TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
October 24, 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

I N D E X

P R O C E E D I N G S

(10:37 a.m.)

MR. DIETZ: It is 10:37 a.m. on October 24, 2023, and the Texas State Affordable Housing Corporation Board meeting is called to order.

Roll call first. William Dietz, Chair, I am present.

Valerie Cardenas, Vice Chair?

MS. CARDENAS: Present.

MR. DIETZ: Courtney Johnson-Rose is not present.

Lemuel Williams?

MR. WILLIAMS: Present.

MR. DIETZ: And David Rassin?

MR. RASSIN: Good morning. Present.

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

Before we begin, please join me as we pledge allegiance to the United States flag.

(The Pledge of Allegiance was recited.)

MR. DIETZ: And to the State flag.

(The Texas Pledge was recited.)

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

(No response.)

MR. DIETZ: Hearing none, the president's report, Mr. Long.

MR. LONG: Good morning, members, Mr. Dietz.

The monthly program reports, I say this every month but I'll do it again, your program reports are under tab items A through E in your Board books. If you've had a chance to look at those and have any questions, I'm happy to answer any questions on those.

The Corporation's Loan Committee met on Tuesday, the 10th, last week -- not last week, a couple of weeks ago. No action was taken on any new items. We did go through our Texas Housing Impact Fund report, which is a listing of all of our existing loans, and reviewed those and discussed upcoming maturities and any issues that were going on with those loans.

Later this morning under tab item 2 on the Board agenda, we'll be discussing the possible appointment of a Board member to serve on the Loan Committee under tab item 2.

A couple of quick announcements: Board members and staff should have received and completed your Mission Capital surveys for our Strategic Plan process. I appreciate everybody that's completed that. If you haven't, I'd ask that you take a minute or two to do that.

There are several sessions and meetings

planned, and the first session that includes both the Board members and the staff is scheduled for October 30. We hope everybody can attend. And as we progress through the process, we'll continue to provide everybody additional information and details on the sessions as they become available.

Maxwell Locke & Ritter is currently conducting our Corporation's financial and single audits, and they have just been completing the audit and having the audit ready to be presented to the Board at our Board meeting in November.

I'm very pleased to announce -- if she's in here, I want her to stand up so I can embarrass her -- Katie Claflin, our Director of Communications and Business Development, was selected to join the Leadership Austin Essential Class for 2023-2024.

(Applause.)

MR. LONG: This is a huge opportunity for Katie. She's an exceptional employee of the Corporation, she's been here a long time, and we're very excited for the opportunity that she has to not only meet and collaborate with her peers around the city, but also just to gain insight and to hopefully share some of her experiences that everybody else can learn from as well. So, congratulations to Katie and we look forward to her having a great year serving on Leadership Austin.

Single-Family Programs, I would just add that we continue to see loan originations coming in, albeit slower than normal, but again, the market is driving a lot of that. We still have a lot of trainings that are going on. We have our online trainings and our vendor trainings. Thanks to the staff and Frank Duplechain for him going out and doing these trainings.

Also, we have nine new lenders that were approved to join our programs, which means they get trained and understand what it means to originate loans into our program. So, we're seeing an interest from the lender side, which continues to show me that there is demand, just albeit a little bit slower than in the past with the market the way it is.

Fundraising. The Corporation received an additional $35,000 in grant funding from Bank of America, Frost Bank, and PNC Bank to support our Permanent Supportive Housing Academy.

As you're all aware, we're going to be doing our symposium on the 6th and the 7th. This is a one-day training in addition to that that is an add-on training offered to participants that will be attending our symposium the first part of next month.

We also have submitted a two-year award grant request for $80,000 to the Texas Financial Education Empowerment to support our 2024 and 2025 Housing Connection Training for housing counselors and developers.

Speaking of the symposium, which I had mentioned a second ago, it's going to be held November 6 and 7. It will be held in North Austin at the Renaissance Austin Hotel at the Arboretum. Registration for the upcoming symposium closes this Friday. We currently have about 180 registered attendees.

We would love for the Board, if you have the opportunity to spread the word about this and maybe get us a few more attendees. We'd love to have the opportunity, and if you need information or you would like to find out how we can help you get the word out for us, we'd love to have that opportunity and we'll give you some information on how you can help promote the event.

We've solidified and finalized the agenda for the symposium. We're offering three plenary sessions, one on federal focus, a developer roundtable, and then we have a lunch plenary, which will include Gregg Colburn, who is the author of a book titled *Homelessness is a Housing Problem*, and he'll be speaking at our luncheon on the second day. We also will have some breakout sessions that will focus on housing development, operation, services and housing help outcomes.

So, we're really excited about this. This is the first time the Corporation has ever tried to put on an event. I would call it a conference; we're calling it a symposium. It's a two-day event, and we're looking forward to have a really, really productive opportunity to discuss the issues related to people coming out of homelessness and the need for permanent supportive housing.

I'd like to thank our sponsors that are related to that. We've secured sponsorships in support of this event from JPMorgan Chase, Lakeview Loan Servicing, Texas Capital Bank, Insperity, Dominium, Regents Bank, and the Federal Home Loan Bank of Dallas, Capital Impact Partners, Texas Homeless Network, the Corporation for Supportive Housing, and Housing Works Austin. Again, I can't thank them enough for their support, and I just hope that they have the opportunity to attend as well as sponsor.

Regarding Housing Connection, this is one of the trainings I mentioned we were going to be holding at the last meeting. The Corporation hosted our 2023 Housing Connection training, September 25 through 29 here in this room.

We offered three courses taught by NeighborWorks of America. They continue to be our curriculum provider and trainers. The three-day course was on credit counseling and two one-day courses on affordable housing development. We had a total of 47 nonprofit staff representing 21 organizations attending the training, and we were able to, because of our sponsorships, be able to pay for lodging for 33 of the participants attending from out of town.

And with that, I'd like to thank all of our sponsors, specifically our major sponsors, PNC and Texas Community Bank. So again, sponsorships have really made it really opportunistic for us to be able to be inclusive in who we are able to not only have attend these events but able to help them in the cost associated with attending our events.

Regarding marketing, the Corporation has engaged a marketing firm of Medina Group to help us promote some of our programs to understand home buyers in the Harris County area.

This engagement came about through our participation in the Harris County Homeownership Collaborative, which aims to increase homeownership rates for people of color in the Harris County area.

The events that we've been participating in:

On Thursday, September 28, Michael Wilt represented TSAHC on a panel at the Texas Conference on Ending Homelessness. The panel focused on the impact of

TSAHC's Texas Supportive Housing Institute and our training programs.

On October 6, Katie and I had a chance to attend an event in Houston called Own the HOU, which is part of the collaborative event that I just mentioned, and again, it is a campaign created by the Harris County Homeownership Collaborative to promote homeownership and provide resources to underserved home buyers in the Harris County area.

On October 7, Frank participated in a Houston Community Wealth-Building Day, which featured Board Member Courtney Johnson-Rose as one of the keynote speakers. Again, Courtney not being able to be here today, she seems to be extremely busy with her role, and she doesn't like to tell you but she serves as the National President for the National Board of Housing Brokers. So, we're very pleased to have her with us on our Board, but unfortunately, she's been a little bit busy, but she is making time to represent.

And then on the 19th, last week, I was asked to serve on a panel at the TALFHA conference, Texas Association of Local Housing Finance Agencies. Michael Wilt, Cassandra Ramirez and Frank Duplechain joined me at that conference, and I was able to serve on a panel to discuss the impact of the 2023 Legislative Session.

With that, Mr. Chairman, that's kind of all of the updates. I will mention to the Board members that our next scheduled Board meeting is tentatively scheduled for Tuesday, November 14, at 10:30.

We will also have an Audit Committee meeting that's scheduled for 9:30 on that day. We will coordinate with the Board members and any other issues that come up related to that date, but that's the tentative date we have on the calendar.

And with that, I'll conclude my remarks, unless there's any questions.

MR. DIETZ: Questions or comments for Mr. Long?

(No response.)

MR. DIETZ: Okay. We'll move on to our action items for the open meeting today. Tab item 1 is the Presentation, discussion and possible approval of the minutes of the Board meeting held on September 19, 2023.

Are there any questions, additions, corrections or comments about the minutes?

(No response.)

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

MR. RASSIN: So, moved to approve the minutes.

MR. DIETZ: It's been moved. Is there a second?

MS. CARDENAS: Second.

MR. DIETZ: Okay. It's been moved and seconded that we approve the minutes as presented. Is there any public comment?

(No response.)

MR. DIETZ: Hearing none, all please signify your approval by voting aye.

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

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

Tab item 2, the discussion and designation of a Board member to the Loan Committee for the Texas State Affordable Housing Corporation.

By way of some clarification, since we've got a new Board member, so the Board elects the vice chair, the Board also appoints two members to the Audit Committee -- traditionally that's the vice chair and one other Board member -- and then the Board appoints one member to the Loan Committee.

Is that all the appointments?

MR. LONG: Yes, sir.

MR. DIETZ: Is the vice chair necessarily on the Audit Committee, or is that just tradition, how we've done it?

MR. LONG: That's the tradition, how we've done it. I don't know that the bylaws dictate that it has to be the vice chair.

MR. DIETZ: Okay, great. So, those are the various positions, so, right now, we do have Ms. Cardenas is vice chair and serving as chair of the Audit Committee, and Ms. Johnson-Rose is also on the Audit Committee, but we do not have somebody on the Loan Committee. So, it's up to us to appoint a Board member to that position.

Traditionally, we've got Mr. Williams, who has been on the Board for some time, and so I might suggest that we have him sit on the Loan Committee.

MS. CARDENAS: And just to clarify, because I've had the pleasure of sitting on the Loan Committee, it doesn't have to be in person; they can call in or videoconference in. Is that correct?

MR. LONG: That's correct.

MS. CARDENAS: At least that's what was explained when I sat on it.

MR. LONG: I will say this, the Audit Committee is a formal committee of the Board, which has an open meeting requirement, so those meetings are posted. The Loan Committee is an internal meeting, and the Board elected years ago to have a Board member serve on that --

I think that was Mr. Romero that brought that request to the Board -- and we've had a Board member, but that's not a posted meeting, it's just an internal meeting, and we have had a Board member present just to have insight and direction as needed.

