

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

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

BOARD MEMBERS:

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

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

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER	5
ROLL CALL	5
CERTIFICATION OF QUORUM	5
PUBLIC COMMENT	none
PRESIDENT'S REPORT	8
Tab A: Homeownership Finance Report	
Tab B: Development Finance Report	
Tab C: Monthly Financial Reports	
ACTION ITEMS IN OPEN MEETING:	
Tab 1      Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on November 14, 2023.	17
Tab 2      Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance, Sale and Delivery of Single Family Mortgage Revenue Bonds, Series 2024A (Non-AMT) and Single Family Mortgage Revenue Bonds, Series 2024B (Taxable); Authorizing a Trust Indenture, Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Single Family Home Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto.	18
Tab 3      Presentation, Discussion and Possible Approval of a Resolution Authorizing Request for Unencumbered State Ceiling; the Conversion to Mortgage Credit Certificates and Containing Other Provisions Relating to the Subject.	30
Tab 4      Presentation, Discussion and Possible approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds,	35

	Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Bluffs at Nelms.	
Tab 5	Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Bluffs at Nelms located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.	45
Tab 6	Presentation, Discussion and Possible Approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Cairn Point Montopolis.	47
Tab 7	Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Cairn Point Montopolis located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.	54
Tab 8	Presentation, Discussion and Possible Approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Burleson Studios.	59
Tab 9	Presentation, Discussion and Possible Approval of a Resolution Authorizing	65

the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Boulevard 61 located in Houston, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.

Tab 10	Presentation, Discussion and Possible Approval for Publication and Public Comment of the Draft of the Texas State Affordable Housing Corporation's 2024 Annual Action Plan.	74
--------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

CLOSED MEETING:	none
-----------------	------

Consultation with legal counsel on legal matters B  
Texas Government Code § 551.071

Deliberation regarding purchase, exchange, lease, or value of real property B

Texas Government Code § 551.072

Deliberation regarding prospective gift or donation to the state or Texas State Affordable Housing Corporation B

Texas Government Code § 551.073

Personnel Matters B

Texas Government Code § 551.074

Implementation of security personnel or devices B

Texas Government Code § 551.076

Other matters authorized under the Texas Government Code

ACTION ITEMS IN OPEN MEETING:	none
-------------------------------	------

ANNOUNCEMENTS AND CLOSING COMMENTS	80
------------------------------------	----

ADJOURN	82
---------	----

P R O C E E D I N G S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MS. CARDENAS: Okay. Good morning to everyone. It is December 19, 2023, and it is now 10:30 a.m., and I'd like to call the Texas State Affordable Housing Corporation Board meeting to order.

Before we proceed, I will go ahead and take roll call. William Dietz, Chair, is absent today. Valerie Cardenas, Vice Chair, present. Courtney Johnson-Rose is absent.

Lemuel Williams?

MR. WILLIAMS: Present.

MS. CARDENAS: And David Rassin?

MR. RASSIN: Good morning.

MS. CARDENAS: Rassin.

MR. RASSIN: Present.

MS. CARDENAS: Perfect. We've got a quorum. We'll now go ahead -- if I could have everyone please stand for the Pledge of Allegiance.

(Pledges to U.S. and Texas flags were recited.)

MS. CARDENAS: Okay. At this time, do we have any public comment?

(No response.)

MS. CARDENAS: Seeing none, I know, Katie, you've got some guests with us today?

MS. CLAFLIN: Good morning. My name is Katie

1 Claflin, Senior Director of Communications and  
2 Development, and I'm here to introduce a few very special  
3 guests, representing Texas Community Bank.

4 We have Cary Mansfield and Ruben Montoya. They  
5 are here to present us with a grant check of \$10,000. So,  
6 before I turn it over to Cary to say a few words and  
7 present us with a check, I want to give just a quick  
8 overview of our longstanding partnership with TCB.

9 We've been working with them since 2015, when  
10 they awarded us an equity-equivalent investment to support  
11 our Affordable Communities of Texas Land Banking Program.  
12 To date, we've acquired and rehabilitated about 20 homes  
13 using that award, creating homeownership opportunities for  
14 low-income households in San Antonio, Laredo, and  
15 Harlingen. And then about three years ago, they expanded  
16 their support to include grant funding for our training  
17 programs.

18 And since that time, they've provided critical  
19 support to both our Texas Supportive Housing Institute and  
20 our Housing Connection training programs. So, this year's  
21 grant will once again support our Housing Connection  
22 training, which will enable us to provide local nonprofits  
23 with access to NeighborWorks America courses at no cost  
24 and also provide hotel scholarships to attend these from  
25 out of town.

1           So, we're very, very grateful to them for the  
2 support. And with that, I'll hand it over to Cary.

3           MR. MANSFIELD: Thank you, and good morning,  
4 everybody. My name is Cary Mansfield. I work here in the  
5 Austin area with Texas Community Bank, and we have a check  
6 to present for \$10,000.

7           I believe this is our third presentation. So,  
8 we hope to continue to do this, and it's a great  
9 opportunity for the bank, and hopefully it helps the  
10 cause. So, we have a check here for \$10,000 --

11          MR. WILLIAMS: Thank you.

12          MR. MANSFIELD: -- to present.

13          MS. CARDENAS: Thank you.

14          (Applause.)

15          MS. CARDENAS: Yes. That's wonderful.

16          MS. CLAFLIN: Make sure this gets into the  
17 right place.

18          MS. CARDENAS: Yes, yes. No. Thank you so  
19 much for your contribution and your partnership --  
20 right -- and just, you know, the continued efforts in  
21 working with Texas State Affordable. We certainly  
22 appreciate it.

23          MR. MANSFIELD: You're welcome. I know it's  
24 very important, and we hope to continue to do this. And  
25 maybe next year, we'll do the big check for the photo op.

1 MS. CARDENAS: Absolutely.

2 MR. WILLIAMS: Yeah, yeah.

3 MS. CLAFLIN: Speaking of photo op, we  
4 would love to get a photo for just a minute if you don't  
5 mind.

6 (Pause for photos.)

7 MS. CARDENAS: Okay. With that, we'll go ahead  
8 and continue on with the President's Report.

9 MR. LONG: Thank you, Madame Chair, members.  
10 It's always nice to start a Board meeting with a donation  
11 being received.

12 So, monthly program reports, as always, are in  
13 the front part of your Board book, and under Tab Items A  
14 through C. And, if there aren't any questions on the  
15 reports, I'll move into some program area updates.

16 The Corporation's Loan Committee met last week  
17 on Tuesday, the 1st. In addition to reviewing and  
18 discussing the Texas Housing Impact Fund monthly report,  
19 the Committee considered and approved two agenda items.

20 The first agenda item was a 90-day extension to  
21 TSAHC's loan commitment that we have to Agape Resource and  
22 Assistance Center. And this additional time is needed for  
23 them to finalize their permanent lender and the terms of  
24 that loan that they will be using to take out the  
25 construction loan.



1           The second item was an assumption of an  
2 existing loan the Corporation has with the Mary Lee  
3 Foundation for The Willows apartments in Austin, and that  
4 will be assumed by Foundation Communities, another one of  
5 our partners here in Austin.

