

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,  
September 19, 2023  
10:30 a.m.

BOARD MEMBERS:

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

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P R O C E E D I N G S

(10:34 a.m.)

1  
2  
3 MR. DIETZ: It is 10:34, and the Texas State  
4 Affordable Housing Corporation Board meeting for September  
5 19th is called to order. I will call the roll, so I can  
6 confirm the quorum. Bill Dietz, Chair. I am present.

7 Valerie Cardenas, Vice Chair.

8 MS. CARDENAS: Present.

9 MR. DIETZ: Courtney Johnson-Rose is absent.  
10 Lemuel Williams is absent.

11 David Rassin.

12 MR. RASSIN: Present. Good morning.

13 MR. DIETZ: Our new member. So, we do indeed  
14 have a quorum.

15 And before we begin, as always, please join me  
16 in saying the Pledge of Allegiance to the flag.

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: Before we begin, is there any  
23 public comment?

24 (No response.)

25 MR. DIETZ: Hearing none, Mr. Long, the

1 President's report.

2 MR. LONG: Good morning, Mr. Chairman and  
3 members. I would like to welcome Mr. David Rassin to the  
4 Board. He was appointed to TSAHC's board by Governor  
5 Abbott on September 7th.

6 And for the record, Mr. Rassin has completed  
7 all the required Board member training. He took our Board  
8 member training yesterday with Mr. Thornhill and myself.  
9 He has provided his oath of office and completed multiple  
10 online trainings.

11 So, we are very pleased to have him on board.  
12 And really, really appreciate his due diligence in getting  
13 everything submitted so timely.

14 And I would like to thank Routh Thornhill for  
15 his time yesterday. We were here about two and a half,  
16 three hours, going through the training book. All of you  
17 on the Board remember that, maybe, when we went through  
18 that. It is a lot of paper and a lot of training to go  
19 through.

20 Moving on, the monthly program and financial  
21 reports are found under Tab Items A through C in the Board  
22 book. And if there aren't any questions, I will move into  
23 the program and area reports.

24 The Corporation's Loan Committee met on Tuesday  
25 the 12th. In addition to reviewing and discussing the

1 monthly standing loan report, the Corporation reviewed and  
2 approved two loan applications.

3 The first, a revolving line of credit to  
4 Habitat for Humanity of Denton in the amount of \$750,000.

5 And a second revolving line of credit to Legacy CDC in  
6 the amount of \$600,000.

7 Because of the amount of these loans, both of  
8 the loans are on the Board meeting agenda for later today.  
9 And we'll be addressing those under Tab Items 3 and 4.  
10 And at that time, additional information will be provided  
11 to the Board members for your consideration. While we did  
12 not have any Board member present at Loan Committee, the  
13 voting items discussed in Loan Committee are included on  
14 the Board members' agenda, as I mentioned.

15 And in light of Mr. Rassin's recent  
16 appointment, and the Board member that was on our Board is  
17 no longer with -- served on the Loan Committee isn't on  
18 the Board anymore, we would ask the Board to consider  
19 replacing that member in the near future. We don't need  
20 to do it right now; it is not on the agenda. But we would  
21 like to make you meet that consideration at your time.  
22 We'll put it on the agenda for that consideration in the  
23 next month or so.

24 We do have a quorum without the Board member.  
25 If you remember, the Board member represented was

1 appointed by the Board. But we do have a quorum.

2 And any time we have a loan limit, it  
3 automatically comes to the Board anyway. So, you will see  
4 that information without us, in my opinion, violating  
5 anything that would be of concern to the Board.

6 The Strategic Plan, I mentioned to everybody,  
7 we are in the process of preparing to start that. The  
8 Corporation will start its new Strategic Plan next month  
9 in October. Everyone should be receiving an Outlook  
10 calendar invite that includes a short description of the  
11 itinerary and the time frames for those meetings that you  
12 will be asked to participate in.

13 The first session with the Board that we would  
14 ask the Board members to participate in is scheduled for  
15 October 30th. And we look forward to meeting and sharing  
16 more details as we get the itinerary and everything  
17 scheduled in a little bit more detailed format.

18 The Corporation is also required by the  
19 Corporation's enabling legislation to have financial  
20 audits on an annual basis. We have been required to do  
21 single audits when we have balances on any federal funding  
22 in excess of \$750,000.

23 Both audits are scheduled to begin later in the  
24 last week of September. And we'll -- in the first part of  
25 October. And those will carry through until the auditors

1 finish that.

2 And then, as you are all familiar with, that  
3 presentation of the audit will be presented both by our  
4 third-party firm, the audit firm, as well as to the Board,  
5 as well as by Melinda Smith and her staff. And we'll have  
6 that for Board approval down the road. We hope to have  
7 that at the November Board meeting for your consideration  
8 and approval.

9 Under single family, we continue to have  
10 trainings both for the Overcoming Down Payment Hurdle  
11 classes for our realtors. We also do our mandatory lender  
12 training, teaching them about the down payment assistance  
13 programs that we offer.

14 We continue to have a lot of people signing up.  
15 We continue to have a lot of activity and participation.  
16 Very pleased with both the realtors and the lenders on  
17 that.

18 We also had 7 new lenders that were approved  
19 and signed up for offering our programs. Again, I think  
20 it is very important for us to have that continued  
21 expansion in our marketing, in seeing lenders sign up,  
22 even in this what I would call not real positive market  
23 for real estate, given the rates.

24 But the demand in Texas remains high. So, we  
25 are continuing to see some volume -- while it be moderated



1 from the last several years, it is still there. And we  
2 are very appreciative of the staff that works hard to make  
3 sure that that information is available for all of that.

4 On September 9th, the Homeownership team  
5 attended the Texas Real Estate Expo for the 2023 Shaping  
6 Texas Conference. During that time, we were able to speak  
7 to over 400 realtors, brokers, and lenders about our  
8 programs and the CE courses that we offer.

9 We added 98 new contacts to our Constant  
10 Contact list, which again just furthers our marketing  
11 opportunities. So, we are very pleased to have had that  
12 exposure.

13 We also hosted our second meeting of the Lender  
14 Advisory Council, which is a group of lenders that we have  
15 asked to serve as an advisory to us and give us input and  
16 feedback on the market conditions and programs that we  
17 offer. They hold that on September 12. And they are able  
18 to help us then promote our programs further in the  
19 market.

20 Development finance. Framing has started on  
21 our latest ACT, Affordable Communities of Texas, project  
22 in San Antonio. The four-unit project located in the  
23 Denver Heights neighborhood will provide new home  
24 ownership opportunities for households earning 80 percent  
25 or less of the area median family income.

1           The property was purchased through our  
2 partnership with National Community Stabilization Trust.  
3 And Greenboro Homes is our local partner that will be  
4 working on developing that property for us.

5           Again, NCST has been a big partner of ours over  
6 the years. They tend to be a bottle, receive a lot of  
7 foreclosed properties through some of the banking  
8 institutions. And we are partnered with them in Texas, so  
9 we have access to their portfolio of foreclosed  
10 properties.

11           I am very excited about the fact that permits  
12 were released on our 14th property in Plano. We have been  
13 working on that project for in excess of ten years, trying  
14 to get that project through all of the hurdles that have  
15 been presented to the Board. The critical benchmarks that  
16 we have been able to get past are allowing TSAHC to close  
17 on our financing and begin construction. Closing is  
18 scheduled for September 26th, and the construction will  
19 begin shortly thereafter.

