them to take up to 10 percent of
2 their grant to use for administrative purposes. So, if
3 they need to cover personnel costs for applying and
4 reporting, they can do that with some of their budget,
5 with their overall grant.

6 I get what you are saying about how it is a
7 strain on small organizations to go after these funds,
8 compared to medium and large organizations. Especially if
9 it is a really small organization with a budget size.

10 But I can also say that a \$10,000 grant to an
11 organization with a half million-dollar budget is a lot
12 more significant than a \$30,000 grant to an organization
13 with a \$9 million budget, right. And whenever you see
14 some of these organizations that are doing home repairs,
15 and that may have an annual budget of \$100,000. But when
16 you can make that an annual budget of \$110,000, then that
17 is the difference between doing ten homes and eleven
18 homes.

19 So, while the grant amount may be small, the
20 impact that it makes for small organizations, I would
21 argue, is a bigger impact than a \$30,000 grant that gets
22 diluted in a \$9 million budget.

23 MR. L. WILLIAMS: No. I agree with you. And I
24 guess I should have clarified my comment.

25 I kind of meant the other way around. For

1 those who have a massive amount of a budget, where they
2 are saying, hey give me -- you know, we are applying for
3 20K or 30K. It is like, okay. You have to kind of look
4 at the support, versus the reward side of the house.

5 I guess the second piece that I also just kind
6 of looked at, when I started flipping through and saw the
7 various applicants and the years partnered. There is a
8 couple of organizations where they have -- we have
9 partnered with them, either the following year or the year
10 after.

11 I mean, I am looking here at Foundation
12 Communities 13 years. Galilee CDC, twelve. Motivation
13 Education and Training, twelve.

14 I guess, for the application process, there is
15 just -- it doesn't matter year after year. They can just
16 come back and apply. And if everything checks out, they
17 are awarded.

18 The comment I am thinking about is especially
19 for the ones that there has been an asterisk next to.
20 Because from what I see here, there are new Texas
21 Foundations Fund grantees. I guess my -- it is kind of a
22 comment and a concern.

23 Because once you start seeing -- and I have
24 seen this before where you have the similar names that
25 keep popping up. You know exactly what they do, how they

1 do it. And they do it better in comparison to others that
2 are out there.

3 But for these that are just brand new, they may
4 get drowned amongst the ones that we have partnered with
5 them. Not saying, okay. We have seen you for the fifth
6 time. We are not going to include you.

7 Because we can't do that. But just thinking
8 about the opportunity. And this is probably something for
9 us Board members to even talk about -- or even if it is up
10 for discussion.

11 Where those organizations maybe have like a gap
12 year, something. Allowing these new organizations or
13 those who are looking to apply have a shot or have an
14 opportunity to apply.

15 I am just, I am trying to think here. Because
16 again, we are talking about a crisis that is a crisis.
17 And there is only so much money to go around, where we are
18 trying to do everything possible, but also be respectful
19 of staff's time, what each of you are providing, and not
20 stretch yourself so thin to try to help battle an issue
21 that is much bigger than all of us.

22 So, like I said, I just kind of wanted to share
23 that observation. And yet, a comment as well. Because I
24 can totally see going from 54 to 66. I mean, if I had a
25 crystal ball, I am pretty sure you will probably see a

1 hundred. And then, 200.

2 And then after a while, it is like, okay. What
3 do we do as staff? Like, how do we service all of that?

4 MR. WILT: Yes. We are going to have to have a
5 conversation at some point.

6 MR. L. WILLIAMS: Yes.

7 MR. WILT: Especially if the trend continues.
8 But to be honest, I don't really know how many other
9 organizations are out there.

10 Every year, it is kind of a surprise. You find
11 five more organizations in Houston doing housing services.

12 And you are thinking, okay. Are some of these
13 organizations doing duplicate work, or you know, are they
14 just operating in very specific neighborhoods or regions
15 of the city.

16 And I don't really know how many more
17 organizations there are across the state that we usually
18 partner with. So, I think that there is some sort of -- I
19 think there is a ceiling out there. I can't imagine we
20 would get 200 applicants.

21 But you are right. I mean, we could see in the
22 next couple of years, where we get somewhere in the
23 neighborhood of 100. And then, we will be looking at
24 \$5,000 grants for small organizations. We'll just have to
25 ask ourselves, does that make sense.

1 MR. L. WILLIAMS: Yes. Absolutely.

2 MR. WILT: In terms of people taking a break
3 from the program, I believe that is something that we used
4 to do before I administered it, when it was competitive.
5 But now that it is not competitive, you know, we didn't
6 really see the rationale of excluding people.