6           And both of those items were not only presented  
7 but approved. And I'd like to thank Mr. Williams again.

8           Mr. Williams, thank you for your participation.  
9 And, if there's any comments or any thoughts on it, feel  
10 free to chime in now, if you would like.

11           MR. WILLIAMS: No. Yeah.

12           MR. LONG: Otherwise --

13           MR. WILLIAMS: Thank you.

14           MR. LONG: -- okay.

15           Under the strategic plan, the Corporation staff  
16 actually has moved on to where we've had two full staff  
17 meetings with Mission Capital, our entity that's serving  
18 as our facilitator of that. Those two meetings were held  
19 earlier this month, and they went really well. We're  
20 working through the process that they've developed for us,  
21 and we're looking forward to having that continue into  
22 next year, when we come to try and finalize the strategic  
23 plan as we revamp it. But thank you again to the Board  
24 members that have participated.

25           I would like to make an announcement real

1 quick, as I move into the Single Family Program areas. We  
2 work with Lakeview Loan Servicing as our master servicer  
3 and our hedge provider, and they also work with several  
4 other state housing agencies around the country. And  
5 they've informed us that, for the second year in a row, in  
6 looking at the data from the NCSHA, which is the National  
7 Council of State Housing Agencies, their HFA Fact Book --  
8 and they tend to lag, so the 2022 year Fact Book just came  
9 out.

10 And for the second year in a row, the  
11 Corporation, while we're not specifically aligned with  
12 everything that goes on in the Fact Book because we're not  
13 the state HFA -- that's TDHCA -- we are compared in the  
14 book, compared to everybody else. And for the second year  
15 in a row, the Corporation was the nation's leader among  
16 state HFAs as the highest -- providing the highest level  
17 of funding, as well as number of homes closed, in support  
18 of our DPA programs.

19 So, we're very proud of that. I'd like to  
20 thank Joniel and her team and everybody that goes with it.  
21 here's a lot of team effort that goes in that.

22 In 2001 [sic], we just did -- we did \$4.8  
23 billion in loan volume. That's serving over 22,000  
24 households. And as you can imagine, in 2022, the numbers  
25 dropped considerably because of the -- things have gone on

1 in the market, but we have served -- just over 2.5 billion  
2 in loans that we originated and closed, and we served  
3 about 10,500 people.

4 We're very proud of that, and I think it says a  
5 lot about the staff and the lending partnerships that we  
6 have. And that goes along with the fact that the staff,  
7 on all components, business development, the lenders, the  
8 realtors, all the coordination that goes on with that, the  
9 trainings that we do. When I mention that in the morning,  
10 I will tell you how many lenders have signed up, how many  
11 trainings we're doing. It's all reflective of that, being  
12 able to have lenders participate and make originations for  
13 us, working with borrowers who are eligible in our  
14 programs.

15 And we're really pleased to be able to serve as  
16 many affordable housing households as we can. And this is  
17 just a statement of how well the staff are doing. So, I  
18 appreciate that, and thank the staff for that.

19 MS. CARDENAS: Congratulations to everyone.

20 (Applause.)

21 MR. LONG: That said, under the Single Family  
22 Programs, we do continue our Overcoming Down Payment  
23 Assistance Hurdle classes. We continue to have that  
24 available.

25 We continue to do our mandatory lender

1 trainings. Any time a lender comes on board, the loan  
2 officers have to be trained in order to be able to  
3 participate in our programs, and then their names are  
4 listed on our website, and we can have them available. We  
5 also signed up three lenders since the last time we met.

6 And we're also in the process of renewing all  
7 the new lenders -- the lenders for next year, because  
8 every year, it's an annual renewal that you have to sign  
9 up for to be a participating lender. And so, we're in the  
10 process of doing that for 2024, right now.

11 Development finance. I was able to sit in on  
12 it. But David Danenfelzer was a panelist on the 14th for  
13 the Five Star Real Estate Bridging the Homeownership Gap  
14 event that was a webinar online, that David served on as a  
15 panelist.

16 And that was in partnership with the National  
17 Community Stabilization Trust, or NCST, which is an  
18 organization we've used quite a bit over the years. We  
19 partner with them on receiving and identifying properties  
20 that we can access and take into our Land Bank, and  
21 coordinate and use that for further development for  
22 affordable housing.

23 David did a really good job. He spoke on the  
24 impacts that -- the access to foreclosed housing units to  
25 help Affordable Communities of Texas, our program, and the

1 Land Banking Program, and his outlook on how that is going  
2 to impact us in the future in terms of what's coming up in  
3 the future in terms of availability of housing and of  
4 foreclosed properties.

5 Fundraising. In addition to the \$10,000 we  
6 were just presented, the Corporation raised \$1,100 from  
7 our network of mortgage lenders, realtors, and other  
8 partners on Giving Tuesday. We really -- all those monies  
9 go towards the 2024 Housing Connection trainings for our  
10 nonprofits.

11 And again, it's really nice to see the lenders  
12 that use our programs get back to us. We're very  
13 appreciate of their support and think it's a good sign  
14 that they like our programs. And as you -- I just  
15 mentioned -- I'll put it on the record that Texas  
16 Community Bank and the \$10,000 they just gave us again  
17 continues to support our Housing Connection trainings.

18 So again, ways that we can continue to keep the  
19 lenders and the realtors and everybody engaged and  
20 involved is really important to us because it just  
21 enhances access to our programs. So, we're very thankful  
22 for that.

23 Under our marketing programs, the Corporation  
24 just released two podcast segments in this past month. The  
25 first one was a segment featuring Michael Wilt

1 interviewing Alyson Griffin with CrossCountry Mortgage on  
2 how households are able to use housing vouchers to  
3 purchase a home.

4 And then the second one featured Frank  
5 Duplechain, speaking with a Houston-based nonprofit,  
6 Avenue CDC, regarding the importance of homeownership  
7 education. Again, both of those access different ways for  
8 people to have availability to affordable housing.

9 And we appreciate the fact that Michael and  
10 Frank took the time to put those together, but did the  
11 interviews, and we appreciate the partnership of Alyson  
12 Griffin and Houston Avenue CDC for participating in those  
13 podcasts with us.

14 We also released new flyers and social media  
15 graphics to help promote our Homes for Texas Heroes  
16 Program, and those were included in our November  
17 newsletter, as well as in a blog post. So again, if you  
18 have a chance, you can read through that stuff. It's put  
19 out on our website.

20 The Corporation participates every year in a  
21 holiday charity event, and every year, we ask the staff if  
22 they're interested -- there is not a requirement -- to ask  
23 them to contribute towards us and our ability to help  
24 children in foster care. And we've been doing this for  
25 several years now and we're very appreciative of the

1 staff.

2 This year, we raised \$1,770 from the staff.  
3 The Corporation matches that. So, we had literally \$3,500  
4 that we're able to use.

5 And with those monies, we've purchased gifts  
6 for children in the foster care system for Texas. And we  
7 were able to serve 33 children. We spend about \$100 a  
8 child, so we served about 33 children with that.