Anything that comes to the Loan Committee that exceeds our lending limit within that program, which is $500,000, must come to the Board regardless of what we decide in Loan Committee.

So, a lot of times you'll see me present that we represented and discussed a certain loan, and if it's $500,000 or more, we'll bring that to the Board and it will be an agenda item in the formal Board meeting.

MR. DIETZ: And the individual that serves on the Loan Committee is kind of the Board's representation.

MR. LONG: That's correct.

MR. DIETZ: They'll see everything.

MR. LONG: Right. And because it's not a posted meeting and an informal internal meeting, the Board members and staff are allowed to attend virtually, if possible, if needed.

MR. DIETZ: And none of these positions, if I'm not mistaken, have any kind of term associated with them.

MR. LONG: No, sir, they do not.

MR. DIETZ: They're appointed until such time as the Board decides to change or the member serving decides not to serve in that capacity.

MR. LONG: That's correct.

MR. DIETZ: All that way by way of background and clarification.

I suggest Mr. Williams would be a good member to have on the Loan Committee, if you're willing or interested.

MR. WILLIAMS: Absolutely, Chair, I'll be more than happy to serve on the Loan Committee. Out of respect for our newest Board member, Mr. Rassin, I want to ask him, hey, if he has any interest, I'm not opposed, but I'd be more than happy to serve.

MR. RASSIN: I appreciate the offer, but I will not stand in your way.

MR. WILLIAMS: Okay.

(General laughter.)

MR. DIETZ: Traditionally, longer serving Board members tend to occupy those various spots.

Great. Well, I think it would be appropriate for someone to make a motion.

MS. CARDENAS: I motion for Lem Williams to serve on the Loan Committee.

MR. DIETZ: Is there a second?

MR. RASSIN: I second.

MR. DIETZ: So moved and seconded that Lemuel Williams be the Board member appointed to the Loan Committee. Is there any public comment?

(No response.)

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

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: Great. It is decided that Mr. Williams will serve on the Loan Committee.

MR. WILLIAMS: Thank you.

MR. DIETZ: Tab item 3, the Presentation, discussion and possible approval of a resolution regarding the application for and conversion of reservations for allocation of private activity bonds to mortgage credit certificates and containing other matters incident and related thereto. This is the 2022 carryforward and 2023 annual and collapse allocation.

MS. LeVECQUE: Good morning, Mr. Chairman and members of the Board. I'm Joniel LeVecque, the Senior Director of the Single Family Programs.

As you may recall, TSAHC received Board approval at our last Board meeting, the September Board meeting, authorizing us to apply to the Texas Bond Review

Board to convert all of the remaining 2022 carryforward, along with two 2023 certificates of reservation to one combined 2023 MCC program. All three of these volume cap allocations total $523,570,628. After further consideration, we have decided to split this amount into separate MCC programs.

Once we open a new MCC program, we have three calendar years to fully utilize that volume cap, and so if we close a program at the end of the year, which we intend to do this year, then we get the only remaining few months of that end of year plus two calendar years, so by splitting this up and potentially opening a second program next year, we have expanded the program to last a little bit longer, and this gives us additional time to use that volume cap.

In the resolution before you today, we ask your approval to authorize TSAHC to submit one or more applications to the Texas Bond Review Board to convert all the remaining 2022 carryforward, consisting of $187,145,473, and then the 2023 allocation, consisting of $336,425,155, to one or more qualified mortgage credit certificate programs.

Your approval today provides added flexibility to TSAHC in managing that volume allocation to meet the needs of those accessing these programs.

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

MR. DIETZ: Thanks. Any questions or comments?

(No response.)

MS. LeVECQUE: Making it easy on me.

MR. DIETZ: What we did last month was request the conversion.

MR. LeVECQUE: Correct.

MR. DIETZ: And then what we have this month is actually that you received that from the Bond Review Board, and now we're taking it and splitting into the two.

MS. LeVECQUE: So, we initially start with applications to the Bond Review Board for reservations, and we have three separate reservations that we had come to you last month and asked to combine into one MCC program.

By doing so, we have kind of limited the use of that program to two years and one month because we intend on opening the next MCC program December 1. So, we, after further consideration, decided to split it up and open part December 1 and then part of it next year, which would prolong the program by an additional year.

MR. DIETZ: Okay.

MS. LeVECQUE: So, it's really just as the resolution states in section 5: This is expressly repealing that resolution to the extent of any such conflict, so it's just kind of changing what we did in the last resolution to this new program.

MR. WILLIAMS: But it also gives you fund flexibility. Right?

MS. LeVECQUE: Correct.

MR. WILLIAMS: Okay. Gotcha.

MR. LONG: The dollar amounts don't change, we're just splitting up the dollar amounts into two separate allocations so that we can expand the utilization time frame.

MR. DIETZ: Gotcha, okay. So, this replaces the resolution that we passed last month.

MS. LeVECQUE: Essentially.

MR. DIETZ: Just upon further deliberation you decided this makes more sense because of the extended time.

MS. LeVECQUE: Correct.

MR. DIETZ: That helps me understand it better.

MR. WILLIAMS: I guess help me understand, I guess the total amount is $523 million and some change. I like whole numbers. How come the amount wasn't split down the middle?

MS. LeVECQUE: So, I typically like to try to create an MCC program that will last up to 18 months, because we have to set aside 20 percent of that for targeted areas for 12 months, but we are considering some changes to our MCC program that will help us extend the program even longer.

And because of that, I realized that this big of a pot might hit that three-year mark, or two-years-and-one-month mark where we couldn't potentially utilize all of it in that time frame, so we decided to go ahead and split it up.

Does that make any more sense? It gives us more flexibility.

MR. WILLIAMS: It does. I guess my question is how did you come up with these particular numbers? Because my brain would just say cut it in half.

MS. LeVECQUE: So, we have, first of all, our application. We have an annual allocation that is in statute where we get 10 percent of the state ceiling, so that amount could be an odd number.

MR. WILLIAMS: Okay.

MS. LeVECQUE: And then we have an opportunity to apply at collapse, the single-family collapse, where all issuers, if they have not applied for their annual allocation, it goes into a bucket for TSAHC or TDHCA to apply for that and that's called the single-family collapse.

Then on August 15 there's another opportunity to apply for more, so the amounts that you see here are just based on what is available. I agree with you, the odd numbers, the five cents, I didn't mention the five cents in that, but it includes five cents, so it is odd numbers. I wish it were an even number to make things easier as well.

MR. WILLIAMS: We can stretch five cents into 18 months.

(General laughter.)

MS. LeVECQUE: And so, what we do, when I'm creating these programs, is I have to project the utilization rate, like how long will it take us to utilize that, and based on previous numbers, we thought that we would be fine to utilize in that two years and one month. But we are potentially making some changes that might prolong the use, because volume cap is very competitive, and we want to try to prolong the use of this volume cap as long as possible so that we can serve home buyers continually versus running out of funds at some point.

MS. CARDENAS: So, the clock starts ticking December 1?

MS. LeVECQUE: Or whenever our IRS election date is, and we think that will be about December 1, yes.

MS. CARDENAS: So, the 2022 would extend to

2025 and '23 to '26?

MS. LeVECQUE: Basically, yes. So, if we started December 1, we have that one month left of this calendar year, then '24 and '25. If I wait and close another program next year, then I get an additional year.

MR. WILLIAMS: Gotcha.

MR. DIETZ: Great. Any other questions, comments?

(No response.)

MR. DIETZ: Is there a motion?

MR. WILLIAMS: Chair, this is Lemuel Williams. I'd like to make a motion for tab item 3.

MS. CARDENAS: Second.

MR. DIETZ: Okay. It's been moved and seconded that we approve the resolution regarding the application for and conversion of reservations for allocation of private activity bonds to mortgage credit certificates and certain other matters incident and related thereto, specifically the 2022 carryforward and 2023 annual and collapse allocations.

Is there any public comment?

(No response.)

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

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: It is approved. Thank you.

MS. LeVECQUE: Thank you.

MR. DIETZ: Tab item 4 is Presentation, discussion and possible approval of a resolution regarding declaration of expectation to reimburse expenditures with proceeds of future debt from single-family mortgage revenue bonds.

MR. LONG: This is a relatively new concept for the Corporation. What we had is in 2023 the Corporation released its bond program of $60 million, was the total bond allowance. That $60 million was originated, we have completely closed it out.

In order to make sure that we didn't leave anything on the table, we allowed for oversubscriptions. That partly came into being because of the fact that the rate was so good, lenders were jumping on the rate, making reservations, without really having full knowledge of their borrowers' eligibility.

And Joniel and her team can attest to the fact that we would have 8- and $9 million come back after reservation at a time, and we kept pushing it out, and pushing it out, pushing it out, where we finally reached the point of getting ready to try and extend or fully utilize, and at that point in time we had so many loans that were in the pipeline that we had to originate, and at that point we ended up with about $1.5 million -- is that about right?

MS. LeVECQUE: One point four-ish.

MR. LONG: -- $1.4 million of oversubscribed beyond the $60 million. That's not a problem because the Corporation has the ability to actually purchase those loans and house them with our trustee and we would just basically be the holder of those mortgages, and master servicer, Lakeview Loan Servicing, would service them for us.

And as the Board knows, we've done this in the past when we do an optional redemption in ten years into a bond deal. You've approved us to buy the balance out on a bond deal, and we hold them to our trustee and the master servicer continues service, and basically, we have them as an investment.

This is similar, but what this authorizes, per counsel, is we can take them now, and we will purchase them and we will hold them with our trustee, but we are allowed under Code to fund them into a future bond deal for up to 18 months in the future. That allows us to not have these on our books; if we no longer want to, we can fund them into a future bond deal.

The amount that you see in the resolution, the $180 million, is not an arbitrary number. What it is is in 18 months counsel suggested we pick our most recent deal and times it times three, because that's kind of traditionally what we've gone out with is $60 million.

And so that's basically saying over the next 18 months if we offer up to $180 million in one or more series of issuances, we're allowed to fund those existing mortgages into that new deal. And they call it a reimbursement resolution, and that's what you have before you today.