20           And huge kudos to Cassandra Ramirez for her  
21 efforts to push that through. There has been a lot of ups  
22 and downs on that project, a lot of varying things that we  
23 had to do with the City of Plano.

24           And I am very excited to see us moving that  
25 project forward. And it is going to be a really neat

1 property for us to have in the downtown corridor for  
2 affordable housing in Plano.

3 Under our fundraising and Permanent Supportive  
4 Housing Symposium, registration is currently open for the  
5 Permanent Supportive Housing Symposium that will take  
6 place on November 6th and 7th. It will be held at the  
7 Renaissance Hotel in north Austin.

8 And we currently have 130 people registered for  
9 that conference and attendance. I am very excited for  
10 that. We have met our goals on registration. And if the  
11 Board members would like to attend, we'd love to have you  
12 be there just to help us and represent for us.

13 The agenda is nearly finalized, and it should  
14 be available on our website shortly. We are offering  
15 three preliminary sessions as well as breakout sessions  
16 focused on housing development, operations and services,  
17 and health outcomes.

18 In support of the symposium, we have secured  
19 about \$85,000 in sponsorships. Those sponsorships  
20 included contributions from J.P. Morgan Chase, Lakeview  
21 Home Servicing, Texas Capital Bank, Insperity, Dominion,  
22 Regents Bank, and the Federal Loan Bank of Dallas, Capital  
23 Impact Partners, Texas Homeless Network, the Corporation  
24 for Supportive Housing, and HousingWorks Austin.

25 So, a lot of people felt like this was a viable

1 and very needed symposium and we are very thankful for  
2 their support. Anything the Board can do to help spread  
3 that information and let people in your communities know  
4 that we are doing this symposium, please do so.

5 If you need information, we are happy to  
6 provide it to you. But again, anything you can do to help  
7 to spread the word on the symposium would be very helpful.

8 Under Housing Connection, the Corporation is  
9 finalizing the planning of our upcoming Housing Connection  
10 training, which will take place at our offices on  
11 September 25th through the 29th. We are offering three  
12 courses taught by NeighborWorks of America.

13 We use their curriculum. We have used that  
14 over the years, and we continue to feel very comfortable  
15 with their curriculum. The three-day course will be held  
16 on credit counseling, and two one-day courses will be held  
17 on affordable housing development.

18 We currently have 52 people representing 25  
19 nonprofit organizations registered to attend. That is  
20 about capacity for us in this room, which is where the  
21 training will be held. So, we are also very excited about  
22 the demand for that training, and what hopefully will be  
23 very successful as we move forward towards that.

24 As a result of that fundraising and some other  
25 things that we have, we are able to provide hotel stipends

1 for the nonprofits that are traveling to attend from out  
2 of town.

3 Under our marketing initiatives, the  
4 Homeownership team attended the Texas Realtors Shaping  
5 Texas Conference in San Antonio on the 9th. And they were  
6 able to promote our programs to the Texas Realtors  
7 Association.

8 On the 28th, Michael Wilt presented information  
9 about TSAHC's development finance and training programs to  
10 the Austin Small Developer Training Program hosted by  
11 Capital Impact Partners. So, thank you, for Michael, for  
12 being able to attend and make a presentation of that.

13 As always, Mr. Chairman, I would like to let  
14 you know when our next scheduled Board meeting is. It was  
15 tentatively scheduled for October 17th. I would let you  
16 know that there are several staff members that are going  
17 to be traveling that week, and we will be looking to try  
18 and change that in coordination with the Board members.

19 We are hoping -- if it works for you guys, the  
20 24th looks good for the staff. But we will obviously  
21 survey the Board and make sure that that information is  
22 available to you and see what we can do. If it doesn't,  
23 we understand, and we'll work with another date.

24 It doesn't have to be on a Tuesday. We can  
25 pick another date. But we just wanted to make sure that

1 the 17th will not work for us at the staff level. And so,  
2 we are unfortunately -- we are asking the Board to  
3 consider a change on that for early next month.

4 Okay. With that, Mr. Chairman, if there aren't  
5 any questions, I would take any questions or close my  
6 remarks.

7 MR. DIETZ: Great. Comments or questions from  
8 the Board?

9 (No response.)

10 MR. DIETZ: If not, I will join David in  
11 welcoming Mr. Rassin to the Board. I think you will find  
12 us a great organization.

13 We are doing something very valuable to make  
14 sure all Texans have a decent place to live regardless of  
15 financial ability and without any taxpayer funding. And  
16 so, I think that is something everybody can get behind.

17 And we also have a wonderful organization with  
18 David and the team that he has put together. And so that  
19 makes being a Board member much easier than if that were  
20 not the case.

21 So, welcome to the Board.

22 MR. RASSIN: Thank you for the welcome.

23 MR. DIETZ: Yes. Great.

24 Well, I guess we'll jump straight into our  
25 action items for the meeting today. Tab Item 1 is the

1 presentation, discussion and possible approval of the  
2 minutes of the Board meeting that was held on August 22.

3 Is there any comment, correction, question, or  
4 correction to the minutes? If not, is there a motion?

5 MS. CARDENAS: Motion to approve minutes as  
6 presented.

7 MR. DIETZ: Okay. It has been moved that we  
8 approve the minutes as presented. Is there a second?

9 I guess I can second it. I will second it.  
10 All in favor, please say aye.

11 (A chorus of ayes.)

12 MR. DIETZ: Any opposed.

13 (No response.)

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

16 Tab Item 2, the presentation, discussion and  
17 possible approval of a resolution regarding the  
18 application for and conversion of reservation for  
19 allocation of private activity bonds to mortgage credit  
20 certificates, and containing other matters incident and  
21 related thereto the 2022 carryforward, and 2023 annual and  
22 collapse allocation.

23 MS. LEVECQUE: Good morning, Mr. Chairman and  
24 members of the Board. I am Joniel LeVecque. I am the  
25 Senior Director of Single Family Programs.

1           And in order to ensure that we continue to have  
2 our mortgage credit certificates available to our eligible  
3 homebuyers, we are asking you to approve the resolution  
4 under Tab Item 2. That will authorize us to submit an  
5 application to the Texas Bond Review Board for a  
6 reservation of all of the remaining 2022 carryforward,  
7 along with two certificates that we applied for this year,  
8 which included the annual allocation and the single family  
9 collapse allocation.

10           All three of these volume cap allocations  
11 combined total \$523,570,628. And we will combine all  
12 these to convert all of this to volume cap for our  
13 mortgage credit certificate program.

14           As you may know, volume cap can be used for  
15 either mortgage revenue bonds or mortgage credit  
16 certificates, and this application allows us to convert it  
17 to mortgage credit certificates.

18           I will accept any questions that you might have  
19 at this time. And I ask your approval of this resolution.

20           MR. DIETZ: And so, this is the volume that we  
21 have already applied for, and basically this action --  
22 this simply is taking that and converting it to mortgage  
23 credit certificates. Is that right?

24           MS. LEVECQUE: Correct.

25           MR. DIETZ: Okay.



1 MS. LEVECQUE: Correct. We had some -- so we  
2 will apply throughout the year, in multiple applications.  
3 And we had -- the carry forward is some of that that we  
4 had applied for last year.

5 And we carried it forward into this year. So,  
6 we combined that with the two applications that we made  
7 this year, during -- we are allowed to apply for a certain  
8 amount each year through our annual allocation through  
9 statute. So, we did that, along with applying for some  
10 during the single family collapse. And so, combining all  
11 three of those into one program.