9 And we're very, very thankful for the staff's  
10 partnership and the Corporation's support. And we tend to  
11 keep this as a holiday event, and we appreciate the staff  
12 who not only do just the donations, but we have staff that  
13 go out and do the shopping. We have staff that do the  
14 wrapping. And then we have somebody who delivers the  
15 gifts to the facilities.

16 So, we're very, very thankful for that, and  
17 just show appreciation to the staff for their kindness to  
18 the individuals that have less.

19 I get to do another thing I enjoy doing, which  
20 is today I get to introduce you to our newest staff  
21 member, Blaire Bigelow. She started last Friday, and she  
22 is an asset and oversight compliance specialist. I'm  
23 going to have her stand up there.

24 She's in the back. There she is.

25 I told her she wouldn't have to do a song and

1 dance because we have a long Board meeting, so I'm going  
2 to let her get away with that. But anyway, Blaire is a  
3 seasoned professional with about eight years of experience  
4 as a property manager for a low-income housing tax credit  
5 community in Georgetown, Texas.

6 Blaire is originally from Wisconsin -- we won't  
7 hold that against her -- but has been in Texas for the  
8 past 10 years, building her career in the affordable  
9 housing industry. And we're really grateful to have her  
10 on our team.

11 She'll be working directly with Celina in doing  
12 the auditing of our tax-exempt properties. So, we're very  
13 happy to have her with that.

14 MS. CARDENAS: Welcome.

15 MR. RASSIN: Welcome.

16 MS. BIGELOW: Thank you.

17 MR. LONG: We mailed out our Christmas cards.  
18 Every year, the Corporation puts together a Christmas  
19 card. I think you guys are all in it, and you should have  
20 received one.

21 If you haven't, it's in the mail. But we hope  
22 you all get that, and if you don't, let us know. That  
23 means we have the wrong address. But they went out  
24 earlier.

25 So, really happy for the staff that put that



1 together. It's a team effort by Katie's team to do that,  
2 and I really appreciate that and appreciate the Board's  
3 partnership in one of our pictures. So, thank you.

4           Lastly, Madame Chair, is that the next  
5 scheduled Board meeting is Tuesday, January 16. It's  
6 tentatively scheduled, and we always want to coordinate  
7 with the Board members and Mr. Dietz and Ms. Johnson, not  
8 here. We'll make sure that we get back with everybody to  
9 see if that fits everybody's calendar as well as what our  
10 agenda looks like and whether or not we'll need to have  
11 that meeting.

12           But with that, Madame Chair, I'll conclude my  
13 remarks, unless there's any questions.

14           MS. CARDENAS: Okay. Does anyone have any  
15 questions?

16           (No response.)

17           MS. CARDENAS: Okay. Thank you.

18           We'll go ahead and start with our action items,  
19 starting with Tab Item 1, which is the Presentation,  
20 Discussion and Possible Approval of the Minutes of the  
21 Board Meeting that were held on November 14, 2023.  
22 Hopefully, everyone has had the opportunity to review. I  
23 don't know if there's any questions?

24           MR. WILLIAMS: Madame Chair, this is Lemuel  
25 Williams. I'd like to go ahead and make a motion to

1 approve the meeting minutes for November 14.

2 MS. CARDENAS: Okay. I have a motion for  
3 approval.

4 MR. RASSIN: I'd like to second the motion,  
5 please.

6 MS. CARDENAS: Okay. Is there any public  
7 comment on this item?

8 (No response.)

9 MS. CARDENAS: Seeing that there's none, all  
10 those in favor, signify by saying aye.

11 (A chorus of ayes.)

12 MS. CARDENAS: Any opposed?

13 (No response.)

14 MS. CARDENAS: Okay. Tab Item 1 is approved.  
15 Okay.

16 Moving on to Tab Item 2. Take a break if you  
17 need. No, I'm just kidding. This is a long one.

18 Okay. We are going to move forward with the  
19 Presentation, Discussion and Possible Approval of a  
20 Resolution Authorizing the Issuance, Sale and Delivery of  
21 Single Family Mortgage Revenue Bonds, Series 2024A  
22 (Non-AMT) and Single Family Mortgage Revenue Bonds, Series  
23 2024B (Taxable); Authorizing a Trust Indenture, Official  
24 Statement, Bond Purchase Agreement and Continuing  
25 Disclosure Agreement Relating to Such Bonds, Making

1 Certain Findings and Determinations; Authorizing the  
2 Execution of Documents and Instruments Necessary or  
3 Convenient to Carry Out the Texas State Affordable Housing  
4 Corporation Single Family Home Loan Program Relating to  
5 Such Bonds; and Containing Other Matters Incident and  
6 Related Thereto.

7 And with that, I will hand it over.

8 (Laughter.)

9 MS. LeVECQUE: Sorry about that long agenda  
10 item.

11 MS. CARDENAS: It's a long --

12 MS. LeVECQUE: Good morning, Mr. Chairman --  
13 Ms. Chairman. Very good job on announcing the agenda  
14 item, and good morning to the rest of the Board members.  
15 I'm Joniel LeVecque. I'm the Senior Director of Single  
16 Family Programs.

17 And with me today -- I have a couple of folks  
18 joining me today. I have David Jones from CSG Advisors.  
19 He is TSAHC's financial advisor.

20 And then also joining me is the underwriter for  
21 this particular bond transaction, Chris Spelbring with  
22 Raymond James. He's actually been the underwriter on our  
23 last several transactions. So, they will both be here to  
24 help me answer any questions that you might have after  
25 this presentation.

1           The item that we have before you today under  
2 Tab Item 2 references the same single family bond  
3 transaction. It is basically an inducement resolution  
4 allowing us to submit a 2024 application for the  
5 allocation of private activity bonds, a notice of  
6 intention to issue bonds, and state bond application to  
7 the Texas Bond Review Board.

8           This single family bond transaction is similar  
9 to the highly successful bond transaction that we made  
10 available to homebuyers earlier this year. Due to the  
11 high demand for that particular deal and if markets allow,  
12 we may blend some taxable bonds with our tax-exempt bonds  
13 this year to increase the number of homebuyers that we can  
14 serve, all while maintaining a competitive mortgage rate.

15           This year, for the 2024 AB deal, we are  
16 requesting to access 60 million of the Corporation's  
17 volume cap to serve homebuyers at or below 80 percent of  
18 the area median family income. Up to 20 million is -- or  
19 in addition to that, we'll have 20 million in taxable  
20 bonds that we may blend with the \$60 million, for a total  
21 of \$80 million.

22           Based on our average purchase price, we are  
23 hopeful to serve 380 families with this transaction. In  
24 addition to the homebuyers being restricted to 80 percent  
25 AMFI, they must also be a first-time homebuyers and meet

1 purchase price restrictions. Homebuyers that meet the  
2 eligibility requirements and the FHA, USDA, or VA  
3 underwriting guidelines will be eligible to receive 4  
4 percent in down payment assistance in the form of a three-  
5 year, deferred, forgivable second lien. And they can use  
6 this toward their down payment and/or closing costs.