7 And you know, Galilee CDC. We have been
8 working with the same program, the same person there for a
9 decade plus. And the same with Motivation, Education, and
10 Training.

11 And so it is that staff continuity and the
12 partnership that we created with those organizations,
13 where we can turn to them for different things, or have
14 them be a part of Housing Connection. I mean, it is
15 important that those longstanding grantees we work with,
16 that that morphs into more of a partnership.

17 And so, it would be hard for us to say, hey,
18 you all need to take a break from this program,
19 considering we have had that partnership that has been
20 fostered over the years. But, so, that is something that
21 I would just caution against. You know, if we are going
22 down the route of saying, okay. You all have been a
23 grantee for ten years, you need to take a break.

24 MR. L. WILLIAMS: Uh-huh.

25 MR. DIETZ: Today what happens is, if you apply

1 and you meet our qualifications, you get money. Correct?

2

3 MR. WILT: That is correct.

4 MR. DIETZ: Okay.

5 (Pause.)

6 MR. L. WILLIAMS: So, I guess, what is next?

7 So now, we have -- so, it is like, we have this here. And
8 I mean, I can't speak for my other Board members.

9 But kind of looking ahead, if and when
10 approved, I guess, kind of what is next? Like, what
11 happens?

12 MR. WILT: They would get a grant agreement
13 that would go out by Friday, August 4th.

14 MR. L. WILLIAMS: Okay.

15 MR. WILT: And then we typically wire the funds
16 now, as opposed to checks. But they do have the option of
17 getting a check. And then they have basically a year to
18 spend it. And then they have to report how they spent
19 it --

20 MR. L. WILLIAMS: Yes.

21 MR. WILT: -- a couple of months after that
22 year is out.

23 MR. L. WILLIAMS: Okay.

24 MR. WILT: And then they have to be up to date
25 on all their reporting requirements before they can apply

1 again.

2 MR. L. WILLIAMS: Okay. Okay.

3 MR. DIETZ: And our budget for this year is --

4 MR. WILT: \$1 million.

5 MR. DIETZ: \$1 million?

6 MR. WILT: Uh-huh.

7 MR. DIETZ: Yes. And is that up from --

8 MR. WILT: It is down. Last year, it was \$1.25
9 million. But we used \$250,000 that we had been sitting on
10 since the inception of the program. And we -- yes. You
11 all made a special commitment of that \$250,000 to increase
12 the budget to 1.25.

13 MR. DIETZ: With the additional applicants, is
14 there any -- was there any thought about increasing that
15 budget, or requesting an increase in award to that budget?
16 Is that a necessity, or would it be desirable?

17 Because with more applicants, we are going to
18 have to -- the pie is getting divided up a little more
19 than it was last year. I am just wondering if we have
20 some funding, if we need to devote more funding to this
21 program.

22 MR. WILT: We only make recommendation
23 discussions in the confines of the budget. So, we didn't
24 explore committing more money to this beyond what was
25 budgeted.

1 MR. DIETZ: Right. Right. That was not part
2 of your task.

3 MR. WILT: Right.

4 MR. DIETZ: Yes. I wonder if that would be an
5 appropriate part of our -- what we consider today. Should
6 we -- David?

7 MR. WILT: Yes. I would feel comfortable with
8 somebody else.

9 MR. LONG: This is David.

10 MR. L. WILLIAMS: Mr. Chairman?

11 MR. DIETZ: Yes.

12 MR. L. WILLIAMS: I just -- I am right there
13 with you. I mean, I was kind of thinking the same thing.

14 But also, Michael brought up a good point, kind of a
15 comment in the process. That I mean, we are certainly
16 going to see I mean, I just -- predictability here.

17 I mean, we are seeing an increase. Because
18 again, this is a crisis that is not going away any time
19 soon. So, the need is definitely going to supersede the
20 financial need.

21 MR. DIETZ: Yes.

22 MR. L. WILLIAMS: But also, Michael mentioned
23 that they'll also have to make a judgment call internally
24 to say, okay. You know, we start getting requests for
25 \$5,000, \$2,000, then -- because if we have more money.

1 If we go back to the 1.25 that is there
2 available, you apply. You meet the criteria. You get
3 money. After a while, we start seeing those funds dwindle
4 down to a smaller amount.

5 And Michael is kind of thinking about, okay.
6 You know, is that worth us as a corporation to go that low
7 in the funding? Or do we cap? Do we try to figure out
8 ways to service that money in a responsible manner.

9 Because as much as we want to give it all away,
10 again -- I mean, I am looking at it, just from on this
11 side of the table, the strain on the Executive Team, the
12 staff, the management. Because we don't want them to dole
13 out money just to dole out money.