So, what this does is it allows us in the future, if the Corporation so elects and we have a new bond deal, that we would be able to take the mortgages that have bundled into security and fund them into a new bond deal in advance of us having to continue to carry them on our books.

So, counsel is not here today, so you've got David Long's non-legal version of that, but at the same time, it's not something that is unheard of, we just never have done it here.

MR. WILLIAMS: May I?

MR. DIETZ: Yes.

MR. WILLIAMS: Okay. With the purchase of these bonds, is this going to be within the parameters of the market bond rates or are these special rates given to the Corporation?

MR. LONG: What we're doing is we're buying the mortgages at the value that they have on them.

MR. WILLIAMS: Okay.

MR. LONG: In other words, if it's $1.4 million worth of mortgages and they get pooled into securities, mortgage-backed securities, and that's what we basically purchase are the securities.

Those securities are then held by our trustee, serviced by Lakeview Loan Servicing, and as the holder of those securities, any payments, absent interest going to whatever, and any early payoffs or any refinancing comes back to the Corporation. It's just another investment that we make.

MR. WILLIAMS: Okay. I understand.

MR. LONG: But there's no special financing that goes with it. We're, basically, an investor in our bond transaction.

MR. WILLIAMS: Okay.

MS. LeVECQUE: To add to that, those loans that closed were at a 5.75 percent interest rate, so they had a lower-than-market opportunity.

MR. LONG: Which is why there was such a significant demand on the product itself.

MS. CARDENAS: So, at the beginning -- maybe I got confused -- at the beginning you mentioned that there was a reservation for these loans, monies were set aside, and then they were not fulfilled by X amount of participating lenders. Is that what I understand?

MS. LeVECQUE: So, we will normally leave reservations open, but we know that we're going to have a certain percentage of fallout based on a homebuyer not qualifying, and our normal pull-through rate is about 75 percent, but the pull-through rate on this program was 60 percent.

So, we closed it down initially anticipating 25 percent falling out, but then we had to reopen it because more fell out than what we had anticipated, and we kept reserving more than the $60 million because we wanted to fulfill the whole $60 million bond, and we were prepared to do something like this if we had any overage.

But, unfortunately, with an 80 percent AMI qualification that was the limitation on this particular bond program, a lot of lenders were ecstatic for that 5.75 percent interest rate while making reservations and then finding out, oh, I'm sorry, your borrower doesn't qualify, they don't meet our 80 percent income limit. So, we actually had a lot lower pull-through rate than normal.

MR. LONG: So when we opened it up the last time, we had reservations oversubscription again, as Joniel mentioned, and worrying about the pull-through rate that we had been experiencing, and when it was all said and done, the borrowers that were eligible that did qualify, we had excess of about $1.4 million that borrowers hadn't qualified, and to fund those we were able to just do the transaction, close out the $60 million, the other ones get securitized.

And we could have sold them into the open market and/or taken a hit on them, which is what we would have done given the current rate in the market, or we can do what we're proposing to do which is to, one, buy the MBS, hold those in security like we always do with our trustee, and then this gives us the option down the road -- we don't have to do this, but this just gives us the option down the road that at our next bond deal, if the borrowers -- if this portfolio is eligible to be placed into the next bond deal and 80 and below transaction, then we would be able to have that option to take that and put it into this next bond deal, or a future bond deal, up to 18 months out.

MS. CARDENAS: Do we have a process -- being on the lending side, I know how the reservations work, and so way back in the day you didn't even have to have a property identified, and so you could put a million John

Does, Jane Doe, June Doe because it's a great rate. I want to make sure, right, and as a participating lender when you're managing the pipeline and it's like, okay, June doesn't qualify, I'm just putting in Joe now, and so on and so forth. Right?

And so, I guess my question is do we have a process in place to where they're not just not -- I don't want to call them phantom loans -- phantom properties, per se, to make sure that it is a legitimate reservation.

Now that they don't qualify, if they don't qualify, the other aspect needs to be that they would just put in to reserve $2 million, right, and hold it and manage their own internal pipeline, if you understand what I'm saying.

MS. LeVECQUE: Absolutely, and lenders do that all the time, although we do require -- part of our guidelines and our requirements is that there is a purchase contract, that they've already had a purchase contract, that they've already taken an application, that they know how much, so we do require them to do that.

But it doesn't always stop them, as you said, from making up an address and then contacting us later and saying, oh, we made a mistake on the address. So yes, those things do happen, so we do feel like because that rate was such an appealing rate at the time that lenders were potentially doing that as well.

MS. CARDENAS: And do we have a participating lender, per se, forging all that money, that reservation, right? We have one lender coming in and saying, okay, I have all of these borrowers and I'm going to reserve $10 million, and then they only end up --

MS. LeVECQUE: I did pull reports, and I did examine reports and kind of look at what the common reason for them canceling or us canceling. And we actually spent a lot of staff time managing that pipeline, contacting the lenders, making sure that they knew that the expiration -- because that's another thing, the reservation is good for 60 days, so we were also managing that reservation date, we were only allowing extensions if there were qualifying factors.

So yes, we spent a lot of time managing that pipeline, and I have no doubt that there were some that were phantom loans, but it's really difficult to manage reservations. We can just simply review the loans and make sure that we are staying on top of the requirements as they come in.

MS. CARDENAS: And it's hard to map that process, I understand, but obviously we want to make sure that others are afforded that. You know, a lot of people go in and just got released, there's no more money available, and I understand it's on a first-come, first-serve.

MS. LeVECQUE: And it happened much quicker than we had anticipated.

MS. CARDENAS: So, I'm glad you all are doing that analysis and just trying to continue to improve that process.

MS. LeVECQUE: I did not see any patterns of specific loan officers or mortgage companies taking advantage of that, and that was one of the things I was looking at as well.

MR. LONG: And as we issue a bond deal, I can assure you that Joniel and her team are constantly working with the lenders and that they are running reports to determine our pull-through rate, to determine what kind of a fallout we're having, and try and assess, because it is really somewhat of a strategic guess as how much you need to over-originate to allow getting as close to that $60 million.

The very cool thing about this is we ended up funding like $59,980 worth. I mean we were only like $20,000 undersubscribed. It was pretty phenomenal that we got so close to $60 million. But because of that, we have this extra $1.4 million that we did originate that we were able to have eligible that we need to fund.

MS. LeVECQUE: And it was also like a puzzle.

MR. LONG: Which loan was the best fit.

MS. LeVECQUE: Which loan best fit that, because you can't take a partial loan, so we had to get down to the end and go, okay, which one of the loans in our pipeline will get us closest to the $60 million without going over. And that one was actually the last one that we got pushed through, so it worked out really well.

MR. LONG: And again, over-origination is not uncommon, under-origination is not uncommon. You just hate to under-originate and have any unutilized proceeds from a bond deal from the standpoint of the financial impact, as well as just not being able to fund borrowers who may be eligible.

In this case we had a lot of demand at a very, very good rate that we were able to obtain in our bond transaction, and as a result, we had excessive demand.

As the strategy was worked through, we ended up with about $1.4 million of eligible borrowers that are eligible to be originated and therefore closed, and we just need to identify how best to deal with that scenario. This just gives us an additional option down the road for up to 18 months if we elect to take those loans and push them into another bond deal.

MS. CARDENAS: I'm sorry. Did you say they would be repriced or stay at that rate?

MR. LONG: They're as they are. The borrowers get the rate they've already got; that's correct. We would have to just deal with the strange modeling of that down the road.

MR. DIETZ: And you said 18 months. Does that mean from the time this resolution is passed you have 18 months to do this?

MS. LeVECQUE: I think it's from the last closing.

MR. LONG: It's the last closing on the loans.

MR. DIETZ: And then is this kind of a resolution that currently authorizes the organization to continue to do that, or is it you would have to come back to ask to do this again?

MR. LONG: My expectation is we would do this again. In other words, if in the next 18 months we issue another bond deal, which we likely will, what the Corporation would do is we would bring this to you and tell you what we're doing. If we had another overage, I would ask you to do it again.

This does give us up to more than one series, but that's not so much every series down the road that we would look to have overages, it would be that this $1.4

million could go into multiple series going forward for 18 months. But if we have another overage down the road, we would do it again.

MR. DIETZ: Understand, okay.

So normally, just to kind of restate and make sure I understand correctly, normally we will issue a bond, use that money to fund a bunch of mortgages.

What this specifically will allow us to do is we might issue a bond in the future and in addition to funding new mortgages, we can take some of the old mortgages on our books --

MR. LONG: And put them into that bond deal. That's correct. We would commingle the collateral.

MR. DIETZ: And the reason that that -- it sounds like the dramatic escalation in interest rates is really kind of what prompted because we've got these 5.75 percent bonds and rates are 8-1/2 percent now, and so rather than just sell them as bonds, kind of hold onto them. It's the interest rate environment that kind of caused us to do this.

MS. LeVECQUE: Yes. As an example, in our 2019 bond program, rates were going down, so we were also oversubscribed with that program, but the rate that those folks closed at was a higher rate, but by the time we got done with the bond program, rates were lower, so we didn't take a lot from that because they had already closed at a higher rate.

So, this is the other way around where rates are now higher than it was when they closed on these loans.

MR. DIETZ: Okay. I get that, I understand.

MR. WILLIAMS: Chair, I have one last question.

You talked a lot about lenders. I guess what was the -- since you mentioned this is the first time for the Corporation to do this, what was the feedback coming from the lenders partnering with the Corporation to do this?

I know that the interest rate was beautiful then, but it's not so beautiful now. I guess kind of what was the feedback from them to participate?

MR. LONG: Are you asking about this current request?

MR. WILLIAMS: Yes.

MR. LONG: The lenders are not involved in this at all. The lenders, once they make the loan and the loan is purchased and moved forward, the lenders are out of the transaction.

MR. WILLIAMS: Okay.

MR. LONG: So, the lenders are not involved in this discussion at all. This is basically bond counsel, the Corporation, the Board, and Lakeview Loan Servicing discussing what our options are, and our trustee.