12 MR. DIETZ: Okay. Great. And since we have a  
13 new Board member, and just to remind our existing Board  
14 members, can you just kind of -- mortgage credit  
15 certificate program --

16 MS. LEVECQUE: Sure. Yes. Absolutely. It is  
17 actually one of my favorite programs that we have.

18 A mortgage credit certificate allows for a  
19 homebuyer to take 20 percent of the mortgage interest that  
20 they pay each year as an income tax credit. And one of  
21 the things I have been enjoying telling folks about it  
22 most recently was the high interest rates that we had.  
23 That is very impactful right now in this interest rate  
24 market.

25 As an example, if the homebuyer were to close,

1 or close on a mortgage loan at an interest rate of  
2 7-percent interest, they are able to take 20 percent of  
3 that. And you see that back in an income tax credit,  
4 which could effectively give them an interest rate of 5.6  
5 percent. So, it is very impactful in first-time  
6 homebuyers' lives.

7 MR. DIETZ: Is this something that they apply  
8 for when they are getting the mortgage originated?

9 MS. LEVECQUE: Yes.

10 MR. DIETZ: Through whatever bank their  
11 mortgage can --

12 MS. LEVECQUE: So, it is only eligible to  
13 first-time homebuyers. And they have to do it at  
14 application, when they are making application for the  
15 mortgage loan.

16 And so, we partner with lenders across the  
17 state who promote this product to their homebuyers to help  
18 them also qualify for the mortgage loan. And that is  
19 another important factor, is that because they are  
20 receiving 20 percent of this mortgage interest back, VA,  
21 FHA, conventional loan types all allow for that to be  
22 considered as additional income, to help them qualify for  
23 the mortgage as well. So, it is a very impactful program.

24  
25 MR. DIETZ: It is applicable to single family

1 homes only.

2 MS. LEVECQUE: Actually, it could be used up to  
3 four-unit properties. But, yes.

4 MR. DIETZ: Okay.

5 MS. LEVECQUE: But they have to be living in  
6 one of those units.

7 MR. DIETZ: Yes.

8 MS. LEVECQUE: So, for their primary resident,  
9 a four-unit property.

10 MR. DIETZ: Gotcha.

11 MS. LEVECQUE: Yes.

12 MR. DIETZ: Great. Thanks for that  
13 explanation.

14 Any other questions or comments from the Board?

15 (No response.)

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

17 MS. CARDENAS: Motion to approve Tab Item 2.

18 MR. DIETZ: There has been a motion to approve.

19 Is there a second?

20 MR. RASSIN: Second.

21 MR. DIETZ: Is there any public comment?

22 (No response.)

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

25 (A chorus of ayes.)

1 MR. DIETZ: Any opposed.

2 (No response.)

3 MR. DIETZ: Okay. The resolution is approved  
4 as presented. Thank you.

5 MS. LEVECQUE: Thank you.

6 MR. DIETZ: Tab Item 3 is the presentation,  
7 discussion and possible approval of a resolution  
8 authorizing a Texas Housing Impact Fund revolving line of  
9 credit for construction of Habitat for Humanity of Denton  
10 County to construct new for-sale homes to low-income  
11 families at the Habitat Village subdivision, in an amount  
12 not to exceed \$750,000.

13 MS. RAMIREZ: Good morning. I am Cassandra  
14 Ramirez, Development Planning Manager with the Development  
15 Finance program at TSAHC.

16 As Mr. Dietz mentioned, this agenda item is a  
17 resolution that is related to a revolving line of credit  
18 to Habitat for Humanity of Denton County for the  
19 development of Habitat Village, which will include at  
20 final build-out 35 new homes intended for low-income  
21 families at 80 percent AMI or below. They are going to  
22 build this subdivision in two phases.

23 They already have site control, and they have  
24 already done the engineering and the rezoning needed. But  
25 Phase One will include 16 homes and the majority of the

1 infrastructure improvements, including water detention.

2 Phase Two will include the remaining 19 homes.

3 Total development costs for this entire subdivision is  
4 approximately \$9.75 million, or approximately \$278,000 per  
5 home. To date, they have funded \$791,500 for site  
6 acquisition and rezoning.

7 They have \$955,000 in hand to meet Phase One  
8 infrastructure costs. And they have been awarded HOME  
9 funds award of \$580,000 to be applied to housing  
10 construction along with the capital campaign underway that  
11 includes an award of \$160,000 for housing construction  
12 from a local realtor association.

13 Home prices at the subdivision are targeted at  
14 \$285,000. They aim to make all home sales to households  
15 at 80 percent AMI or below. The Habitat model includes a  
16 zero percent interest loan. They mortgage, and it  
17 involves sweat equity on behalf of the buyers to meet a  
18 portion of the project costs -- roughly between 300 and  
19 500 hours per household.

20 As David mentioned, Loan Committee met on the  
21 12th and approved this agenda item in Loan and resolution,  
22 with the following conditions that I am going to go ahead  
23 and recite to you all.

24 The interest rate on this loan is to be 6.4  
25 percent annually, for a 24-month term. No new homes or

1 properties can be added to the line of credit after the  
2 18th month. Interest on the outstanding principal balance  
3 of the loan will be paid monthly.

4 As mentioned, a majority of the homes will  
5 serve households at 80 percent AMI or below. The loan  
6 will include a loan commitment fee to TSAHC in the amount  
7 of \$3,750, due at closing. And then they will have an  
8 origination fee of \$250 per property that they add to the  
9 revolving line of credit.

10 The total amount of funds drawn per property  
11 will not exceed 80 percent of the as-built appraised value  
12 of the homes. And approval and funding of this loan is  
13 conditioned on the satisfactory financial review by TSAHC.

14 And the borrower has submitted their audits and financial  
15 statements to date.

16 TSAHC's loan funds can be applied to both  
17 infrastructure costs and housing construction costs.  
18 However, the loan cannot be exclusively applied to  
19 infrastructure costs and must be applied to some of the  
20 housing construction.

21 And the last condition is that TSAHC's loan is  
22 in first lien position until additional loan sources are  
23 secured and identified by the borrower. And TSAHC may  
24 agree to a lower lien position but must approve any  
25 subordination or parity agreements.

1           As mentioned, staff recommends the approval of  
2 this loan with the conditions noted. Staff recommends  
3 Board approve this loan.

4           Any questions for me?

5           MR. DIETZ: So, this is a construction loan,  
6 and at the end of the construction, it will be paid off  
7 with a permanent loan of some sort?

8           MS. RAMIREZ: Well, they will be paid off with  
9 the mortgages of the homes now.

10          MR. DIETZ: With the various mortgages from the  
11 different --

12          MS. RAMIREZ: The permanent --

13          MR. DIETZ: Okay. Great.

14          MS. RAMIREZ: So, they pay one off. And then  
15 they are able to add additional properties.

16          MR. DIETZ: I have got you. So, they head off  
17 piecemeal as opposed to at one fell --

18          MR. LONG: Essentially, a line of credit.

19          MS. RAMIREZ: Yes.

20          MR. LONG: A revolving line of credit.

21          MR. DIETZ: Gotcha.

22          MR. LONG: They draw it up and draw it down as  
23 homes get built and sold, and back on.

24          MR. DIETZ: Gotcha. Okay. Great.

25          MS. CARDENAS: Do they -- and I don't know that

1 you may have this data. But you know, \$285,000 -- and I  
2 know Denton, right, has a higher AMI.