7 With the Board's approval today and approval  
8 from the Bond Review Board during their board meeting in  
9 January, and if the markets remain favorable, we will look  
10 forward to moving this forward and pricing these bonds in  
11 early February. And then, we'll begin taking reservations  
12 at that point. We expect that we will fully reserve the  
13 program within one to two months.

14 The Corporation will continue to work with  
15 Raymond James and Associates as the underwriter, Norton  
16 Rose Fulbright as our bond counsel, and both have worked  
17 with TSAHC for many years. And CSG Advisors is our  
18 financial advisor. Ballard Spahr is our disclosure  
19 counsel. And we will also continue to work with Lakeview  
20 Loan Servicing as our master servicer.

21 And with that, I conclude my remarks. And I'm  
22 more than happy to address any questions that you have at  
23 this time, or I may pass those questions off to them.

24 MR. WILLIAMS: Madame Chair, I've got a  
25 question.

1           Thank you, Joniel. So, you said, with the 80  
2 million total -- so accessing 60, 20 million taxable. How  
3 many families again?

4           MS. LeVECQUE: We are hopeful to serve about  
5 380 families with our average loan amount being around  
6 250.

7           MR. WILLIAMS: Okay. I guess, is -- for the  
8 380 families, plus or minus, I guess, is there a locality  
9 that you're looking to serve, or this is just across the  
10 board?

11          MS. LeVECQUE: It is statewide.

12          MR. WILLIAMS: Statewide. Okay.

13          MS. LeVECQUE: So, it is available statewide.

14          MR. WILLIAMS: Okay.

15          MS. LeVECQUE: The difference between our bond  
16 programs and our normal DPA that we have out there  
17 available now is that it is restricted to 80 percent and  
18 below AMFI borrowers --

19          MR. WILLIAMS: Gotcha. Yeah.

20          MS. LeVECQUE: -- and also restricted to first-  
21 time homebuyers.

22          MR. WILLIAMS: Okay.

23          MS. LeVECQUE: Our normal DPA is only -- or is  
24 available up to 125 percent AMFI and open to repeat  
25 homebuyers.

1 MR. WILLIAMS: Okay.

2 MS. LeVECQUE: So, this one does have a smaller  
3 pool of folks that are eligible.

4 MR. WILLIAMS: Okay.

5 MS. CARDENAS: I'm sorry. So, the DPAP is  
6 80 percent, and also the program itself, if they exceed  
7 80 percent, they could be in this program and just not get  
8 DPAP?

9 MS. LeVECQUE: So, we have two different types  
10 of down payment assistance. We have one that is offered  
11 through TPA, our normal method of offering down payment  
12 assistance, and then we have this method, mortgage revenue  
13 bonds. And this is only available to first-time  
14 homebuyers, 80 percent and below borrowers. So, if they  
15 don't fit in this box, we have other DPA options available  
16 to them, the difference being is that this option could  
17 allow for a much lower interest rate than our normal  
18 DPA, as much as maybe one percent in interest rate less.

19 MS. CARDENAS: And is -- do we still have the  
20 guideline or definition of first-time homebuyer, them not  
21 owning in the last three years, so they could have owned  
22 10 years ago, but they --

23 MS. LeVECQUE: Correct.

24 MS. CARDENAS: -- haven't owned in the last  
25 three years, and so that re-qualifies them as a first-time

1 homebuyer?

2 MS. LeVECQUE: Correct. And the actual  
3 definition is that they don't have any ownership interest  
4 in their primary residence.

5 MR. WILLIAMS: Gotcha.

6 MS. LeVECQUE: So, they could maybe have some  
7 ownership interest in an inherited property or something  
8 of that kind, as long as they haven't lived there. As  
9 long as they've rented their current residence for the  
10 last three years, then they are eligible as a first-time  
11 homebuyer.

12 MS. CARDENAS: So, I guess the key is, like  
13 everything -- right? And we wish we all had a crystal  
14 ball -- right -- with all the discussions about interest  
15 rates potentially, you know, decreasing in this next year.

16 I guess, pricing it accordingly to where it's  
17 still attractive, and rates don't continue to go down,  
18 which I know we would want -- right -- but it's kind of  
19 twofold there.

20 MS. LeVECQUE: Exactly. And I'll let them  
21 address what the market conditions are and how this could  
22 change between now and the time we actually launch it.

23 MR. JONES: Sure. Yeah. I'm happy to --

24 MR. WILLIAMS: One other --

25 MR. JONES: Sure.



1 MR. WILLIAMS: -- one other question. I guess,  
2 based upon this criteria and scenario, I guess, you're  
3 probably expecting the reservation list to fill up pretty  
4 fast?

5 MS. LeVECQUE: Actually, yes.

6 MR. WILLIAMS: Okay.

7 MS. LeVECQUE: Our last bond transaction, which  
8 was earlier this year, it's 60 million. We had it fully  
9 reserved within a couple of weeks.

10 Now, granted, I think a lot of folks jump the  
11 gun. They get excited about this one percent lower  
12 interest rate --

13 MR. WILLIAMS: Yes.

14 MS. LeVECQUE: -- and it turns out that they  
15 don't qualify, so we have fallout over time. And we have  
16 to reopen it a little bit here and there to reserve those  
17 loans that fell out, but initially, it was fully reserved  
18 within a couple of weeks.

19 MR. WILLIAMS: I guess, for the 380, I presume  
20 you're just not pulling that number out of the air based  
21 upon just historical numbers, just applications coming in?

22 MS. LeVECQUE: Based on our average loan  
23 amounts --

24 MR. WILLIAMS: Yeah.

25 MS. LeVECQUE: -- how many folks do we think we

1 can serve with this pot of money?

2 MR. WILLIAMS: Gotcha. Okay. Okay.

3 MS. CARDENAS: Okay.

4 MR. WILLIAMS: Sorry.

5 MR. JONES: Yeah. Sure. No. In terms of  
6 interest rates in the market, yes, rates have been very  
7 volatile, and they could be lower next year. They could  
8 be higher.

9 You know, time will tell. I mean, since early  
10 November, you know, mortgage rates and Treasury rates on  
11 the long end have fallen 100 basis points or more. So  
12 actually, a lot of this move has already happened, as the  
13 market anticipates Fed cuts next year.

14 Your question about how quickly the money gets  
15 out actually is a great segue in this. Because of their  
16 ability to get the money reserved and originated so  
17 quickly, that risk of rates moving after issuing bonds is  
18 much less than if it took three months or six months or  
19 later to get the loans originated. So actually, that  
20 provides a lot of -- a lot more certainty that will be at  
21 a rate that's very favorable.

22 I think outside rates right now for FHA are  
23 probably in the mid to higher sixes without down payment  
24 assistance. So, the fact -- I think we're anticipating a  
25 rate of -- what -- six --

1 MR. SPELBRING: 650 or below.

2 MR. JONES: -- 650 or below, while providing --

3 MS. CARDENAS: With DPAP?

4 MS. JONES: -- three points --

5 MR. WILLIAMS: With DPAP.

6 MR. JONES: -- of DPA.

7 MR. WILLIAMS: Wow.

8 MS. CARDENAS: Four percent.

9 MR. WILLIAMS: That's not bad.

10 MR. JONES: And if we priced right now. So, it  
11 will be very attractive and beneficial when it goes out.

12 MS. CARDENAS: And you stated that -- I know  
13 the money is -- you know, the reservation will, you know,  
14 be, I guess, absorbed in about one or two months, but that  
15 is on an 80 percent pool, not on the other pools?