MS. CARDENAS: I think that's maybe where I was confused at the beginning. I was thinking that there is this pool of money that was not utilized and it's now going to be utilized at that market rate -- I'm just saying in my simple brain, that 5.75 and we were now going to basically offer it, right, because it's like there was an excess of this amount of monies.

MR. LONG: My apologies if I was not very eloquent in my presentation, but really it's all the money was used from the bond program, and an additional $1.4 million in mortgages were made and approved, so we have an overage of eligible borrowers who have been approved and funded, and that $1.5 million is outside the available funding under the bond transaction.

MS. LeVECQUE: Funded $61.4 and change in total.

MR. LONG: So, what we're trying to do is identify that the $1.4 million in excess will be pooled into mortgage-backed securities, placed with our trustee, the Corporation will essentially own the securities and the loans will be serviced by Lakeview Loan Servicing.

Down the road, if we have the opportunity and a new bond deal, we would have the option, per this resolution, to fund those loans into that new bond deal as part of that transaction.

MS. LeVECQUE: And pay back the Corporation.

MR. LONG: And pay back the Corporation, thus the term "reimbursement resolution."

MR. DIETZ: If we didn't pass this, you could still do everything that you're talking about doing other than --

MR. LONG: Reimburse ourselves if we were able to do another bond deal.

MR. DIETZ: Using the bond proceeds.

MR. LONG: That's correct.

MS. LeVECQUE: And we always have the option in the future, depending on what rates do, sell those securities at some point. Right now, we've chosen that it makes more sense for us to own them versus taking a loss on them.

MR. DIETZ: Any other questions, comments?

MR. WILLIAMS: No.

MR. DIETZ: Thanks for the presentation and all your answers to our many questions.

Is there a motion?

MS. CARDENAS: Motion to approve tab item 4, as presented.

MR. WILLIAMS: Chair, this is Lem. I'll second that.

MR. DIETZ: It's been moved and seconded that we approve the resolution regarding declaration of expectation to reimburse expenditures with proceeds of future debt for single-family mortgage revenue bonds. Is there any public comment?

(No response.)

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

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: Approved as presented.

MS. LeVECQUE: Thank you.

MR. DIETZ: Tab item 5, Presentation, discussion and possible approval of Texas State Affordable Housing Corporation's Joint Venture Guidelines, as amended.

MR. DANENFELZER: Good morning. David Danenfelzer, senior director of Development Finance.

I think most of you were here last month when we proposed these for public comment and these have been posted to our website.

We did have the one discussion on one of the items that was proposed that we did create some additional clarification on since the original posting last month.

The primary things that you see at the top, sections 1, 2, 3 and 4 that were amended previously weren't changed, but we did have some comments and questions regarding community outreach letters, and so staff has gone through and kind of revised that language to make it a little bit more clear.

In the original posting there was sort of an A section and a B section of different types of letters, but we've kind of taken the language and streamlined it but also made it much more consistent with our private activity bond program, which they were essentially the same, but just because of how things changed over time, they had kind of diverged.

But that's the only changes we made since last month, and I'm here to answer any questions if you have them.

MR. DIETZ: It sounds like the changes were more for clarification, not really substantive.

MR. DANENFELZER: Yeah, they weren't really substantive. We didn't change actually any of the entities that we would accept letters from, but the wording was changed so that it made it more clear that we would accept letters -- you need two letters from all of the list.

We had previously kind of listed we need a letter from this group of folks, and it was more like we had divided them previously into sort of elected officials and then non-elected officials, but ultimately, we just need two letters from any one of the folks on the list. So, it could be a neighborhood group and a superintendent or it could be a neighborhood group and a state representative, maybe not necessarily a locally elected official.

So, we've just kind of simplified it so it makes it real clear, any of those groups, it could be just two state reps if for some reason the property is located in an area where there was two different sites.

MR. RASSIN: Is there any resistance in obtaining a letter like that from a state representative?

MR. DANENFELZER: Certainly, there can be, but we don't really get involved in sort of the communication at that level. We have over the years had applicants tell us that they have difficulty getting it potentially from a state rep, but I also just recently spoke to someone who was having trouble getting it from a city councilperson. I think it really just depends on the individual's sort of position on affordable housing, or more importantly, the project at hand.

What we have found is that the folks who get those letters do a better job of planning ahead, much the way I learned how to do a better job planning ahead in college and getting better grades because I just planned ahead.

So, I think it's one of those things that when folks come to us kind of last minute and not expect that they will have that trouble, they do find that it can be difficult.

But again, it really just depends on the project. Right now, I know we did receive three applications recently, and all three of those applications had more than the two minimum required letters of support, so at least this year they're able to get those letters, but I think it's also reflective of the high need for affordable housing in so many communities.

MR. RASSIN: My concern on this one is that state reps, city councilmen, their letters seem like they would be completely non-binding. Since it's the opinion of one state representative or one city councilperson, is that something that would commit the body to following through on what's in that letter?

MR. DANENFELZER: And we're not looking for any solid commitment. It's the same thing when it comes to a neighborhood association. It's totally possible that a neighborhood association might support a project as it's presented, but as the developer goes through and they make changes to the affordability mix or how the site plan is developed, that neighborhood may end up complaining and saying no, we don't any longer support this.

We do require in our policies that any letter of support or opposition be submitted, so if we were to find out that letters of opposition had come in later, that could be cause for us to terminate any memorandum of understanding or agreements with the developer in the process.

We know that things are always flexible and that we feel that we're looking for a point in time is there support for the project and for the developer, and if that changes, we'll have to react.

MR. RASSIN: So, you're not looking for documentation that the project is exempt from property taxes; you're looking for support.

MR. DANENFELZER: Correct, yeah, just is there support for this project. And it is something in statute we're supposed to look for, and this has been over the years sort of the best way to kind of collect that information but also not make it binding so that those who write the letters, if they do have a change of heart, they can do that.

MR. RASSIN: Thank you.

MR. WILLIAMS: Chair, I have a question.

I guess, David, to Mr. Rassin's point, I mean it's like I had to read Section 5 a couple of times because it has "TSAHC is intent on ensuring that local support is in place prior to approving its participation in a joint venture."

I'm not saying that we need to wordsmith or anything, but I can agree with Mr. Rassin's point where it almost kind of comes across as for this to work like we have to have their particular support, whether it be a representative, a mayor.

I guess was that the same way you were reading it or just kind of something different?

MR. RASSIN: That's actually an additional point, one that I didn't think of.

MR. WILLIAMS: I think I've opened up a can of worms.

(General laughter.)

MR. RASSIN: I think I was focusing on the underlying language that says "will be exempt from property tax" that if it's a statement from a taxing authority, you can rely on that, but if it's one councilor out of a council of eight, that's an opinion that you can't rely on.

MR. WILLIAMS: I'm fine. I mean, I understand where the support is warranted, because when I read that a couple of times, it was kind of like, well, if this thing doesn't happen unless we get X.

MR. DANENFELZER: Certainly -- yeah, I mean, it is a great point, but again, short of requiring sort of a city council resolution or other commission or board resolution, one of the things I should also note is that there is no resolution, actually, that a city council or a county commission that can provide us that would guarantee our tax exemption. Our property tax exemption is guaranteed by statute.

MR. WILLIAMS: Yes.

MR. DANENFELZER: And so, there's no document that I could actually receive from them that would say, okay, I don't have to worry about my tax exemption.

What I'm looking for, though, is someone, a local elected official or appointed official to say, Hey, we support affordable housing. We know this is going to be tax exempt because TSAHC will be an owner, and we're okay with that.

MR. WILLIAMS: So along those lines, I guess, to make the support easier for them, and the way my brain is thinking about this is it's almost like somebody is asking you to -- it's like, hey, give me a recommendation for X, and then the other individual would come back and say, If you write it for me, then I can just put a couple of words in there.

I guess, within that outreach of support from any one of these entities is there a format that they could follow where it says, hey, I support affordable housing and the property taxes won't be X, versus them having to go through their own process to write this?

I'm just trying to think on the same point of making the letter of support easy versus any pushback or any additional questioning where we all see this as a no-brainer, but a lot of times a no-brainer does require some questioning. Does that make sense?

MR. DANENFELZER: It does, and again, we end up having a lot of conversations with particularly city and county attorneys, because what we provide is sort of a list to say we need this letter to say three things: that you know it will be tax exempt, you know that TSAHC will be involved, and you're okay with affordable housing.

MR. WILLIAMS: Okay.

MR. DANENFELZER: What we find is that every city and county and every attorney that represents them have a slightly different interpretation about what they want the council people to say out loud and what they don't.

In fact, I will say this round I had like five calls with the attorneys from the City of Austin because they really wanted to craft the letter to their needs and what the City of Austin needs.

MR. WILLIAMS: Gotcha.

MR. DANENFELZER: What we're looking for is that they hit those three highlights. Some cities and counties actually really want it to say we don't object to this project, and we know it has these statuses. Others want to say we support it, we really want this.

And what we're just looking for is as long as there's not an outright objection letter from somebody, we're comfortable moving forward. But again, there's so much opinion between the City of Austin's attorneys, Dallas attorneys, and we just don't want to dictate to them exactly what they need to say, and we find that that ends up being probably a harder rock to push.

MR. WILLIAMS: Makes sense to me.

MR. RASSIN: Would you accept a letter that says that -- focus on the language that says "clearly state the project will be exempt from property taxes." Would you accept a letter that says that they understand that it would be exempt or that they believe it would be exempt.

My concern is that if we're asking a city councilperson or other elected representative to give what reads like a binding tax opinion, that getting them to do it will be nearly impossible.

MR. DANENFELZER: Well, exactly. And again, where the language -- they have to craft that and I think that's where they want to feel most comfortable at the local level what they're comfortable saying.

I don't have any examples right in front of me of letters, but I do know that they have -- we've heard language "we understand Texas State Affordable Housing is the property tax exempt entity" and that's all they noted about it, just to recognize that, yes, we have a property tax exemption. We've also seen letters that say, We understand this project will be exempt from property taxes.

Again, it's hard to craft something on my end that everyone will accept, but we're just looking that they had said, yes, we understand this will be or may be exempt from taxation.