3 But, I guess, they look at maybe the average  
4 household, right. Because the AMI is going to depend on  
5 if it is a household of one, two, three, or four, right.  
6 So almost support the payment, or the debt-to-income  
7 ratio, right. But probably, do they have data?

8 Like yes, the average homeowner going in is  
9 maybe four, because I would think it would be hard to  
10 qualify for a \$285,000 on a household of one with HUD's  
11 income limits.

12 MS. RAMIREZ: Sure.

13 MS. CARDENAS: Which I think they should be  
14 increasing. But you know, that is at a different level,  
15 right, to go into an argument.

16 MS. RAMIREZ: These are bigger homes, three  
17 bedroom, four bedroom. So, they probably won't be putting  
18 one-person households into the homes. They are able to  
19 use the Dallas Metro income limits, which are a little bit  
20 higher.

21 MS. CARDENAS: Okay.

22 MS. RAMIREZ: And they have a wait list of  
23 buyers that they are qualifying for this program. They  
24 do -- they are looking for local partnerships with banks  
25 to provide financial education and also down payment



1 assistance to continue to support the buyers. But because  
2 they are zero-percent interest loans, the buyer can afford  
3 more.

4 MS. CARDENAS: Perfect. Okay.

5 MR. DIETZ: Great. Any other questions or  
6 comments?

7 (No response.)

8 MR. DIETZ: And that, anything above -- the  
9 reason this comes before the Board is because it exceeds  
10 the --

11 MS. RAMIREZ: \$500,000 threshold.

12 MR. DIETZ: \$500,000.

13 MS. RAMIREZ: Anything below that limit, we  
14 can --

15 MR. DIETZ: Great. Thanks.

16 If there aren't any further questions or  
17 comments, is there a motion?

18 MS. CARDENAS: Motion to approve Tab Item 3 as  
19 presented.

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

22 MR. RASSIN: Seconded.

23 MR. DIETZ: It has been moved and seconded that  
24 we approve the Texas Housing Impact Fund revolving line of  
25 credit for construction to Habitat for Humanity of Denton

1 County as presented.

2 Is there any public comment?

3 (No response.)

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

6 (A chorus of ayes.)

7 MR. DIETZ: Any opposed.

8 (No response.)

9 MR. DIETZ: Okay. It is approved as presented.

10 Thank you.

11 MS. RAMIREZ: Thank you all.

12 MR. DIETZ: I would be remiss not to welcome --  
13 we have a guest from the Governor's Office, Catarina  
14 Gonzales.

15 Thank you for joining us today. Good to see  
16 you.

17 Tab 4 is the presentation, discussion, and  
18 possible approval of a resolution authorizing a Texas  
19 Housing Impact Fund revolving line of credit for  
20 construction to Legacy Community Development Corporation  
21 in an amount not to exceed \$600,000.

22 MS. RAMIREZ: Good morning again. Cassandra  
23 Ramirez, Development Finance Manager with TSAHC.

24 This agenda item and resolution is in regards  
25 to the \$600,000 revolving line of credit to Legacy CDC.

1 This is a longstanding TSAHC partner that has participated  
2 in both the ACT program and the THIF program. And they  
3 have had -- since 2013. And they have a current revolving  
4 line of credit from 2021 that is set to expire in  
5 November.

6 You know, throughout their history with TSAHC,  
7 they have utilized \$3.9 million of loan funds and ACT  
8 funds to construct and redevelop 38 housing units in the  
9 Jefferson County area that they work. Most recently,  
10 Legacy CDC is partnered with TSAHC in the National  
11 Community Stabilization Trust program that David mentioned  
12 earlier that is access to foreclosure properties.

13 They had previously acquired properties from  
14 TSAHC with their revolving line of credit. We just  
15 purchased one that we had identified on their behalf, to  
16 repurchase.

17 But, their current line of credit matures in  
18 November, and part of that loan condition is that they  
19 cannot add new properties six months prior to the maturity  
20 date. So, they are in a lock-out period right now. And  
21 they need a loan in order to continue their program, and  
22 especially to take this property from TSAHC and redevelop  
23 it to affordable home ownership housing.

24 Loan Committee also met on the 12th for this  
25 loan as well. And the Loan Committee approved this loan

1 with the following conditions.

2 The interest rate is to be 6.4 percent  
3 annually, for a 24-month term. No new homes or properties  
4 may be added to the line of credit after 18 months.  
5 Interest on the outstanding principal balance of the loan  
6 will be paid monthly.

7 A majority of the homes will be reserved for  
8 households at 80 percent AMI or below. The loan includes  
9 a commitment fee of \$3,000, that is due at closing, and a  
10 \$250 origination fee as they collateralize properties.

11 The total amount of funds drawn per property  
12 under an approved budget will not exceed 90 percent of the  
13 as-built property value. And approval and funding of this  
14 loan are conditioned on the satisfactory financial review  
15 by TSAHC staff. And they have submitted their audits and  
16 their year-to-date statements and they are in good shape.

17  
18 As mentioned, this is a longtime local partner  
19 for TSAHC. They have a current revolving line of credit  
20 that is set to expire, but they cannot add properties to  
21 this line of credit.

22 So, we are bringing this to you a little bit  
23 early so that we can move forward with this NCST property  
24 that they will finance with their line of credit. And  
25 then they also have a couple more that they are ready to

1 add to their line of credit.

2 Any questions for me on this one?

3 MS. CARDENAS: So, the line of credit, this new  
4 one, it is to purchase one of our existing foreclosures  
5 that we have?

6 MS. RAMIREZ: That we just acquired.

7 MS. CARDENAS: That we just acquired. And  
8 there is no issues with them acquiring one of our  
9 properties and then us turning around and financing it?

10 MS. RAMIREZ: No. We have through the  
11 combination ACT program and THIF. But we have a  
12 memorandum of understanding in there and a local partner  
13 agreement that outlines how the process works and what the  
14 restrictions are, and what their responsibilities are.

15 And we did this successfully with them last  
16 year with a property that we acquired through NCST in  
17 Grove, Texas. And they have since rehabbed it and sold it  
18 to an income-eligible buyer.

19 MR. DIETZ: Is this also a construction loan  
20 and will be paid off similarly --

21 MS. RAMIREZ: Similar, yes.

22 MR. DIETZ: -- as the last one, in piecemeal  
23 fashion, as they get permanent mortgages for each  
24 property?

25 MS. RAMIREZ: Correct.

1 MR. DIETZ: Okay. Any other questions or  
2 comments?

3 (No response.)

4 MR. DIETZ: Is there a motion to approve?

5 MS. CARDENAS: Motion to approve Tab Item 4 as  
6 presented.

7 MR. DIETZ: It has been moved to approve. Is  
8 there a second?

9 MR. RASSIN: Second.

10 MR. DIETZ: Is 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: Any opposed.

16 (No response.)

17 MR. DIETZ: Okay. The resolution authorizing  
18 the Texas Housing Impact Fund revolving line of credit for  
19 construction to Legacy Community Development Corporation  
20 is approved as presented. Thank you.