16 MS. LeVECQUE: Correct. So --

17 MS. CARDENAS: You've seen the data on the  
18 80 percent?

19 MS. LeVECQUE: Correct. So, when we do our  
20 analysis, I pull reports of our last year, and we  
21 calculate how many of those were 80 percent, and we also  
22 look at how many of those were first-time homebuyers. So,  
23 we just kind of use some past data to get an idea of how  
24 many of those folks we serve to determine how quickly we  
25 can get this out the door.

1 MS. CARDENAS: Okay. Good. Exciting.

2 MR. RASSIN: You said that bond counsel had  
3 reviewed the form. And have they raised any concerns  
4 about the form that we should be aware of, or were they  
5 comfortable with it in its current state?

6 MS. LeVECQUE: Chris ought to answer that.

7 MR. SPELBRING: The bond counsel actually  
8 creates the indenture, which is the primary document.

9 MR. RASSIN: It's our paper.

10 MR. SPELBRING: Yes. So --

11 MR. RASSIN: Okay.

12 MR. SPELBRING: -- they're then heavily  
13 involved the entire time, as well as all of the other  
14 attorneys. Each of them has a different part. One of  
15 them does the preliminary official statement, which is  
16 what we use to market to investors. And attorneys have  
17 been highly involved in what you have in your Board  
18 packet.

19 MR. RASSIN: And were there any remaining  
20 objections that they were concerned about that we should  
21 hear about, or are they happy with its final form?

22 MR. SPELBRING: They clearly are all on board  
23 with where they're at now. Essentially, what you've been  
24 provided are substantially final documents. Obviously,  
25 you know, the size of the transaction and a lot of the

1 specifics will be changed, but what you have is  
2 essentially a substantially final form at this point.

3 MS. LeVECQUE: And I can attest to the fact  
4 that being in all of the emails from all of the attorneys  
5 involved, that all of the attorneys are redoing each  
6 other's documents as well and making comments. So, how  
7 many attorneys do we have involved, in total?

8 MR. SPELBRING: Quite a few.

9 MS. LeVECQUE: Yeah.

10 MS. CARDENAS: Okay. Great. Are there any  
11 other questions regarding Tab Item 2?

12 (No response.)

13 MS. CARDENAS: Okay. If not, if I can have a  
14 motion for Tab Item 2, as presented?

15 MR. WILLIAMS: Madame Chair, this is Lemuel  
16 Williams. I would like to make a motion for Tab Item 2,  
17 which is presented in today's meeting.

18 MS. CARDENAS: Okay. I have a motion.

19 MR. RASSIN: I'd like to second the motion,  
20 please.

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

23 (No response.)

24 MS. CARDENAS: Seeing that there's none, all in  
25 favor, signify by saying aye.

1 (A chorus of ayes.)

2 MS. CARDENAS: Any opposed?

3 (No response.)

4 MS. CARDENAS: Tab Item 2 is approved as  
5 presented.

6 MS. LeVECQUE: Thank you.

7 MR. WILLIAMS: Thank you.

8 MS. CARDENAS: Thank you, gentlemen. Okay.

9 We will now move on to Tab Item 3, which is the  
10 Presentation, Discussion and Possible Approval of a  
11 Resolution Authorizing Request for Unencumbered State  
12 Ceiling; the Conversion to Mortgage Credit Certificates  
13 and Containing Other Provisions Relating to the Subject.

14 MS. LeVECQUE: Good morning, Ms. Chairman and  
15 members of the Board. I am Joniel LeVecque, Senior  
16 Director, Single Family Programs. I've come before you in  
17 the last several months -- or actually, in recent months  
18 to obtain authorization to apply to the Texas Bond Review  
19 Board for additional volume cap.

20 The \$500 million application that the Board  
21 previously approved was in line for the August 15  
22 collapse, but unfortunately was not awarded by the  
23 November 14 deadline. So, in the resolution before you  
24 today, we are asking for your authorization to submit a  
25 request to the Texas Bond Review Board to assign any

1 unencumbered State ceiling to the Corporation.

2 This would be in an amount aggregate not to  
3 exceed 700 million as carry-forward. The Allocation Act  
4 provides that, on the last business day of the year, the  
5 Texas Bond Review Board may assign as carry-forward any  
6 remaining State ceiling that has not otherwise been  
7 reserved or designed as carry-forward, so anything that's  
8 left over, basically. This is the last opportunity for us  
9 to apply for the 2023 volume cap.

10 This resolution also asks your approval to  
11 authorize an election to be made by the Corporation to  
12 convert all or any portion of this unencumbered State  
13 ceiling. Two mortgage credit certificates were qualified  
14 mortgage bonds.

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

17 MS. CARDENAS: No questions?

18 (No response.)

19 MS. CARDENAS: So, the 500 million, you  
20 mentioned the November 14. That was not accessible or for  
21 what reason awarded -- I'm sorry -- for what reason?

22 MS. LeVECQUE: So, it is a first-come, first-  
23 serve, and it also -- there are application deadlines  
24 where some projects or some folks have opportunities to  
25 apply before others. So, we weren't able to -- when we

1 applied, there was already a huge line of folks when we  
2 were eligible to apply.

3 MS. CARDENAS: So, we got everything in on  
4 time.

5 MS. LeVECQUE: We got everything --

6 MS. CARDENAS: It's just --

7 MS. LeVECQUE: -- in on time. We did  
8 everything as we should have. We actually got our  
9 application in -- it's so competitive. It goes down to  
10 the millisecond.

11 And we made our application -- turning in our  
12 application over others who were also competing at that  
13 moment. So, we sat in line till November 14. And the  
14 hope is that some of those applications that have been  
15 turned in previously may fall off for whatever reason, and  
16 then volume cap becomes available to fulfill any  
17 applications in line.

18 Unfortunately, we basically died in line on  
19 November 14 when that deadline occurred. And then  
20 there's -- you know, again, at the end of the year, if any  
21 of those applications have fallen out, all of those folks  
22 who were in line have an opportunity to carry-forward  
23 those applications into another year. And if they don't,  
24 there's a potential for it to become available.

25 And only State agencies or State issuers like



1 ourselves are allowed to apply for any unencumbered. So,  
2 we're hopeful that we will get some, but if not, we'll  
3 start over again next year.

4 MR. WILLIAMS: So, I guess, with the carry-  
5 forward, is it the same process again, where you have to  
6 wait in line, just like what we've done in November 14?