14 MR. DIETZ: Right.

15 MR. L. WILLIAMS: And the service that goes
16 behind it, it starts to deteriorate. That is my concern.

17 But also, like I said, I agree with you.

18 I mean, I am in full support. Like I said, I
19 can't speak for other Board members. I am in full support
20 on however and whatever we can do to service Texans. But
21 also, thinking about staff first.

22 MR. DIETZ: Yes. That is a great point. Is
23 that concern mitigated to some degree by the requirements
24 in terms of the budget? Because we don't give anybody
25 less than \$10,000.

1 And so, is that correct? Is \$10,000 the
2 minimum?

3 MR. WILT: Yes. That has been the minimum.
4 But I think last year, the minimum was \$12,000.

5 MR. DIETZ: Yes.

6 MR. WILT: It is basically just running some
7 numbers. I would be surprised if we would go below
8 \$10,000. But also, I want to -- even if it is a \$5,000
9 grant, which I am not suggesting, or a \$10,000 grant, most
10 of these organizations have leveraged those funds.

11 So, while it might be a de minimis amount on
12 paper, it can turn into, you know, a \$50,000 grant for the
13 organization, if they are getting a big funding match, or
14 whatever. So, I don't want to discount even a \$10,000
15 grant, because we know that most of these organizations
16 leverage the funds, because we used to ask them for the
17 match.

18 MR. L. WILLIAMS: Yes.

19 MR. WILT: Anyway, I just wanted let you know.

20 MR. DIETZ: If some of the needs -- if somebody
21 came in and they needed \$1,000, though, they are probably
22 not even going to meet the criteria that you have
23 established. Is that correct?

24 MR. WILT: Well, they can't request a grant
25 amount. We make that determination for them.

1 MR. DIETZ: Gotcha.

2 MR. WILT: So, they won't come in and say we
3 need ten, 15, \$20,000, apply. You are not allowed to
4 submit any sort of grant amount request.

5 MR. DIETZ: Yes. I was just trying to figure
6 out if we had anything kind of in place to kind of help
7 mitigate that concern a little bit. But you know. Good.
8 Good.

9 And is a conversation about the amount to
10 devote to this program really something that we ought to
11 do for next year, yes? During the budget meeting?

12 MR. LONG: If I may, Mr. Chairman and members.
13 First, let me just again thank Anna specifically and
14 Michael specifically for their work on this.

15 MR. DIETZ: Yes.

16 MR. LONG: This is a lot of work. The
17 Accounting team puts a lot of review into making sure that
18 the financials that are submitted are legitimately going
19 to be something that we can rely on as to how they use
20 their monies.

21 To respond to a couple of the comments, the
22 Board approves this amount in the budget every year. You
23 will be looking at it again in about a month.

24 MR. DIETZ: Okay.

25 MR. LONG: And that amount -- understanding

1 that that number is part of a much bigger puzzle.

2 MR. DIETZ: Yes.

3 MR. LONG: You approved \$1 million for this
4 program this year. That number is contingent upon
5 everything else being laid out, too. So, to say you want
6 to fund more here, you are going to have to decide where
7 you are going to rob Peter to pay Paul, if you will.

8 MR. DIETZ: Yes. Sure.

9 MR. LONG: It doesn't always work out that way.
10 Sometimes we have excess revenues that we can identify,
11 and we can make some judgments.

12 Last year, we had a million dollars awarded to
13 this program, and we asked the Board for an increase to
14 blend that additional 250. So, we didn't do anything
15 different this year. We just didn't have the additional
16 250 to come after.

17 MR. DIETZ: Yes.

18 MR. LONG: So, with that in mind, the comments
19 that Mr. Williams made regarding the staffing -- it is a
20 lot of work. I am a proponent, and staff knows this, of
21 us trying to scrutinize to where we need to draw the line
22 on how many applicants we really want to have in here.

23 It is a lot more work to create some scoring
24 criteria, because everybody has to score. We have to
25 vote. We have to decide who is good, bad or ugly on that.

1 So, this is a little bit more of a challenge to
2 decide whether we want to take on that administrative
3 burden, versus doing what we currently do, which is a non-
4 competitive round.

5 Is there other criteria you could establish?
6 Probably. But I would relate to you, Mr. Chairman, that
7 you mentioned a second ago, this is a decision the Board
8 can make on the dollar amount at the time of the budget,
9 when we decide what to do.

10 MR. DIETZ: Right.

11 MR. LONG: And then you are looking at the
12 entire picture related to the overall scope for program
13 related to the budget itself with all the other programs.
14

15 And the last thing I would say is that this is
16 by far one of my most favorite programs that we offer. It
17 is money that the Corporation has 100 percent control of.