21 MS. RAMIREZ: Thank you.

22 MR. DIETZ: Tab Item 5 is the presentation,  
23 discussion and possible approval of a resolution  
24 authorizing the issuance of Texas State Affordable Housing  
25 Corporation multifamily housing revenue bonds, the Norman

1 Commons, Series 2023, a trust indenture, a loan agreement,  
2 a bond purchase agreement, an asset oversight, and  
3 compliance, and security agreement, a regulatory  
4 agreement, a preliminary official statement and a final  
5 official statement authorizing the execution of documents  
6 and instruments necessary or convenient to carry out the  
7 issuance of the bonds, and other provisions in connection  
8 therewith.

9 MR. DANENFELZER: Good morning. My name is  
10 David Danenfelzer. I am Senior Director of Development  
11 Finance.

12 The Norman Commons project has been before you  
13 once before. The Corporation, with our multifamily bond  
14 projects, bring these deals to you at least twice. The  
15 first time is to induce the transaction, which we did last  
16 fall.

17 And this transaction has been going through our  
18 normal process of pulling down volume cap, developing its  
19 bond documents, and getting all of the different parties  
20 involved in the financing structure to agree on final  
21 terms and conditions. So, we are ready to move forward  
22 with closing. This actually -- we have already submitted  
23 this application as well to the Texas Bond Review Board  
24 for their final approval which is scheduled for Thursday.

25

1           For just background, I will note that Norman  
2 Commons is a 156-unit apartment complex located here in  
3 Austin, Texas. It is on the east side of Austin, of what  
4 is called the Boggy Creek neighborhood.

5           There is a mix of 30-percent AMI units as well  
6 as 50- and 60-percent area median income units. It does  
7 exceed the 10 percent -- there are more than 10 percent of  
8 units at 30 percent and below. So, this project meets our  
9 targeted housing need for the bond program of permanent  
10 supportive housing for service-enriched targeted housing.

11

12           So, and as most of you are familiar -- and I  
13 apologize, Mr. Rassin. There is a lot of stuff that we  
14 talk about that are acronyms and other things. So, I do  
15 speak -- and if you need me to spell something out, just  
16 let me know, because I am very used to just kind of going  
17 on the fly on these. And I realize sometimes I don't even  
18 understand what I am saying.

19           But, in any case, the Corporation is looking to  
20 then issue approximately \$38 million in bonds. Bond  
21 pricing will occur late October or early November, when we  
22 are ready to close. And all the final approvals are  
23 ready.

24           But this is an excellent project. It is going  
25 to be co-owned. The general partner of this owner entity



1 will be the City of Austin's Housing Finance Corporation.  
2 So, it does receive 100 percent property tax exemption,  
3 which is one of the reasons why we also need a vote from  
4 the Texas Bond Review Board to get approval on the bonds.

5 I will leave it at that. And if there is any  
6 questions about our process or the project itself, I am  
7 here to answer them.

8 MS. CARDENAS: What exactly does, I guess, the  
9 TSAHC service-enriched targeted housing need, like what  
10 benefit -- you said it qualifies for that. So, what  
11 exactly does that mean?

12 MR. DANENFELZER: Yes. So, every year, we do  
13 look at our, what we define per statute, targeted housing  
14 needs for our program. And one of the targeted housing  
15 needs that TSAHC has renewed year after year is one that  
16 we want to be able to target projects that have a higher  
17 percentage of 30 percent and below area median income  
18 units, in order to support folks who are transitioning out  
19 of homelessness into permanent housing.

20 And so that is the general definition of it.  
21 We do use the service-enriched, the title  
22 "service-enriched housing," which has become more common  
23 than simply just permanent supportive housing. Because we  
24 do know that we are mixing incomes.

25 It is not simply a project that is solely for

1 the purpose of helping folks move out of homelessness.  
2 But it has a number of other services, such as potentially  
3 job training, after school, educational services,  
4 individual development accounts, and otherwise.

5 So, it is not simply helping folks out of  
6 homelessness, but other folks also to help improve their  
7 livelihoods.

8 MS. CARDENAS: Does that -- I guess I was  
9 looking more like, does it help us as an organization to  
10 qualify for more grants because this property meets that,  
11 you know, that description? Or funding in any way?

12

13 MR. DANENFELZER: No. It does not.

14 MS. CARDENAS: Okay.

15 MR. DANENFELZER: But, kind of, rewinding a  
16 little bit, one of the things I will note is that per  
17 statute, TSAHC was created and our bond program was  
18 created in order to target housing needs which are  
19 generally not being met by other issuers within the State  
20 of Texas.

21 I have looked at the numbers for 17 years since  
22 I have been here, and 70 percent or more of the  
23 developments done in the State of Texas are new  
24 construction family deals in large urban areas. And  
25 generally, to meet the minimum affordability requirement

1 of 60 percent and below median income.

2 And what we have kind of done is tried to look  
3 at what is not within that box, what is not within that  
4 target. And so, what we have set, year after year, with  
5 the Board's approval is targeted housing needs, including  
6 rural areas of the state, smaller metros, senior housing,  
7 acquisition and rehab of existing affordable housing, and  
8 service-enriched housing.

9 We have one other targeted need, which is  
10 disasters. I will note, we don't do those often. Because  
11 what we are looking for is natural disasters which have  
12 impacted the housing supply in an area.

13 And the last time we looked at -- did a  
14 transaction like that was a while back in the Dallas area.

15 Around 2017, there was a series of tornados that came  
16 through. And in Glenn Heights in particular, there was a  
17 couple of hundred units that were damaged. And we were  
18 able come in with a bond project in Glenn Heights after  
19 that, about two years later, and close on that.

20 We have assisted some projects as well in the  
21 Houston area after Harvey. But the most recent is the one  
22 up in Dallas.

23 MS. CARDENAS: Good. Now, obviously, I am glad  
24 we are focused on this. I just thought maybe something  
25 else would come, you know, to help continue, right, this

1 focus.

2 MR. DANENFELZER: Yes. And certainly, projects  
3 do qualify for a lot of other federal funding and support.  
4 So, we always encourage the developers to apply for those.

5 And this particular developer, Foundation Communities, is  
6 very forward-thinking on that and does apply for a number  
7 of grants.

8 MS. CARDENAS: Okay.

9 MR. DIETZ: This is about a \$38 million bond?

10 MR. DANENFELZER: Yes. The bond right now, we  
11 haven't priced it. So, we have a maximum par amount on  
12 the bond of \$38 million that we can go after.

13 Based on the market right now, we probably will  
14 get a little less than that on the underwriting. We look  
15 at best numbers right now. The underwriting report, it  
16 has a lower number for the permanent financing.

17 But a portion of -- most of the \$38 million is  
18 going for construction. And then there will be a  
19 long-term permanent that is reduced because of tax credit  
20 and other equity that can come into the project.

21 MR. DIETZ: Any other questions or comments  
22 from the Board? And where is this again?

23 MR. DANENFELZER: So, it is in Austin.

24 MR. DIETZ: It is in Austin.

25 MR. DANENFELZER: If you are heading from here

1 to the airport and you take 290 out to 183, you will --  
2 before you get to the river, you will actually kind of  
3 pass a number of -- there are some warehouses that are  
4 kind of fronting 183.

5 But this is actually about a block off, and  
6 back in the neighborhood. So, this will be actually kind  
7 of a buffer site between the warehousing and the  
8 neighborhood.

9 MR. DIETZ: Great. Thanks.

10 If there aren't any other questions or  
11 comments, is there a motion?

12 MS. CARDENAS: Motion to approve Tab Item 5 as  
13 presented.

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

15 MR. RASSIN: Seconded.

16 MR. DIETZ: Okay. It has been moved and  
17 seconded that we approve the resolution as presented.

18 Is there any public comment?

19 (No response.)