And I think I have actually a letter right now that says may be exempt from property taxes; it doesn't actually affirmatively say it will be.

MR. RASSIN: So, you could accept "believe."

MR. DANENFELZER: Yeah, I would accept believe or feel or may be.

MR. RASSIN: That they acknowledge or

understand.

MR. DANENFELZER: As long as they acknowledge that that's the proposal in front of them.

MR. DIETZ: We're not looking for them to affirm that it is tax exempt; we're just looking for them to say, yeah, we understand that.

MR. DANENFELZER: Exactly.

MR. RASSIN: My concern is that we're requiring them to state that the project will be exempt, who might state that.

MR. DIETZ: When I first read this, it almost sounded like the individual is affirming in their capacity.

MS. CARDENAS: And they may not be comfortable making that statement.

MR. DANENFELZER: And it's important to note that all the agreements and everything are between us and the joint venture partner, not between us and the city. So, we're just looking for their sense of support for affordable housing and understanding of what the project is, not necessarily their agreement, because we're not going to form any direct legal agreements with the city, unless they provide funding, but that would be, again, another admission that they'd support it.

MR. DIETZ: Neighborhood association is not on this list.

MR. DANENFELZER: And that might be something that we did change because I know -- I believe we did take that out, right, because there have been less than faithful developers who formed neighborhood associations in the state of Texas.

And I believe we did remove that because we didn't want to have to deal with that issue, because it really only takes one person with a piece of paper to establish a neighborhood association.

MR. DIETZ: In an area without an existing neighborhood association?

MR. DANENFELZER: In any area. I know a couple of years ago there was a developer that was proposing a development, and the seller of the land was keeping one of the parcels next door, and he created a neighborhood association so he could provide a letter of points for the tax credit application. That seems a little problematic for us, so we've tried to steer clear of that.

MR. DIETZ: Okay.

MR. WILLIAMS: I'm good.

MR. DIETZ: Any other questions? Are we comfortable with the language?

MR. WILLIAMS: Chair, if I may, I'd like to make a motion to approve TSAHC's Joint Venture Guidelines, as amended in tab item 5.

MR. DIETZ: We have a motion. Is there a second?

MR. RASSIN: Chair, I'd like to second the motion.

MR. DIETZ: It's been moved and seconded that we approve the Texas State Affordable Housing Corporation's Joint Venture Guidelines, as amended under tab item 5. Is there any public comment?

(No response.)

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

(A chorus of ayes.)

MR. DIETZ: Any opposed?

(No response.)

MR. DIETZ: That passes.

MR. DANENFELZER: Thank you very much.

MR. DIETZ: Tab item 6, the Presentation, discussion and possible approval of the Texas Foundations Fund Disaster Recovery Guidelines.

MR. WILT: Good morning, Chairman, Board. I'm Michael Wilt, senior manager of External Relations, here to present on tab item 6. I have an online thesaurus open in the event we need to do some more wordsmithing.

(General laughter.)

MR. WILT: We brought these draft guidelines to you last month, if you recall, and you approved publishing them for public comment, and we opened that public comment period right after the Board meeting, and ended it on October 6, and we did receive a couple of public comments, not formally but comments that we consider public comment.

One of our past -- or actually current Foundations Fund grantee asked us to consider retroactively applying the funding to Hurricane Harvey by way of a couple of comments on that.

First, we already had a fund set up for Hurricane Harvey that was exhausted years ago, and also, that event happened six years ago and so it would be hard to document that the repairs needed were the result of hurricane damage.

But really the intent of this program is to be able to quickly respond to disasters as they happen and not set up a funding mechanism that would take a couple of months after the fact and then get the money out the door, so it's meant to be real-time response to natural disasters.

The other comment asked us to consider expanding this fund to include events that aren't tied to natural disasters, just emergency events in general, and really our comment to that is that we set up this fund based upon feedback that we were getting from Foundations Fund grantees, and what they asked for is a fund that would allow us to quickly respond to just natural disasters.

Also, it's a limited funding amount, it's only $250,000, and if we expand this too far beyond natural disasters, the fund could be depleted pretty quickly, and it would render us unable to respond to natural disasters, which is the intent of the program and is what grantees have asked us for.

I would note that you all had feedback at the last Board meeting regarding our definition of critical repairs in footnote 1. We added language reflecting that feedback by inserting the words "that is compromised by a natural disaster" in that definition, based on Mr. Rassin's comments.

Pending your approval of these guidelines, we'll open up applications by the end of the week. It's already set up to be opened up, but the guidelines are backdated to June 1 of this year so organizations can apply for funding as a result of damage that occurred from a weather event that happened on or after June 1.

We don't anticipate anybody would do that, because we haven't had any catastrophic events over the summer up until now.

And again, if we have any funding left over, like we did this past fiscal year, those funds will be made available for the next Foundations Fund funding cycle.

Happy to answer any questions.

MR. DIETZ: It sounds like there were no public comments that staff felt warranted any additions or changes.

MR. WILT: Outside of the Board discussion. And I should note they weren't formal comments but just remarks that we received, and we always consider those remarks public comment, whether or not they're flagged as public comment or not.

MR. DIETZ: Questions, comments?

MR. RASSIN: I note the changes you made in response to my comments and thank you. That satisfies my concern.

MS. CARDENAS: So, to an organization, it's the max $30,000 that can be granted, and then from there they can disburse $5,000 maximum to an individual?

MR. WILT: Yes, per household.

MR. DIETZ: Any other questions or comments?

(No response.)

MR. DIETZ: Is there a motion?

MR. RASSIN: I'd like to move that we approve the guidelines, as set forth in tab 6.
MS. CARDENAS: Second.
MR. DIETZ: It's been moved and seconded that we approve the Texas Foundations Fund Disaster Recovery Guidelines, as presented. Any public comment?
(No response.)
MR. DIETZ: All in favor please say aye.
(A chorus of ayes.)
MR. DIETZ: Any opposed?
(No response.)
MR. DIETZ: Approved as presented.
MR. WILT: Thank you.
MR. DIETZ: Tab item 7, the Presentation and discussion of the Texas State Affordable Housing Corporation's Fiscal Year 2023 and 2024 Strategic Plans.
MS. TAYLOR: Good morning. I had to check to make sure it still is. Good morning, Chairman Dietz and Board members. I'm Janie Taylor, Executive Vice President.
This morning staff will be presenting their fiscal year 2023 strategic plan and outcomes, as well as their fiscal year 2024 -- which is the current fiscal year -- strategic plan for this fiscal year.
In previous meetings, we've had difficulty

getting through all of the departments' presentations, so similar to last year, we're going to split them up between two Board meetings, this one and next month, to give staff time to present their strategic plans.

And today, you're going to hear from staff that leads the Homeownership, Single Family Compliance, MCC, Marketing/Fundraising, and the External Relations teams. The staff will each take five to ten minutes to highlight a few tactics and outcomes in fiscal year 2023 and highlight a few new tactics for fiscal year 2024.

You should each have a copy of each team's strategic plan at the back of your Board book, and they're paperclipped like this, so for each department there's two documents. And please feel free to ask any questions during the presentation.

I will note, as David Long mentioned during his president's report, we just started working with the organization Mission Capital to redo our strategic plan. You all should have received the survey from Mission Capital, and if you haven't done it, we urge you to get it done as soon as possible, and that is part of the process that we're going to be undertaking.

MR. WILLIAMS: I did mine.

MS. TAYLOR: Thank you, appreciate it.

The current plans that we have have been in place for at least a decade, if not longer, and the staff update the tactics every single year, and so the strategic plans that we put in place as a result of the work that we're going to be doing with Mission Capital this year, that will be used for fiscal year 2024.

So, with that, we'll get started with Joniel LeVecque and her team, who will be reviewing the plans for Homeownership and Compliance.

MR. DIETZ: Janie, real quick?

MS. TAYLOR: Oh, yes, the last one. Sorry, I missed 2025. Whatever we do with Mission Capital, which the survey is step one, I think we're meeting next month in November with them after the Board meeting, hopefully, and there will be meetings throughout, I think they end in March. And so based on that work that we've put in, we're going to come up with new strategic plans for fiscal year 2025.

MR. DIETZ: A quick question. So, you're not asking for any action from the Board; this is purely for our knowledge. Correct?

MS. TAYLOR: That's correct. And actually, it's part of our strategic plan to go over our strategic plans.

So, with that, I'll let Joniel take over.

MS. LeVECQUE: Good morning, Mr. Chairman, again, and Board members. I'm Joniel LeVecque. I'm the senior director for Single Family Programs.

Joining me today I have Delia Davila, who is our Senior Compliance Manager, and also with me I have Donnetta McGrew, who is our MCC Compliance Manager, and they both will be presenting for our Compliance Department today. I will actually be presenting for the Homeownership Department.

I would also like to recognize Sarah Ellinor, who is our Senior Manager of Homeownership. She actually put a lot of work into this presentation and when the date of the Board meeting changed, she ran into a conflict so she's not able to present for us today, but fortunately for me, she wrote an amazing presentation for me to give.

So, to kick off the Homeownership Strategic Plan update, I would also like to recognize Frank Duplechain, our Senior Business Development Specialist, as well as our newest team member, Kayla Gillaspy, our Homeownership Coordinator. She joined the team in May of this year.

She actually had worked for our Compliance team for several years prior to joining the Homeownership team, so we're very fortunate to have somebody who already understood TSAHC to help Delia promote TSAHC. They all contributed to the success and the growth of our program.

I'd like to share a few highlights from our

2023 strategic plan, along with our new 2024 goals, but first to tell you a little bit about the Homeownership Programs Department, you'll get an education here. We promote TSAHC's Down Payment Assistance and Mortgage Credit Certificate Programs across the state by offering continuing education classes for realtors, we schedule speaking engagements, for example, at our local realtor association, and some conferences.

We also hold lender trainings, host podcasts and Facebook social media and video content, and we conduct webinars and attend homebuyer fairs and realtor conventions across the state.

We also answer calls and emails from home buyers, lenders and realtors, asking questions about our programs, and the Homeownership team also collaborates with our Marketing Department to strategize and implement awareness campaigns to continually promote the programs to Texas home buyers across the state.