7 MS. LeVECQUE: A little bit, yes.

8 MR. WILLIAMS: Okay.

9 MS. LeVECQUE: Ourselves and TDHCA are able to  
10 apply --

11 MR. WILLIAMS: Yeah.

12 MS. LeVECQUE: -- and whoever gets their  
13 application in first.

14 MR. WILLIAMS: Gotcha.

15 MS. CARDENAS: So, we have ours in already for  
16 this 600 million?

17 MS. LeVECQUE: No.

18 MS. CARDENAS: Oh.

19 MS. LeVECQUE: I will -- we are turning it in  
20 this afternoon after we get Board approval from you.  
21 Yeah.

22 MS. CARDENAS: Okay. And this deadline is  
23 what?

24 MS. LeVECQUE: This is for the end of the year.

25 MS. CARDENAS: Okay.

1 MS. LeVECQUE: So, December -- well,  
2 technically, the end of this week.

3 MS. CARDENAS: Yeah. Okay.

4 MR. WILLIAMS: Yeah, yeah.

5 MS. CARDENAS: Okay. Any --

6 MS. LeVECQUE: And then it starts all over  
7 again next year.

8 MR. WILLIAMS: Gotcha.

9 MS. CARDENAS: Any other questions?

10 MR. WILLIAMS: Did you have a question?

11 MR. RASSIN: No. No surprises here.

12 MR. WILLIAMS: Okay.

13 MS. CARDENAS: Okay. Seeing that there's no  
14 other questions, if I can have a motion for approval for  
15 Tab Item 3 as presented?

16 MR. RASSIN: I move that Tab 3 be approved as  
17 presented.

18 MS. CARDENAS: Okay. I have a motion for  
19 approval.

20 MR. WILLIAMS: I'll second.

21 MS. CARDENAS: Okay. I have a first and a  
22 second. Is there any public comment at this time?

23 (No response.)

24 MS. CARDENAS: Seeing that there's none, all  
25 those in favor, signify by saying aye.

1 (A chorus of ayes.)

2 MS. CARDENAS: Any opposed?

3 (No response.)

4 MS. CARDENAS: Tab Item 3 is approved as  
5 presented.

6 MS. LeVECQUE: Thank you.

7 MR. WILLIAMS: Now you can submit that  
8 application.

9 MS. CARDENAS: Yeah. Okay.

10 We're moving on to Tab Item 4, which is the  
11 Presentation, Discussion and Possible approval of a  
12 Resolution regarding the submission of one or more  
13 Applications for Allocation of Private Activity Bonds,  
14 Notices of Intention to Issue Bonds and State Bond  
15 Applications to the Texas Bond Review Board and  
16 Declaration of Expectation to Reimburse Expenditures with  
17 proceeds of future debt for Bluffs at Nelms.

18 MR. DANENFELZER: Good morning. David  
19 Danenfelzer, Senior Director of Development Finance.

20 Before I focus on this particular item, I  
21 wanted to make some clarifications. The Development  
22 Finance team has six agenda items on the list today.  
23 There are four projects, and we understood -- we've had  
24 this -- a couple of questions.

25 There are four separate projects being dealt

1 with. The first two agenda items, with one, the next two,  
2 a second project, but the last two are different projects  
3 completely. They each have their own. And we understood  
4 that there was some confusion over the fact that we had  
5 created a pattern in the agenda, and it seemed as if the  
6 last agenda item was maybe misnamed, but it's not.

7 It is the correct name and has the correct  
8 information. It's just we couldn't figure out a better  
9 pattern, frankly, to keep it clear. So, there are four  
10 projects we're going to talk about today in the next six  
11 agenda items, but some of them are repeated. So, I just  
12 want to keep that clear for everyone on the Board and in  
13 the audience.

14 MR. WILLIAMS: Well, they're just different  
15 names.

16 MS. CARDENAS: Bluffs at Nelms is four and  
17 five --

18 MR. WILLIAMS: Yeah. They're just different  
19 names.

20 MS. CARDENAS: -- yeah. Yeah. There's four  
21 and --

22 MR. DANENFELZER: Yeah. Just the last two are  
23 two different projects --

24 MS. CARDENAS: -- there are two different, so  
25 there's four.

1 MR. WILLIAMS: Okay.

2 MR. DANENFELZER: -- though they are similar to  
3 what other actions we're taking.

4 MS. CARDENAS: Okay.

5 MR. DANENFELZER: So, with that, I'm going to  
6 get started on Bluffs at Nelms and the current agenda  
7 item. One thing I like to remind the Board is, today's  
8 actions on our private activity bond portfolio that we're  
9 dealing with, the deals, these are preliminary actions  
10 that the Board is taking, allowing staff and giving us  
11 authority to move forward, to engage professionals, such  
12 as our bond counsel, municipal advisor and others, to  
13 begin the process of negotiating the bond terms and all of  
14 the documents necessary.

15 Before any of these deals will close or get  
16 close to closing, we will return to you with a final bond  
17 resolution and your approval. So, the underwriting and  
18 other information you're being presented today is  
19 preliminary, but we will be working on this and bringing  
20 back more final numbers once we're close to closing on  
21 these transactions.

22 So, I apologize for the long intro, but Bluffs  
23 at Nelms is a 165-unit affordable senior apartment  
24 community to be located in Austin, Texas. This qualifies  
25 under our senior and supportive housing set-aside, or

1 targeted housing need, for our 2024 private activity bond  
2 request for proposals.

3           There is a unit mix which includes 40 percent,  
4 50 percent, 60 and 80 percent AMI households. And the  
5 total budget for this is approximately 57.1 million. And  
6 as I noted before, these numbers will be refined over the  
7 next several months, and we hope this is pretty close, but  
8 these are good numbers that we have right now.

9           The bonds on this will be issued as a long  
10 term -- both short and long-term portions will be issued  
11 for this project. Long term is a Freddie Mac tax-exempt  
12 loan structure, which we've done many before, and will  
13 provide approximately 16.7 million in permanent financing.

14           The project also will have a public partner,  
15 which we'll be dealing in the next phase, which will be  
16 TSAHC, hopefully. So, we'll talk about that a little bit  
17 more. I wanted to at least touch base on that.

18           The developer is Blue Ridge Atlantic  
19 Development. They do have a representative here, Robbye  
20 Meyer, from Arx Advantage, who is the consultant for this  
21 project and is representing Blue Ridge Atlantic on both  
22 their tax credit and bond applications. Blue Ridge  
23 Atlantic is an organization that we have not worked with  
24 before but we are familiar with. And they really are kind  
25 of partnership between Shelter Resources, Inc., which is

1 one of the largest developers in the Northwest, in the  
2 Washington, Oregon and Idaho area.

3 But Blue Ridge Atlantic has been moving into  
4 the Texas markets, as well as other Southern markets, and  
5 they have several thousand units currently under  
6 development or in operations already. So, we do have a  
7 track record, and they did receive good marks from their  
8 compliance reviews in other states.

9 Those are the conclusion of my comments on this  
10 particular project. If you have any questions, I'm here  
11 to answer them.

12 MR. WILLIAMS: Madame Chair, I've got a couple.  
13 I guess -- who's the representative from --

14 MR. DANENFELZER: Robbye Meyer. And I can ask  
15 her to come up.

16 MR. WILLIAMS: Yeah, yeah.

17 MR. DANENFELZER: Yeah. Robbye, you can come  
18 up to this chair.

19 MS. MEYER: Robbye Meyer. I'm the consultant  
20 for Blue Ridge.

21 MR. WILLIAMS: Thank you. Thank you for  
22 joining us. Quick question for you. I guess, why in  
23 Austin?

24 Because I mean, I'm just looking here -- you're  
25 in the Pac Northwest. I mean, you're doing very well

1 there. But why specifically in the Austin area?