20 MR. DIETZ: Hearing none. All in favor, please  
21 say aye.

22 (A chorus of ayes.)

23 MR. DIETZ: Any opposed.

24 (No response.)

25 MR. DIETZ: Okay. The resolution authorizing

1 the issuance of the Texas State Affordable Housing  
2 Corporation multifamily housing revenue bonds for the  
3 Norman Commons is approved as presented.

4 MR. DANENFELZER: Thank you.

5 MR. DIETZ: Thank you.

6 Tab Item 6, the presentation, discussion and  
7 possible approval of the publications for public comment  
8 of amendments to Texas State Affordable Housing  
9 Corporation's Joint Venture Guidelines.

10 MR. DANENFELZER: Good morning again. David  
11 Danenfelzer, Senior Director of Development Finance.

12 Back in 2017, the Board did approve initial  
13 guidelines at a resolution for the Corporation to  
14 participate as a partner in development projects. We have  
15 since then actually closed on our first project this  
16 summer, Juniper Creek. And also, we plan to close next  
17 week on Park on 14th. So, our first two projects are  
18 coming to fruition.

19 The rules and guidelines that we had  
20 originally, one of the things that we tried to do at the  
21 time was simply mirror them and match them directly with  
22 our private activity bond program rules. But through the  
23 last couple of years of working with different potential  
24 developers and partnerships, we have decided that it is  
25 probably best to kind of separate that.

1           One of the things that we have discovered over  
2 this time is that there is a lot of different types of  
3 projects, particularly bond projects, that can be done.  
4 There are those that are very financially feasible, and  
5 those that struggle. And the Corporation wants to ensure  
6 that when we are in partnerships in particular, that we  
7 are bringing a property tax exemption, which is a very  
8 valuable addition to overall financing, to those projects  
9 that really need for that type of additional assistance or  
10 subsidy.

11           So, one of the things that we have done, and I  
12 will go through the list here a little bit, is in eligible  
13 development types in Section 1. We have kind of narrowed  
14 those to ensure that we are fulfilling our targeted  
15 housing needs, but also making sure that we are targeting  
16 those projects that are most likely to really require a  
17 tax exemption in order to become feasible.

18           We have added some additional details and  
19 requirements to the application, which is part of Section  
20 2, to ensure that our counsel also gets everything that  
21 they need when reviewing these applications and can make a  
22 good determination of how the structure and the  
23 partnership is going to be formed. We have changed a  
24 little bit of the ownership structures that we will  
25 participate in and clarified those.

1 Over the last couple of years, as working with  
2 these two projects, we have kind of batted around certain  
3 ideas and different options. But we have kind of realized  
4 that there are certain ones that suit us best, based on  
5 our form of corporation and the entities that we want to  
6 participate in.

7 We have also looked at the timing, the amount  
8 of fees and percentages of revenue that we want to get,  
9 and make sure that those are more certain rather than  
10 something that can be negotiated, or negotiated and  
11 renegotiated and renegotiated, as developers do like to  
12 do.

13 And then finally, Section 5, our community  
14 outreach, we have kind of amended and made sure that they  
15 both meet our multifamily bond requirements, and that it  
16 is sort of a one for one there. That the community  
17 support letters that we get can come for either one of  
18 those programs, from the same folks that are listed in  
19 both policies.

20 And I am here for any questions.

21 MR. DIETZ: The transcript says we will make  
22 available as opposed to post on the website. Is that just  
23 because it is not as broadly needed to be on the website?

24 MR. DANENFELZER: Yes. Well, the guidelines  
25 themselves are likely going -- we will publish these on



1 the website. The guidelines themselves will be published  
2 on the website.

3 One of the things we are trying to reduce is --  
4 not necessarily, I want to say -- unwanted applications.  
5 But we have in the past had folks just download our  
6 application materials and then submit them. And  
7 oftentimes, if we know right away this is not an eligible  
8 project, we then have to kind of process refunds of  
9 application materials or application fees and other  
10 things.

11 We are trying to make sure that folks don't go  
12 through the long process of filling things out before they  
13 actually talk to us and determine whether or not the  
14 project is eligible. So, we are taking a practice, and we  
15 have done this in our lending programs as well, of making  
16 sure we have at least a phone call or a face-to-face, or  
17 even a virtual meeting with folks before we hand out  
18 application materials and get folks to, you know, fill out  
19 things that we know are eligible.

20 But the problem has been, really, that we have  
21 gotten a lot of applications. And then folks get quite  
22 frustrated when they find out they are not eligible, even  
23 though sometimes the applications make it pretty clear  
24 that they are not eligible.

25 MR. DIETZ: So, these guidelines -- when we say

1 "joint venture," it is not where we would be having any  
2 lending arrangement, but where we would almost be  
3 participating kind of like an equity partner but with an  
4 organization.

5 MR. DANENFELZER: We might be an equity  
6 partner. More likely, we'll just be simply a general  
7 partner. That will give us ownership control of the  
8 property, but not necessarily any risks. Or we won't  
9 provide guarantees in most of those cases.

10 It is really a way for the projects to gain  
11 that property tax exemption, but also then for us to  
12 strengthen our oversight of that project long term. Once  
13 we become the owner, we have a lot more control and a lot  
14 more authority to guide the project, and ensure that it  
15 doesn't end up in default, or have problems with  
16 compliance, long term.

17 MR. DIETZ: This is the publication for public  
18 comment. And so, after the public comment period, we will  
19 see this again and approve it for a final?

20 MR. DANENFELZER: Absolutely. Yes. We plan --  
21 we are really hopeful we will be able to bring it back to  
22 the October Board meeting and get it finalized.

23 We are starting to accept applications in  
24 October for our private activity bond program. And there  
25 are a few applicants that want to do this as well. So, we

1 want to try to mirror those application cycles as closely  
2 as we can.

3 MR. DIETZ: Okay.

4 MS. CARDENAS: Now, going back to the  
5 application process, I guess more or less, how many do you  
6 all receive?

7 MR. DANENFELZER: In the past few years, we  
8 haven't gotten too many. But currently, I am talking with  
9 about five potential applicants. And you know, I will  
10 note, I have talked to -- I typically talk to around seven  
11 to eight developers a month, and many of them just don't  
12 qualify.

13 One of the reasons is because Texas has some  
14 very unique rules, and our statute has even more sort of  
15 unique rules. And we do end up talking with a lot of  
16 out-of-state developers.

17 I mean, just last week, I spoke with a  
18 developer out of Kansas. And what they can do in Kansas  
19 is great, but we can't do those type of deals here in  
20 Texas. We just don't have the authority.

21 In that particular case, it was a deal where 50  
22 percent of the units were 80 percent of median income.  
23 And they wanted 100 percent tax exemption.

24 And I know our counsel would never approve  
25 that, and our statute doesn't allow that, either.

1 MS. CARDENAS: So, is it applications? I guess  
2 maybe I should have said inquiries. Because you said, you  
3 speak with about seven or eight --

4 MR. DANENFELZER: Most of these are inquiries,  
5 yes.

6 MS. CARDENAS: And what I am getting at is, you  
7 know, maybe through our -- is there any way on our online  
8 application, you know, when you look at other non-profits,  
9 right, as a basic --

10 MR. DANENFELZER: Right.

11 MS. CARDENAS: You know, do you make this  
12 amount of income? It is either yes or no. Right. There  
13 is like stop codes within there before the application can  
14 even go through.