As we all know, the past year has been a challenging year for the mortgage industry or real estate industry as a whole. The market volatility, the high interest rates and the high home prices have really been difficult to navigate for everyone.

However, we've used this downturn in the industry to increase awareness of our programs. Our team developed new marketing strategies where we focused our efforts on areas of Texas where we have seen lower TSAHC presence. Those regions include El Paso/West Texas, East Texas, the Panhandle, the Rio Grande Valley, and San Antonio.

This past fiscal year we have focused on each of these regions for a period of time and created social media videos, boosted Facebook posts, taught classes, both virtually and in person. We've met with lenders, hosted live webinars, and all of this is to raise awareness of our programs to each of these regions.

Due in part to these outreach efforts, TSAHC helped 10,451 households purchase a home, and that's almost 2,000 more than what our projected stated goal was.

Furthermore, we are on track to exceed the number of households served in each of our regions as compared to 2022, and we really saw that focusing on specific regions and doing all those tactics I just discussed with you, we saw immediate changes in production in those areas, so we are going to exceed those numbers again this year.

And this was all despite market volatility impacting our programs and DPA options that we have available each day. We believe this is due in part to the fact that we continue to build that awareness, and that awareness includes the trainings to more and more lenders each year.

So, essentially, even though fewer people are buying homes due to the market conditions and housing supply, the number of households served didn't drop as much as we had expected, and more people know about our programs than in previous years. So, they've done a great job in Homeownership.

This year they've taught 51 continuing education classes to realtors, reaching over 1,300 realtors across the state. These courses allowed us to reach people in more than 200 cities in Texas, compared to 120 during 2021 and 43 cities during 2020, so we've really expanded the outreach.

We continue to empower our top loan officers also to teach our realtor CE classes, which has really been a win-win for both us and those lenders. It gives us the opportunity to have them expand our reach and help us spread the word while also giving them the opportunity to build relationships with realtors who participate in our programs.

Furthermore, this year our training platform for lenders allowed more than 4,000 loan officers, underwriters, and processors to access our trainings online at their convenience.

Finally, we have made some great progress with our social media efforts this year and received almost 4,500 views on our Facebook Live events that we hold monthly, and we received almost 8,000 views on the video Frank created to promote our CE class to realtors.

And I kept looking in the audience to see if Frank had shown up but he hasn't, but if you would, please stop by his office and thank him for his work. He has really put a lot of effort into creating some video content for us and also going out and, as we joke with him, kissing babies and shaking hands; he does that regularly for us.

Another campaign we are proud of was Homeownership Month in June. We collaborated with the marketing communications team to launch a podcast about our programs in Spanish, and I would like to thank Delia Davila for conducting that podcast for us, as she speaks much better Spanish than I do.

We also produced all of our marketing materials in Spanish and hosted a webinars on resources to better serve Hispanic home buyers. I would also like to, again, thank Delia for helping us with that, and there were several others who helped translate all of that information for us. It was a wonderful experience, and we've seen a lot of activity with those things as well.

We are enormously proud of what our Homeownership team has done this year, but without the efforts of our Marketing Department, our Compliance Department, and our continued high level customer service, we would not have been able to successfully assist so many home buyers.

The success of all of these tactics has shown us that we should continue to carry them forward into our fiscal year goals for 2024. The combination of in-person and virtual trainings and social media focusing on those various regions where we'd like to serve more home buyers allows to continue growing awareness.

Moving to our 2024 goals, we are truly at the mercy of the mortgage market and the housing supply. In years past we've done our best to predict what will happen in that market and determine a realistic number of households that we think we can serve, however, as we all know, it is difficult to determine what the market is doing right now, next week, in an hour, so therefore, this year we will continue to use our marketing and business development efforts to increase knowledge of our programs across the mortgage and real estate industries.

We will also take this time to continue to look for ways to tweak our programs so that we can continue to grow in even an unpredictable market.

We will also work with our servicer, Lakeview Loan Servicing, and our other partners in the industry, like the GSEs, mortgage insurance companies, and right now we're working with our GSEs and mortgage insurance companies to discuss and talk about other opportunities that will help those DPA products.

And I really think that this strong relationship with those lenders and the realtors, along with the GSEs, our housing counselors, our servicers really make a big difference in the product that we're able to offer.

And a lot of times we see that those key partners are always willing and ready to spread the word and they understand that it is programs like ours that also help them reach more home buyers.

Furthermore, our MCC program is more valuable than ever in this high-rate environment, so it is even more important this year that we market the benefits of the MCC programs to home buyers, lenders and realtors.

Thank you for your time, and I look forward to reporting our successes to you next year -- or rather, Sarah may be doing it next year -- but I'm also happy to answer any questions that you may have at this time.

MS. CARDENAS: Been busy.

MS. LeVECQUE: I know, I know. And I've been busy helping our Compliance Department, so I'm excited about them being able to present today as well.

If you don't have any questions for the Homeownership plans, then I will go ahead and let Donnetta take over.

MR. DIETZ: A couple of comments. So, in Waco we ran across a young couple through some community events that we were involved in, and they'd just gotten out of college recently and just kind of getting started, and they were buying a new home and real excited about it and told us all about this great program with T-S-A-H-C.

(General laughter.)

MS. LeVECQUE: That's wonderful. Thank you, I love hearing those testimonials.

MR. DIETZ: Made a difference for them.

MS. LeVECQUE: Good. Thank you. We're very proud of the impact that we've had.

MS. McGREW: Good morning, Chairman and Board members. My name is Donnetta McGrew, and I'm the MCC Program Manager for the Single Family Compliance Department here at TSAHC. I'm here today to present the highlights of our 2023 strategic plan, as well as our current goals for 2024.

Just a little bit about myself. When I joined TSAHC five years ago, I was the only one managing the MCC program. As the program has grown, I've been given the privilege to hire two new employees to join the team.

And we have Susan Parker, who's been with the company for two years, and then we have Barbara Shelton-Handy, who just jointed two months ago. They've joined the team, and here our main objective is to review compliance packages and issue MCCs in a timely manner for our stand-alone MCCs and our combo files, and this consists of our down payment assistance and mortgage credit certificate program from our second lien products.

In addition to daily compliance file reviews, my team handles calls and emails from over 200 participating lenders and borrowers who may need assistance with their application, refinancing, or with filing their tax returns.

To ensure that our program is running efficiently and effectively, I work closely with Lakeview Financial Services to purchase loans and program our updated database for our latest program needs. I also collaborate with Emphasys Software Company that runs our online lender portal to troubleshoot any issues between the MCC and the DPA team.

I'm excited to present to you the outcomes of the Mortgage Credit Certificate team's Strategic Plan last year and our new goals for 2024.

In the preceding fiscal year, we embarked on an initiative aimed at fostering and enhancing communication with our valued borrowers and lenders, thereby fortifying our commitment to service excellence.

To accomplish this objective, we established an MCC notification inbox, which is a pivotal channel that streamlines communication and engagement with our borrowers and lenders. Under this initiative we have implemented a practice of sending congratulatory emails to our borrowers upon the successful issuance of their MCCs.

These emails not only serve as a token of our appreciation but also provide them assurance that their MCC certificate is on the way, it is a tax document, so they don't accidentally throw it away, and it gives them an expected time to receive the MCC.

This personalized approach not only exemplifies our dedication to customer service, but it also ensures transparency and awareness of the MCC issuance process.

Furthermore, we have introduced a proactive measure when we email cancellation notifications to both the lender and the borrower when a compliance file is on the cusp of expiration.

This strategic communication serves as an invaluable tool for lenders empowering them to promptly address any lingering open conditions, and by taking this proactive step, we mitigate the risk of file cancellation and potential delays, ensuring a smoother and more efficient process.

Supported by our program's compliance and operational resilience, I collaborated closely with Delia Davila, who serves as the Senior Compliance Manager for the DPA team. Together we have initiated a comprehensive cross-training program to ensure that both of our teams are capable and seamlessly supporting and filling in for each other. This collaboration effort not only enhances our programs' compliance but also promotes an environment of mutual support and proficiency.

Efficient management of the Single Family Compliance pipeline is pivotal to ensuring a seamless operation. To enhance accuracy and mitigate potential errors in this process, we have taken significant steps towards automating certain aspects of our workflow.

Specifically, I have programmed our second liens to automatically calculate the loan amount, and this automation not only streamlines the process but also significantly reduces the risk of human error and contributing to the overall reliability and precision of our operations.

In tandem with these efforts, I collaborated closely with our Director, Joniel LeVecque, to reevaluate and refine our standard operating procedures. This process has entailed a critical review of existing protocols and strategic restructuring of our workflow.

By eliminating unnecessary conditions and streamlining our approval process, we are better positioned to expedite files and reviews and approvals. These initiatives are representative of our ongoing dedication to program excellence and efficiency.

By embracing automation, refining our procedures and prioritizing a client-centric approach, we aim to continually enhance the MCC Program pipeline and maintain the highest standards of quality and accuracy.

I am pleased to have the opportunity to present the fiscal year goals of our MCC team. Our primary objective for this year is centered on enhancing the quality of customer service we provide to our valued lenders and borrowers.

To improve our responsiveness, we are committed to issuing MCCs within one week of file approval and purchase. This expedited issuance process is designed to significantly reduce processing times and deliver an enhanced experience for our clients.

In addition to the swift MCC issuance, we aim to gain valuable insight into our clients' experiences. Upon the issuance of MCCs, we'll initiate the practice of sending a congratulatory email, which will also include a survey. This survey serves as an important tool for understanding and improving the lender's experience with our services, and their feedback will be instrumental in guiding our continuous improvement of efforts.

As a fundamental part of our commitment to service excellence, we will implement a comprehensive quality control process. This will be instrumental in identifying and rectifying various conditions and errors, ensuring that files are consistently in the correct stage and do not languish unnecessarily in the process.

These strategic initiatives collectively underscore our unwavering dedication to provide an outstanding customer service experience, and by adhering to these goals, we aspire to set new standards of excellence, reinforcing our commitment and client satisfaction.

At this time, I'm open to any questions that you may have.

MR. WILLIAMS: Chair, I have one.