2 MS. MEYER: I've been working with Blue Ridge  
3 for about five years, and they've been competing in the  
4 9 percent round, and we haven't been successful there.  
5 They have a successful development on bond round, Park at  
6 Kirkstall, that we did two years ago, just recently placed  
7 in service. It was a rehab that I put on the ground.

8 I used to be the director for the Texas  
9 Department of Housing in the Multifamily Division, and I  
10 actually put that development on the ground, and they just  
11 re-syndicated it. It was kind of exciting for me to see  
12 it, you know, re-syndicated. And that's their first  
13 actual development in Texas.

14 They really like the Texas market. These guys  
15 are really good to work with, and they -- you know, they  
16 have -- they also have developments in Georgia. And then  
17 the bulk of the portfolio is in Washington and Oregon.  
18 But they've liked Texas market.

19 We just haven't been successful in a 9-percent  
20 round. So, they moved over to the bond side, mainly just  
21 economics, to get better deals because they work better  
22 right now. And so, that's kind of their montage.

23 We had this in the round last year. Just with  
24 Austin entitlements, we got hung up in that 180-day window  
25 and couldn't get through the process. So, we're back in,



1 and we're putting it back in for 2024.

2 MR. WILLIAMS: I appreciate that.

3 David, I know you mentioned that you've worked  
4 with Blue Ridge before. I guess, how did the connection  
5 occur?

6 MR. DANENFELZER: Well, really, through  
7 Robbye --

8 MR. WILLIAMS: Okay.

9 MR. DANENFELZER: -- and to be clear, TSAHC has  
10 not worked with Blue Ridge before.

11 MR. WILLIAMS: Okay.

12 MR. DANENFELZER: I've worked with Robbye in a  
13 number of transactions in the past --

14 MR. WILLIAMS: Ah, okay.

15 MR. DANENFELZER: -- and so -- and for full  
16 disclosure, we worked together at the Texas Department of  
17 Housing and Community Affairs when she was the director  
18 of that program. That was 17 years ago, so it has a bit  
19 of separation on time.

20 But I've known Robbye for well over 20 years,  
21 and worked with her both on this project as well as a very  
22 large project we did several years ago. It was a multi  
23 property portfolio with Hamilton Valley, where there was  
24 approximately 21 separate properties across the state, all  
25 rural development, and Robbye as a consultant on that

1 project as well and helped us a lot. So.

2 MR. WILLIAMS: Okay. Thank you.

3 MR. DANENFELZER: Okay.

4 MS. CARDENAS: So, I saw the -- and this is  
5 just more for me to have a better understanding -- you  
6 know, the distribution of the units as far as, you know,  
7 30 percent, 50, 60, 80. I know, on certain projects, you  
8 have a certain percentage too for market rents.

9 In this case, there won't be any? Or you know,  
10 how is that determined?

11 MR. DANENFELZER: Yeah. Correct. The mix of  
12 units is really driven by the developer and what they see  
13 as feasible. Oftentimes, it gets adjusted based on  
14 scoring systems.

15 So, in this particular case, one of the things  
16 that provided some additional scoring was the fact that  
17 they had both 40 and 50 percent units. And I believe more  
18 than 45 percent of these units are below 50 percent AMI,  
19 which is a scoring component for our system.

20 MS. CARDENAS: Okay.

21 MR. DANENFELZER: That can also be for other  
22 local funding sources, and this project is applying to the  
23 City of Austin for additional support. And that  
24 program -- I haven't looked at their specific scoring from  
25 that application, but they have applied and there may be

1 other reasons why they've not done market rate, because of  
2 that scoring.

3 But it really does depends on the market and  
4 the desire of the developer. There are developers -- we  
5 work with many that simply don't do any market rate. They  
6 do, you know, 100 affordable, but then others will do a  
7 mix of some market rate and some very low income.

8 And I do believe we have a couple applications  
9 later, the -- some of the family deals, that have that  
10 mix.

11 MS. CARDENAS: Yeah. I mean, I think it's  
12 great, because obviously that's our mission -- right --  
13 to --

14 MR. DANENFELZER: Right.

15 MS. CARDENAS: -- cater to affordable, and not  
16 to take anything away from market rents. But I just saw  
17 that some projects that come before us, there was a  
18 certain allocation, you know, where a percentage is  
19 reserved for market rents. And so, I was just --

20 MR. DANENFELZER: Yeah.

21 MS. CARDENAS: -- wanting a better  
22 understanding of -- and so you're saying it's scoring --  
23 right -- of that's determined and also --

24 MR. DANENFELZER: Right.

25 MS. CARDENAS: -- developer preference. Okay.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. RASSIN: Is the joint venture agreement finalized?

MR. DANENFELZER: No. Our next agenda item will actually -- is authorizing the Corporation to begin that process of working on the joint venture. Again, we'll work on that with joint venture counsel and the developer through the process of the bonds moving forward as well.

Our hope is that we will bring back both the bond -- the final bond resolution and the final approval of the joint venture at the same meeting, sometime early summer.

MR. RASSIN: That leads to what I'm going to ask you about. Joint venture counsel, is that counsel representing the joint venture, or representing TSAHC in negotiation with the joint venture?

MR. DANENFELZER: When I reference joint venture, I mean the counsel representing us, and that is Coats Rose.

MR. RASSIN: Okay.

MS. CARDENAS: Are there any other questions?

(No response.)

MS. CARDENAS: Okay. Seeing that there's none, if I could have a motion for approval for Tab Item 4 as

1 presented?

2 MR. WILLIAMS: Madame Chairwoman, this is Lem.  
3 I'd like to make a motion to approve Tab Item 4, which is  
4 presented in today's agenda.

5 MR. RASSIN: I'd like to second the motion,  
6 please.

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

9 (No response.)

10 MS. CARDENAS: Seeing none, can I -- all those  
11 in favor, signify by saying aye.

12 (A chorus of ayes.)

13 MS. CARDENAS: Any opposed?

14 (No response.)

15 MS. CARDENAS: Okay. Tab Item 4 is approved as  
16 presented. Thank you.

17 MR. DANENFELZER: Thank you.

18 MS. CARDENAS: Okay. We will now move on to  
19 Tab Item 5, which is the Presentation, Discussion and  
20 Possible Approval of a Resolution Authorizing the Texas  
21 State Affordable Housing Corporation to take preliminary  
22 action to carry out the financing of Bluffs at Nelms  
23 located in Austin, Texas, including creating entities,  
24 negotiating finance documents, and filing applications to  
25 obtain debt and grant financing for the Project.

1 MR. DANENFELZER: Good morning. David  
2 Danenfelzer, Senior Director of Development Finance.

3 As I mentioned before, this is the same project  
4 we just talked about, Bluffs at Nelms. This action,  
5 though, by the Board is giving us authority to engage our  
6 joint venture counsel, Coats Rose, and to begin the  
7 process of forming a joint venture with Blue Ridge  
8 Atlantic, and move this towards the goal posts.