15 And I am just saying, you know -- so that maybe  
16 you don't receive an influx of phone calls. That could  
17 also provide them some guidance before calling you in, to  
18 kind of put something on our online -- or maybe you  
19 already have it, and it just needs to be refined to say,  
20 XYZ.

21 And if you say yes, no, yes, no, and you have  
22 so many noes, then you can't even push the apply button  
23 online.

24 MR. DANENFELZER: Yes. It is possible. I do  
25 think that --

1 MS. CARDENAS: Unless it is not that many, and  
2 it is easier for you to just get the phone calls. You  
3 know, I was -- that is what I was asking.

4 What is the volume coming in?

5 MR. DANENFELZER: Yes.

6 MS. CARDENAS: If it is not anything  
7 significant, although we want it to be right --

8 MR. DANENFELZER: Yes.

9 MS. CARDENAS: Just to kind of help.

10 MR. DANENFELZER: It is one of those things  
11 where I am not sure the volume would justify sort of a  
12 full online application process. At least not -- it is  
13 not similar to the number of folks that apply or are  
14 looking for information on our single family home  
15 ownership programs.

16 And, we have a good questionnaire there about  
17 are you eligible, the eligibility quiz that we do. But  
18 that is, I think, used literally hundreds and hundreds of  
19 times a week by folks.

20 So, we may get five to six, and it is a costly  
21 process to put up on the web. What I am using right now  
22 and have been using the last couple of months is called --  
23 it is a Microsoft tool called Bookings.

24 And, we do have about six or seven questions on  
25 there. One, to gauge preparedness, to gauge what type of

1 project they are proposing. And then certain eligibility  
2 questions.

3 So, I do feel that is helping me filter out a  
4 few. But I still do get regular phone calls as well, on a  
5 daily basis, or a weekly basis. So, folks are always  
6 asking about the program.

7 I try to direct them to our virtual meeting  
8 software, when possible. But that is the best filter I  
9 have right now.

10 MS. CARDENAS: Okay.

11 MR. DIETZ: Any other questions? Comments?

12 (No response.)

13 MR. DIETZ: Great. Is there a motion?

14 MS. CARDENAS: Motion to approve Tab Item 6 as  
15 presented.

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

18 MR. RASSIN: Seconded.

19 MR. DIETZ: Okay. It has been moved and  
20 seconded that we approve of the publication for public  
21 comment of amendments to Texas State Affordable Housing  
22 Corporation's joint venture guidelines.

23 Is there any 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: Any opposed.

4 (No response.)

5 MR. DIETZ: There is -- so the publication for  
6 public comment of the amendments is approved as presented.

7 Thank you.

8 MR. DANENFELZER: Thank you.

9 MR. DIETZ: Tab Item 7 is the presentation,  
10 discussion and possible approval to publish for public  
11 comment the Texas Foundations Fund fiscal year 2024  
12 disaster recovery guidelines.

13 MR. WILT: All right. Good morning, Chairman  
14 Dietz, Board members. I am Michael Wilt, Senior Manager  
15 of External Relations here at TSAHC, here to present on  
16 Tab Item 7, presentation, discussion and possible approval  
17 to publish for public comment the Texas Foundations Fund  
18 disaster recovery guidelines.

19 As some background to this, you might remember  
20 that we brought these guidelines for the first time to you  
21 last year. And, we decided to make the disaster recovery  
22 Texas Foundations Fund program a permanent one, a free  
23 standing one.

24 In the past, we had administered the special  
25 funding rounds of the Texas Foundations Fund to respond to

1 natural disasters. We first did that in 2008, with  
2 Hurricane Ike. And did it again with winter storm Uri in  
3 2021. We also set up a HEART program to respond to  
4 Hurricane Harvey in 2017.

5 And, as opposed to doing funding on an ad hoc  
6 basis, we determined it would be better to just have a  
7 free-standing disaster recovery program that replenishes  
8 annually. We did this for two reasons.

9 It is quicker and easier to get grant funds out  
10 the door. We have it set up like this, and we also have  
11 seen disasters and extreme weather events happen more  
12 frequently. So, odds are, we need disaster funding on a  
13 continual basis, throughout the year and every year.

14 Turning to the guidelines, they are largely the  
15 same as last year. There are just two changes I will  
16 note.

17 The first is, we changed the dates of the  
18 program to run from June 1, 2023, to June 1 of 2024.

19 Quarterly, we are way past June 1 in 2023. But  
20 that just means that once these guidelines are approved,  
21 they will retroactively apply to June 1st. And so, any  
22 disasters that occur on or after June 1st of this year  
23 would be able to access funding.

24 Going forward, we will bring the guidelines to  
25 the Board earlier in the year so that we don't have to



1 retroactively apply it like this. But it was just -- the  
2 timing worked out like this year, where we had to do it  
3 this way.

4 Second, in footnote 1, where we define what a  
5 critical repair is, we added the word "inefficient" in  
6 there, in that first line, to say that repairs include  
7 modifications to inefficient systems instead of just  
8 failed ones.

9 A system may not fail due to a natural  
10 disaster, but it can be improved to make it improved or  
11 more resilient in the event of future disasters. So that  
12 is why we made that change.

13 Outside of that, the guidelines are the same as  
14 last year. From an administrative standpoint, after the  
15 guidelines are finally approved, we will release the  
16 applications and funds can be accessed on a rolling basis,  
17 as disasters are declared.

18 We are limiting awards to one per organization  
19 per disaster, and the max award for an organization is  
20 \$30,000, with a maximum amount of \$5,000 that can be used  
21 per household. And if multiple organizations apply to  
22 respond to the same disaster, we may limit the awards per  
23 organization to disburse our funds in the best way  
24 possible.

25 And, as a reminder, when we hit that June 1,

1 2024 date, any funding that is not used out of the  
2 disaster recovery set-aside will roll over into the  
3 Foundations Fund general program. Luckily, last year we  
4 ended up not having any major natural disaster that people  
5 wanted to access funds for. So, we were able to roll over  
6 that \$250,000.

7 So, you know, going forward into 2024 and  
8 beyond, we will intend to set it up that way, where that  
9 June 1st will be the effective end date of the program so  
10 we know exactly how much money we can roll over into the  
11 general Texas Foundations Fund program.

12 If you approve these, we will publish them for  
13 public comment, and open that public comment period  
14 tomorrow. And it will conclude on Friday, October 6th.  
15 We want the public comment period to end before the next  
16 Board meeting so we can get these guidelines finally  
17 approved, in the interest of time.

18 Basically, because knock on wood, we don't have  
19 any natural disasters between now and the next Board  
20 meeting. But you know, if we do, that is the earliest we  
21 can get them finally approved, and that application  
22 released.

23 With that, I will take any questions.

24 MR. DIETZ: Great. So, just like the last one,  
25 we will see this again, next month, hopefully, for final

1 approval.

2 MR. WILT: Yes.

3 MR. DIETZ: Yes. And the funds for the natural  
4 disasters come from our Texas Foundations Fund, which is  
5 the same fund that we primarily use for applications for  
6 various organizations, just to assist with housing needs.  
7 Correct?

8 MR. WILT: That is correct. Yes. It is a  
9 subset of it. Yes.

10 We are at a million dollars this year, the 750  
11 dedicated to Foundations Fund exclusively, and then the  
12 250 for disaster recovery activities. That all got rolled  
13 over, and we ended up awarding just over a million dollars  
14 to 66 organizations.