I'm looking here and I see the automated company Emphasys that's been contracted, and you just said that they were unable to accommodate, I guess, the automated requests.

I guess my question is since you've been able to bring on two individuals within your team, I guess instead of working with Emphasys, are you and the team members going to be taking over from what Emphasys is currently doing, or you're looking at other vendors?

MS. LeVECQUE: So, a little bit of both. In the meantime, the way the reports pulled with Emphasys were not listing submission reports. So, there was a lot of team effort in pulling those daily reports, and we had hoped to automate that process, and Emphasys has been unable to help us make that change. And along with some other difficulties that we've had with them in the past, we have decided to work with a new vendor, which hopefully will be done by next summer.

It's going to be a long process, but we're going to start working on that over the fall and winter months when we're a little bit slower. So, yes, we are no longer to try to encourage Emphasys to help us with that report.

MR. WILLIAMS: So, it sounds like, I guess, everyone, so yourself, the two other individuals, ten people, give or take -- I guess, I'm trying to ask questions that I've tried to ask, is this work going to be labor-intensive where it's going to take away from what needs to actually be done, or this is going to be part of the process?

I guess, I'm just asking because if this report is extensive but also if the report blends into the current workload, then my brain says like, okay, great, you do what you need to do. But, if this is separate from what needs to be accomplished, then there's a problem.

MS. LeVECQUE: So, the report that we do daily does currently work. The difficulty that we were facing is that we wanted more of a live report of submissions versus having to work on the previous day's files.

MR. WILLIAMS: Gotcha.

MS. LeVECQUE: We were trying to do same-day reviews, and in some cases, we were unable to do that, but because we weren't able to automate that report, it's very difficult to see same-day submissions.

So, we're continuing to do business the way we've always done business. It's just we were hoping to increase how quickly we could review a file, and we were unable to do that, but we will have that ability with the new software.

So, we'll continue to do business the way we've been doing business, which is still a great turnaround time, 24 hours. If they submit a file, we will review it the next business day.

MR. WILLIAMS: Okay.

MR. DIETZ: Any other questions or comments?

(No response.)

MR. DIETZ: Thank you.

MR. WILLIAMS: Thank you.

MS. McGREW: I will now introduce our Senior Compliance Manager, Delia Davila.

MS. DAVILA: Hello. Good morning. My name is Delia Davila. I am the Senior Manager for the Single Family Compliance Department, and I will actually be here eleven years November 1, so I've been here for quite a while, and I manage the team that actually does the reviews for all of the applications for the down payment assistance programs, and I'm going to be presenting some of our highlights, the strategic plan outcomes for my specific team, and our 2024 fiscal year goals.

The biggest goal in my department is always to provide the best customer service. Last year we created a goal to improve our communication with our lending partners in efforts to increase our pull-through rates.

So, I know obviously pull-through rates are the percentage loan applications that are ultimately closed and funded, and according to Lakeview, our master servicer, at the end of October of 2022, our pull-through rate was at a 70.81 percent. In August, at the end of our 2023 fiscal year, our pull-through rate actually was up to 75.86 percent, giving us a 5 percent increase. And I think it was mentioned earlier the current industry average is 75.3 percent, so we're now on par to the national average.

Another goal that we would like to always strive for is the management of our inventory pipeline to ensure the correct status of loan files and the accuracy and completeness of related data.

The biggest error we had last year in this accuracy issue was that the second lien amounts were not entered correctly on all of our reservations, which we had to then manually pull reports and grab data to clean up the loan pipeline and have our team manually fix a lot of these errors.

That was one of the things that Donnetta was able to work with our current software company to automate, so all of our second lien amounts are automatically calculated, reducing the amount of errors we see in that particular department.

So, we did manage to get that done with Emphasys, but we still have a lot of other issues that we can't seem to get them to, you know, obviously help us with, but at least we got that one out of the way, so that was wonderful, so I will thank Donnetta for making that happen.

For this year, our 2024 fiscal year, I just really want to continue the same goals for the department to really, really improve our customer service skills and to really keep up with our file accuracy and the review accuracy.

So, for our customer service goal, the Compliance team is going to be very proactive by calling and emailing all lenders before their files actually expire. And we want to enhance the effectiveness of all of our email communications by having well defined email templates and provide consistent and accurate communication. So that's going to be one of our goals just to maintain that customer service level that we have.

And another big goal again is to increase our review accuracy, so we're going to be doing a lot more file and control reports to pinpoint the top five errors on our applications so that our team will know exactly what to double-check when reviewing our files in order to decrease any sort of errors on our applications.

And those are the two big goals that we're going to focus on for our department, so are there any questions?

(No response.)

MR. DIETZ: It looks like we don't have any, so thank you very much.

MS. DAVILA: Thank you.

MS. LeVECQUE: Well, thank you very much. I think the next person up is Katie.

MS. CLAFLIN: Allow me to be the first one to wish you good afternoon. My name is Katie Claflin, Senior Director of Communications and Development, and I am here to present our department's outcomes for strategic plan 2023, as well as some of our tactics for 2024.

Before I launch into our presentation, I also would like to recognize our communications team which is in the room: Michael Wilt, Laura Ross, Anna Orendain, and Taylor Sheridan, who is our intern, and I believe she is not in the room; she had to leave a little bit earlier.

All these outcomes represent a team of people working together to try to get the word out about TSAHC's programs, so I really want to recognize them for the work that they're doing.

To kind of set the stage, I want to talk a little bit about our overarching goals for our department. We have one related to the marketing of our programs, a second related to the fundraising for our programs, third related to our external relations, and this does include our legislative activities, and then the fourth is our department is actually the one in charge of managing grant and training programs for local nonprofits, so we do have a goal specifically related to those activities as well.

So first, I'll talk a little bit about our marketing outcomes for 2023, and then we'll go from there. So, the first thing I wanted to highlight related to our homeownership marketing is that we incorporated what we call event targeting into our display ad strategy.

And if you're not familiar with display ads, display ads are the ads that you see when you go to another website, and say you looked at a pair of shoes, and then all of a sudden when you go to other website, you see advertisements for those shoes.

So, we've been doing display ads for the last couple of years for website re-targeting, which means if somebody goes to our website, they're thinking about TSAHC, they may see an ad related to TSAHC when they go to another website, just to remind them who we are and the types of programs that we offer.

This year we actually increased our display ads to include event targeting, which allows us basically to geofence a specific event, an in-person event, so that everybody who attends that event, whether it be the Texas Realtors Association Conference, a home buyer fair, lender and training workshops, we'll actually see ads related to TSAHC.

So, this is a really cool strategy, because it allows us to reach people at an event without necessarily being present in person at that event.

So, we've seen some success with that. We did eight ads for various events across the state, generating about 230 clicks on our website, and then in total, all of our display ads got about 1,100 clicks to our website.

And I should mention that display ads are not the only ads that we do, but it's a fairly new ad strategy for us, which is why I'm calling it out. We also do Google ads, social media ads, and specific ads on industry partners' websites and newsletters as well.

So next, I won't go into this in detail because Joniel mentioned it, but I wanted to call out the campaign that we did for National Homeownership Month, which included a podcast segment in Spanish, a training for lenders and realtors, and then translating our videos and our flyers into Spanish. Like Joniel mentioned, we got some great traction with those activities.

And then finally, I did want to mention that we partnered with our Homeownership team to produce four podcast episodes, which have been downloaded about 1,300 times so far. And then all in all, all of our podcast episodes, which we have about 30 to date, have been downloaded nearly 12,000 times.

So, we're seeing some really good traction with our podcasts. I want to thank Valerie Cardenas, who did a podcast episode with us a couple of years ago. It was very, very successful.

And then moving on to Development Finance marketing, just wanted to call out that we participated in eight events statewide, including check presentations, key ceremonies for home buyers purchasing through our APT program, and a groundbreaking for a property financed through the Texas Housing Impact Fund. So, events are back, and we're traveling; we're there for them.

So, moving on to fundraising, our goal was to raise $260,000, which we did meet, we're very excited to say. And it included raising about $38,000 for Housing Connections trainings, about $200,000 for our Permanent Supportive Housing Institute, and the Permanent Housing Symposium that's coming up in a couple of weeks.

We also raised about $75,000 specifically from Wells Fargo to support a supportive housing community to be built here in Austin, called Cady Lofts.

And then finally -- and this wasn't actually a tactic, because we didn't anticipate it when we put the strategic plan together -- we were awarded a four-year $195,000 grant from LISC to support our participation in the Harris County Homeownership Collaborative.

And we're using the majority of these funds specifically to better promote our programs to underserved borrowers in Harris County, and those funds do need to be used in Harris County because it's the geographic limitations.

So, in terms of donor stewardship, we're doing what we can to really make sure to recognize our donors, as well as connect them with the beneficiaries of our programs.

We did two check presentations with donors at our Board meetings, three funder presentations during our 2022 Housing Connections trainings, and then we recognized nine funders at our Permanent Supportive Housing Institute kickoff and finale presentations.

Moving on to External Relations, 2023 was a legislative session, so our team met with House and Senate leadership offices and other legislators as requested throughout the session.

We also met with numerous advocacy groups and continued to participate in housing council and policy groups. I also want to call out and recognize Michael Wilt, who provided a monthly update to the Board during the legislative session to keep you updated on the bills that we were tracking, as well as our legislative conversations.

And then, finally, under External Relations, we continue to meet biweekly with the Harris County

Homeownership Collaborative, and as part of this collaborative, we put together a roundtable on alternative mortgage finance that was hosted at the Federal Reserve Bank of Dallas in Houston to focus specifically on opportunities for alternative mortgage financing.

And then our final goal related to technical assistance and grant funding. We did release a stand-alone disaster recovery application as part of the Texas Foundations Fund that will allow us to better and more quickly respond to natural disasters.

We also awarded a little bit more than a million dollars to 66 nonprofits as part of our annual Texas Foundations Fund round, that are providing home repairs, supportive services, and housing counseling services.

And then finally, we offered two NeighborWorks courses as part of our Housing Connections program in 2022 and conducted our first in-person Texas Supportive Housing Institute in the fall of 2022, training a total of six development teams in the Greater Austin Area. This was actually our third institute but the first one we were able to do in person.