18 It is money that we have generated that the Corporation
19 wants to give back.

20 And the Board has been very gracious and
21 generous in your recommendations over the years to the
22 tune that we have generated awards of over \$8 million.
23 And with this award, it will be over \$9 million now. It's
24 phenomenal.

25 And, I love the idea that it was created by the

1 Corporation years ago and we have been able to stick to
2 it, and continue to grow it. But to some extent, there is
3 a limit on what we are able to do, dollar wise, as well as
4 what we want to be able to do to make sure that we are
5 reaching the most capable nonprofits and providing funding
6 to those nonprofits who do the best and most capable work
7 to support work we are tasked with supporting.

8 So, I will leave it with that. But my comment
9 to you, Mr. Chairman, I mean, this is in my opinion not
10 the time for us to ask for everyone to need to change
11 that, without knowing what the full budget is.

12 MR. L. WILLIAMS: Sure.

13 MR. WILT: But just to expand on that a little
14 bit. Whether you commit a half a million, a million, \$2
15 million to this program, the questions that you have are
16 largely going to be the same. Right.

17 We are going to end up wondering if the grant
18 amount is too small or diluted if we have too many
19 organizations. We are going to go around and around.

20 So, I don't know if that makes a large
21 difference if you are committing a million, or 1.25
22 million, or 1.5 million, or whatever. Because at the end
23 of the day it is going to be the same concerns and
24 questions.

25 And, I will also say that we respond to Board

1 direction when it comes to this program, more so than any
2 other area that I work with. That is why the program has
3 changed over the years.

4 It has been some internal discussions. But
5 largely, the Board direction and working with more
6 organizations, making it non-competitive, how we get
7 better geographic representation.

8 So, just keep that in mind as you are thinking
9 about the calls that you make in the direction you want us
10 to go to. We are happy to entertain anything, as long as
11 it is responsive to what you all want.

12 Because we know that this program is
13 significant to David and the staff, but also to the Board.

14 And we want to serve your interest as well as possible.

15 MR. DIETZ: You can tell this is something the
16 Board is interested in and cares about. And we really
17 appreciate your work on this. It is a very direct way
18 that we are supporting our fellow Texans and our
19 communities throughout Texas.

20 And so, I think it is something the Board is
21 interested in and excited about, so we really appreciate
22 your work on it.

23 MR. WILT: Thank you.

24 MR. DIETZ: Thanks. Any other questions or
25 comments?

1 (No response.)

2 MR. DIETZ: I will say, for the benefit of the
3 other Board members that are here. One of the reasons we
4 moved away from a competitive process to a non-competitive
5 process was kind of the feeling that sometimes more
6 sophisticated, larger organizations are just better at
7 drafting competitive applications.

8 So, we wanted to make sure that we were serving
9 the smaller organizations and maybe organizations that
10 don't have a full-time grant writer, you know, perhaps.
11 So, I think it has been a lot of progress and continue to
12 move in the right direction.

13 MR. LONG: Thank you, Chairman.

14 MR. WILT: Thank you.

15 MR. L. WILLIAMS: Thank you.

16 MR. LONG: We need to vote on it.

17 MR. DIETZ: Yes, we do. Is there a motion?

18 MR. A. WILLIAMS: Chairman, I make a motion to
19 approve Tab Item 4 as stated.

20 MR. L. WILLIAMS: Chairman, this is Lemuel
21 Williams. I will second that.

22 MR. DIETZ: Okay. It has been moved and
23 seconded.

24 Is there any public comment?

25 (No response.)

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

3 (A chorus of ayes.)

4 MR. DIETZ: Okay. The 2023 Texas Foundations
5 Fund nonprofit partners are approved as presented. Thank
6 you very much.

7 MR. WILT: Thank you.

8 MR. DIETZ: And that was the last tab item for
9 our action items today. We have no reason to go into
10 closed meeting, I don't think, today.

11 Are there any announcements or closing
12 comments?

13 MR. LONG: Just again, the Board meeting is
14 tentatively scheduled next month, the 22nd -- Tuesday the
15 22nd. And with that, we will have -- that is at 10:30.

16 The Audit Committee is tentatively scheduled in
17 the morning, in advance of the Board meeting. So, we will
18 make sure that all the information is made to the Board
19 members who aren't in attendance.

20 MR. DIETZ: Great.

21 MR. LONG: With that, I don't have any other
22 comments.

23 MR. DIETZ: Okay. It is 11:40 a.m. and we are
24 adjourned.

25 (Whereupon, at 11:40 a.m., the meeting was

1

concluded.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: July 25, 2023

I do hereby certify that the foregoing pages,
numbers 1 through 4848, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas State Affordable Housing Corporation.

DATE: July 31, 2023

(Transcriber)

On the Record Reporting
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