15 MR. DIETZ: And we approve how much we are  
16 putting into the Texas Foundations Fund during our budget  
17 process each year.

18 MR. WILT: That is correct.

19 MR. DIETZ: Okay. Great.

20 Any other questions or comments?

21 MR. RASSIN: You went over it pretty quickly.  
22 Can you explain again the additional word, "inefficient"?

23 MR. WILT: Yes. Like a HVAC system, or any  
24 other systems that were compromised by a natural disaster  
25 that may not have failed. We just thought that the word

1 "failed" was a little dramatic.

2           So, improving efficiencies like swapping out  
3 windows, as an example. The windows may not be broken or  
4 repaired. But after a major event, especially if there is  
5 wind, like in a coastal area, where your windows were put  
6 in 30 years ago, and they won't be resilient for another  
7 future event.

8           If an organization decides, hey, we need to  
9 upgrade the windows or the HVAC system to make it more  
10 resilient in the face of future disasters, that would  
11 qualify without a system necessarily just failing.

12           MR. RASSIN: Do you require that the  
13 inefficiency be caused by the storm, or is it just it is  
14 inefficient and we are identifying it now.

15           MR. WILT: I would have to look at how we set  
16 up that definition. I don't think it has to be caused by  
17 the storm.

18           MR. LONG: I think it just recognizes  
19 inefficient, like a window that may have been old and  
20 didn't fail, but it may need to be replaced by showing it  
21 is old, or it might give it stability to last through  
22 another storm -- upgrading.

23           MR. RASSIN: It could be preventative, you  
24 mean.

25           MR. LONG: Preventative. I think that might be

1 a better word. I don't know.

2 What do you think, Michael?

3 MR. WILT: We have "failed or inefficient  
4 system." I mean, we could add language in there that  
5 talks about it being a preventative measure or something  
6 like that.

7 MR. RASSIN: I am not asking to add anything.  
8 I am just trying to --

9 MR. LONG: Well, this is going out for public  
10 comment. So, it is a great time to make those adjustments  
11 in tweaking it to make sure that if the word "inefficient"  
12 isn't appropriate, or if it can be further described as  
13 preventative, that would be -- this is a great time to do  
14 it, before we put it out.

15 MR. WILT: Yes. We will take a look at that  
16 definition.

17 MS. CARDENAS: Well, especially because it is  
18 in the disaster recovery guidelines --

19 MR. WILT: Right.

20 MS. CARDENAS: -- so someone may imply that it  
21 has to be a disaster.

22 MR. LONG: Right.

23 MS. CARDENAS: So, yes. Maybe just revisit  
24 that language.

25 MR. RASSIN: And that is precisely what I am

1 asking, whether it is intended to be tied to a disaster.

2 MS. CARDENAS: Right.

3 MR. RASSIN: Because you may have something  
4 that is inefficient year-round, and not tied to a  
5 disaster.

6 MR. WILT: Yes.

7 MR. RASSIN: Do we want to limit -- again, I am  
8 not suggesting that we do or don't. I am asking what your  
9 intention is, to limit it to be tied to a disaster.

10 MR. WILT: Yes. All right. I think a good fix  
11 may be TSAHC defines critical repairs as repairs to a  
12 failed or inefficient system that is compromised by a  
13 natural disaster. So, we'll take a look at that.

14 MR. DIETZ: Thereby making it clear that it is,  
15 because it is something tied to a natural disaster --

16 MS. CARDENAS: To a natural disaster.

17 MR. DIETZ: -- taking place.

18 MR. LONG: Okay. Thank you for the comments.

19 MR. RASSIN: Thank you.

20 MR. DIETZ: Any other questions or comments?

21 (No response.)

22 MR. DIETZ: Is there a motion? And does the  
23 motion include -- if there is a motion, does it include  
24 the slightly changed language that we just put in?

25 MS. CARDENAS: Okay. Motion to approve Tab

1 Item 7 as presented in addition to, I guess, the revised  
2 language that was discussed.

3 MR. DIETZ: Yes. Okay. It has been moved.

4 Is there a second?

5 MR. RASSIN: Second.

6 MR. DIETZ: Okay. It has been moved and  
7 seconded that we approve for publication for public  
8 comment the Texas Foundations Fund fiscal year 2024  
9 disaster recovery guidelines, as presented with the  
10 changes noted.

11 Is there any public comment?

12 (No response.)

13 MR. DIETZ: Hearing none. All in favor, please  
14 say aye.

15 (A chorus of ayes.)

16 MR. DIETZ: Any opposed.

17 (No response.)

18 MR. DIETZ: Okay. The Texas Foundations Fund  
19 disaster recovery guidelines are approved as presented.

20 There is no reason to go into closed meeting,  
21 today, Correct?

22 MR. LONG: That is correct.

23 MR. DIETZ: With regard to the appointment of a  
24 Board member to the Loan Committee, we typically just have  
25 a Board member that sits on the Loan Committee, as one of

1 the local members. Is that something that we need to do  
2 as part of an agenda? Or is that something that can be  
3 done --

4 MR. LONG: Yes.

5 MR. DIETZ: Yes. Okay. So maybe we can put  
6 that on the agenda for next month.

7 MR. LONG: Sure. Certainly. We will do that.

8 MR. DIETZ: Great. Okay. Good.

9 Any discussion about that? I think that  
10 typically it would not be the Chair or the Vice Chair. Is  
11 that correct?

12 MS. CARDENAS: I sit on the Audit Committee.

13 MR. LONG: She sits on Audit. Ms. Cardenas  
14 sits on Audit Committee.

15 I would suggest -- the other thing that I would  
16 note for anybody that is interested in doing so, is that  
17 you can attend that virtually or by phone. It is not an  
18 open meeting.

19 MR. DIETZ: You don't have to be in Austin.

20 MR. LONG: It can be -- we typically have it  
21 monthly, tied to coming in front of the Board meeting, so  
22 that anything that is going to come to the Board has  
23 already had Loan Committee review and approval.

24 MS. CARDENAS: And I have sat on Loan Committee  
25 before, And the team does an excellent job in outlining,



1 you know, getting the loan presentations in order. So,  
2 they do make it very -- I am trying to give a sales pitch  
3 for any other Board member that would like to join.

4 No, they do a very good job, and very thorough  
5 in their loan presentation preparation. So, it really  
6 makes it easy for the Board member to understand and make  
7 those decisions, you know, as they see fit.

8 MR. DIETZ: Great. Okay. Good. We'll look  
9 forward to having that on next month's agenda.

10 Any other announcements or closing comments  
11 from the Board or from our President?

12 MR. LONG: Again, I would just let the Board  
13 members know that we will work with you on scheduling the  
14 meeting for next month. It will not be on the 17th. And  
15 we'll coordinate around Board members needs and schedules  
16 to do that.

17 And, a welcome and a thank you to Mr. Rassin  
18 for his time.

19 MR. RASSIN: Thank you.

20 MR. DIETZ: Great. And thanks to Routt for  
21 time he spent with Mr. Rassin yesterday, getting him fully  
22 onboarded.

23 Okay. It is 11:37, and we are adjourned.

24 (Whereupon, at 11:37 a.m., the meeting was  
25 concluded.)

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MEETING OF: TSAHC Board

LOCATION: Austin, Texas

DATE: September 19, 2023

I do hereby certify that the foregoing pages, numbers 1 through 58, 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: September 25, 2023

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(Transcriber)

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