So, that's it for the 2023 updates. Does anybody have any questions before I move to 2024?

MS. CARDENAS: What was their definition of alternative mortgage finance?

MS. CLAFLIN: So, it's kind of an all-encompassing definition, but it really focused more on portfolio loan products, some temp loan products, basically loan products that don't necessarily meet the requirements of FHA and conventional financing.

MS. CARDENAS: And I we had brought it up -- and Janie is probably going to remember a couple of years ago, especially a lot of CDFI institutions that are really wanting to provide a lot of outreach and supportive products for affordable housing.

And so, I know that was discussed a while back is TSAHC looking to focus on, because I know a lot of our products are tied to GSE, right, conventional or FHA, and I think the challenge is that those underwriting guidelines are very stringent, you have to fit the box, you don't fit the box, but that doesn't mean that there's not a lot of borrowers that are not creditworthy, and that's where the bank, you know, decides to formulate their own product alternative mortgage finance products.

But you know, the challenge is that there's still a lot of borrowers that are cash poor, and so, you know, I know a lot of our DPAP programs are tied to GSE product, and I know my question was maybe about a year ago is there a DPAP program where TSAHC could still underwrite it but the bank is basically taking the risk; it's just TSAHC would come in for some funding.

That doesn't need to be discussed now but, you know, looking at that as a strategy because the banks are the ones that are really taking the biggest risk, right, and the primary financing.

The DPAP is what's needed, and so is that something that could be built into a strategy or something to think about, especially with a lot of emphasis on alternative mortgage financing products.

MS. CLAFLIN: So, I'm going to skip ahead to one of the 2024 tactics that we're going to talk about, but one of the things that we're looking at through our participation in the Harris County Homeownership Collaborative is we actually have access to about $300,000 in funding that can be used as a pilot program to potentially provide match savings, down payment assistance, something like that, specifically to borrowers that don't qualify for traditional down payment assistance programs.

So, I think that could be a really good opportunity to sort of test that out in Harris County and see how that goes, and potentially look at expanding that as well if we're able to find funding sources to do that.

MS. CARDENAS: Perfect.

MR. RASSIN: I have a question about fundraising.

MS. CLAFLIN: Yes.

MR. RASSIN: When we seek large grants, let's say we get them from a large company, a corporation with its own policy goals, do any of these grants/donations ever come with conditions?

MS. CLAFLIN: They do. I think specifically for financial institutions that are looking for CRA credit -- which is a large consideration for financial institutions -- they'll want to know the income levels and the geographic locations of the people that we're serving with their grants.

We're very fortunate that TSAHC's mission often very well aligns with the conditions for funding, so it's very, very rare that we would need to do anything specific outside of the course of our programs to be able to meet those conditions.

I think maybe the one exception for that is if we have a funder who asks us to target their funding to a specific market, and we have done that in the past. So, if the funder is specifically located in Harris County and only serves Harris County, they'll ask us to restrict those funds to Harris County. And we always, before accepting the funds, make sure that that's something that we can do.

MR. RASSIN: That's precisely what I'm after, whether donor conditions may lead condition creep that would push us outside of the comfort zone of our enabling legislation. Sounds as though we are looking at that.

MS. CLAFLIN: We do look at that for sure, yes.

All right. So, moving on to 2024, our goals are essentially the same, so I'll just call out a few tactics within each of them.

For Homeownership, we are meeting with the Medina Group, as David mentioned earlier, which is a marketing firm that specializes specifically in multicultural marketing services to better serve underserved home buyers in Harris County, and this is as a result of funding that we received through our participation in the Harris County Homeownership Collaborative.

For Development Finance, we are also issuing press releases for all of the properties that are funded through our development finance programs, which includes our multifamily activity bond program.

So, this is just another way to make sure that we are spreading the word about the programs that we offer, as well as the partnerships that we have. So, we did a press release promoting Juniper Creek, which is a bond property that closed a few months ago, and we're currently working on one for Eden Court, which is one that just closed a few weeks ago.

And then, for overall marketing efforts -- you heard this from Homeownership, but it applies to all of our programs -- is we are really looking at how can we incorporate video into our marketing efforts, so whether that's embedded on our website, social media, annual report.

We know that video is the future; that's how people are looking to engage with organizations and digest content, so whatever we can do to make sure to meet them where they're at and better tell our story, we're working on that.

And then finally, we are transitioning our annual report to a fully digital format this year. Last year we still had a printed version with QR Codes to some interactive elements, but this year it's going to be completely digital, so we're very excited for that process and can't wait to show you the final product.

Moving on to fundraising, so we have a goal to raise $250,000 this year, which includes $200,000 specifically for our next 2024 Texas Supportive Housing Institute, as well as $50,000 to support our Housing Connections trainings, which are the trainings that we provide for housing counselors and developers in partnership with NeighborWorks America. We also continue to plan events to recognize our funders. You'll actually see that we increased our target from two to three in 2023 to four to six in 2024.

We are really going to be making a push to get the word out there about our programs, recognize our donors, and then try to, as we're traveling for other events, see how we can tack on events to promote donors or meet with developers as a part of those events.

MR. DIETZ: The institute is what you said had been virtual, but this past year was in person. Is that correct?

MS. CLAFLIN: That's correct. So, we didn't do an institute in 2023 because we're working on the Permanent Supportive Housing Symposium, but we're going to do one in 2024.

MR. DIETZ: Okay. Is it virtual also, or is it just in person?

MS. CLAFLIN: I think we're going to do it in person. Even when I say in person, it also includes a virtual component, so what we did in 2022 is there was a virtual session, followed by a two-day in-person session.

So, I think that there will likely be a virtual component, particularly as we look at trying to serve the entire state. It's just not realistic to expect everybody to be able to travel for a multi-month training program.

MR. DIETZ: But to the appropriate target group, the invitation is extended to come to Austin and spend the night and attend the institute. Do you have people that do that from out of Austin?

MS. CLAFLIN: Yeah. I think that we will. We have not really identified which market we're going to focus on yet for 2024, so it likely won't be focused specifically on the Austin market, although we may actually be hosting some of it in Austin. That will be something that we take a look at in early 2024 as we make plans for next year.

MR. DIETZ: Okay.

MS. CLAFLIN: Moving on to a couple more strategies related to fundraising. We do have a strategy to research down payment assistance opportunities for our ACT properties; these are our land banking properties.

We want to make sure that these properties stay affordable, particularly as land costs rise, construction costs rise, interest rates rise. And so, one of the things that Development Finance brought to us was can we identify some down payment assistance opportunities that can be layered or that home buyers can apply for as part of these when they're applying to purchase these homes, and so we're looking at that, specifically opportunities maybe like the Federal Home Loan Bank.

And then, finally, we've developed a lot of relationships with health care organizations and foundations as a result of planning the Permanent Supportive Housing Symposium, and so we're looking at how we can strengthen those relationships and potentially develop partnerships and generate some revenue for our programs, and that's something that would be new to us, as most of our funding partners in the past have been financial institutions or foundations that are focused specifically on housing.

Moving on to External Relations, many of the tactics remain the same, but since this is not a session year, we've modified the language to indicate that we'll participate in interim hearings as requested, as well as continue to meet with industry advocacy groups and participate in policy work groups and councils.

And then, we also added a tactic. There's a report that's now required by the Texas Attorney General's Office that asks us to track the open records requests that we receive on a monthly basis, and so we just added that tactic to make sure that we are sending that as required.

And then, moving on to the final goal, which is related to the grants and the technical assistance and training that we provide, we do have a goal to administer a million dollars in grant funding through our annual Texas Foundations Fund round and the Disaster Recovery round, and this is what the Board approved as part of the budget process.

We also have a tactic related to the 2023 Permanent Supportive Housing Symposium which is coming up in a couple of weeks. Our 2023 Housing Connections training, which took place a few weeks ago in late September, and then our 2024 Supportive Housing Institute which we'll begin planning in early 2024.

And the last but not least, as I mentioned earlier, we do have access to $300,000 through our participation in the Harris County Homeownership Collaborative, and we're looking at best utilization of those funds to potentially provide match savings or down payment assistance to underserved borrowers.

And with that, that concludes my formal presentation if anybody has any questions.

MR. WILLIAMS: Chair, I have a quick question.

So, looking at 2023, I guess the goal was to secure 260K, but then 2024 you're looking at 250-, I guess kind of the delta there. I guess, is it because of the current environment, or what's going on? Because usually if you're fundraising, you kind of keep going up.

MS. CLAFLIN: We look at the budgets for our programs and the timing of the programs when we're putting together our operating budget as well as our Strategic Plan, and a lot of it is because we had the symposium this year that the fundraising goal last year was a little bit higher. The symposium was a little bit more expensive than the institute is.

MR. WILLIAMS: Okay.

MR. DIETZ: Any other questions or comments?

(No response.)

MR. DIETZ: Thank you very much.

MS. CLAFLIN: Thank you.

MS. CARDENAS: Very good.

MS. TAYLOR: Well, that concludes this month's presentation of the strategic plans, and next month we will hear from David Danenfelzer and Celina Stubbs, who will be doing Multifamily Bond Development, APT, and then all the Compliance and Property Management.

Great questions, by the way, and if you have any followup, you're probably going to take those with you, and if you have any more questions, feel free to send an email.

And, Valerie, we'll keep you posted on how the Harris County Collaborative funds that we have, how we're able to make those work.

MS. CARDENAS: Absolutely.

MR. LONG: With that, that concludes the agenda and talking opportunities for staff.

Again, November 14 is the tentative Board meeting, which would also include an Audit Committee meeting at 9:30, Board meeting at 10:30.

MR. DIETZ: Any reason to have a closed meeting today?

MR. LONG: No, no reason to go into closed meeting, that's correct, sir.

MR. DIETZ: Great. Any other closing comments or announcements?

(No response.)

MR. DIETZ: If not, then it is now 12:32, and we are adjourned.

(Whereupon, at 12:32 p.m., the meeting was adjourned.)

C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: October 24, 2023

I do hereby certify that the foregoing pages, numbers 1 through 93, 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: October 30, 2023

/s/ Nancy H. King
(Transcriber)

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