9 We hope that we can go ahead and bring both  
10 this final resolution of that joint venture, along with  
11 the final bond resolution, sometime at the beginning of  
12 summer.

13 MS. CARDENAS: Okay. Do y'all have any  
14 questions on Tab 5?

15 MR. WILLIAMS: The question I had I asked in  
16 the last item.

17 MR. DANENFELZER: Yes.

18 MS. CARDENAS: Okay. Okay. If I can have a  
19 motion for approval for Tab Item 5?

20 MR. WILLIAMS: I move that we approve Tab  
21 Item 5 as presented.

22 MR. RASSIN: Madame Chairwoman, I'll go ahead  
23 and second that.

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

1 (No response.)

2 MS. CARDENAS: Seeing none, all those in favor,  
3 signify by saying aye.

4 (A chorus of ayes.)

5 MS. CARDENAS: Any opposed?

6 (No response.)

7 MS. CARDENAS: Okay. Tab Item 5 is approved as  
8 presented.

9 MR. DANENFELZER: Thank you.

10 MS. CARDENAS: Thank you.

11 MR. WILLIAMS: Thank you.

12 MS. CARDENAS: Okay. We will move on now to  
13 Tab Item 6, which is the Presentation, Discussion and  
14 Possible Approval of a Resolution regarding the submission  
15 of one or more Applications for Allocation of Private  
16 Activity Bonds, Notices of Intention to Issue Bonds and  
17 State Bond Applications to the Texas Bond Review Board and  
18 Declaration of Expectation to Reimburse Expenditures with  
19 proceeds of future debt for Cairn Point at Montopolis.

20 MR. DANENFELZER: Good morning. David  
21 Danenfelzer, Senior Director of Development Finance.

22 I do need to point out one typo that was  
23 staff's fault in the agenda item. The official name of  
24 the project, for the purposes of the agenda and for moving  
25 forward is Cairn Point Montopolis. The word "at" has been

1 deleted from the name.

2 MR. WILLIAMS: Okay.

3 MS. CARDENAS: Okay.

4 MR. DANENFELZER: So, with that, I'll move  
5 forward with my presentation.

6 This is for the new construction of a 150-unit  
7 affordable apartment community to be located in Austin in  
8 the Montopolis neighborhood. The project is family-  
9 focused and it does meet our set-aside or requirement for  
10 targeted housing needs with service-enriched housing or  
11 permanent supportive housing by having more than 10  
12 percent of the units at 30 percent area median income and  
13 below.

14 It does have a mix of other units, including 50  
15 and 60 percent AMI households. And this project has a  
16 total budget of approximately 46.2 million. The maximum  
17 par amount of the bonds to be issued is 23.5 million.

18 Currently, the anticipated issuer or bond  
19 purchaser of the project and underwriting is City  
20 Community Capital that will provide a permanent tax credit  
21 loan in the amount of approximately 14.6 million. So  
22 again, this is a common structure.

23 We issue bonds for the construction period that  
24 meet sort of the IRS requirements of at least 50 percent  
25 or more. But oftentimes, because of the availability of



1 housing tax credit equity and other sources including, in  
2 this project, funding from the City of Austin and the  
3 Texas Department of Housing and Community Affairs, we're  
4 able to buy down that permanent mortgage and not have all  
5 the bonds outstanding for the full term.

6 This project is being brought to us by a group  
7 called Vecino Bond Group, or Vecino Group. Vecino Group  
8 was formed in 2011. It specializes in the financial  
9 structure and underwriting of affordable real estate.

10 It is based out of Missouri, but they have been  
11 working throughout the South for a number of years, and  
12 have more recently been moving into the Texas market.  
13 There's some other additional information.

14 We are joined today by Valentin DeLeon, as a  
15 member of the development, and he can provide any  
16 additional information if you'd like. I can ask him to  
17 come up if there's any questions.

18 Like the previous transaction, I'll note that  
19 this development -- also the Vecino Bond Group has asked  
20 us to be a joint venture partner in the transaction, and  
21 it did meet all of those requirements under our program  
22 guidelines. So, that will be the next agenda item.

23 Are there any questions?

24 MS. CARDENAS: Where is the Montopolis  
25 neighborhood?

1 MR. DANENFELZER: Montopolis is close to --  
2 it's on the way to the airport, but essentially if you're  
3 thinking of the 183 area, the Highway 183, which goes down  
4 to the airport from our offices, once you cross the river,  
5 to the right of 183, as you're heading south -- so it's  
6 the west side -- is sort of Montopolis neighborhood. And  
7 that extends quite a ways, a couple miles, in there.

8 This project is actually on Montopolis Drive,  
9 which is one of the main thoroughfares through that  
10 neighborhood. And it is adjacent to a single family  
11 development that Habitat for Humanity has been building  
12 out for the last couple years.

13 This neighborhood is typically considered a low  
14 income neighborhood but has seen pressures for development  
15 and affordability has been lost. So, getting these units  
16 in there and being able to preserve access to affordable  
17 housing in a highly desirable neighborhood, that is  
18 something that we see as a benefit for this project.

19 MR. WILLIAMS: Thank you. Thank you.

20 Madame Chairwoman, question. So, David, I  
21 guess with the Vecino Group, this is the first time  
22 TSAHC's working with them. Correct?

23 MR. DANENFELZER: Correct. This is the first  
24 time we've worked with Vecino. We have worked with their  
25 consultant, Jennifer Hicks, on a couple of projects.

1                   You may remember the Burnet Place Apartments,  
2                   which was a loan --

3                   MR. WILLIAMS: Oh, yeah.

4                   MR. DANENFELZER: -- we did last year, as well  
5                   as the Project Transitions -- another project called  
6                   Roosevelt Gardens.

7                   MR. WILLIAMS: Okay.

8                   MR. DANENFELZER: So, we've worked with Jen for  
9                   a number of years on different projects, mostly loans.  
10                  This is the first bond that she's been working on with us.

11                  And we are familiar with Vecino and their other projects  
12                  around the city.

13                  They have another project, very similar. In  
14                  fact, it has the same first name, but it's located in  
15                  North -- a northern neighborhood of Austin. And so that  
16                  is actually being done with the City of Austin's Housing  
17                  Finance Corp. at this time.

18                  MR. WILLIAMS: How many other projects have  
19                  they done in -- because I know you said they're from  
20                  Missouri, moving into the South, Southwest, however you  
21                  want to divvy that up. How many projects have they done  
22                  in Texas or just kind of in the Southern, Southwest  
23                  regions?

24                  MR. DANENFELZER: Yeah. Let me call Valentin  
25                  to answer that question.

1 I've looked at their portfolio. I think it's  
2 five or six, but I'm not -- I may be speaking out -- I  
3 know one of the projects just came on last year. So, I'm  
4 not sure exactly what their total pipeline is.

5 MR. WILLIAMS: Okay.

6 MR. DeLEON: Good morning. Valentin DeLeon,  
7 The Vecino Group. So, to answer your question, we have  
8 three projects in various stages of development here in  
9 the city of Austin.

10 MR. WILLIAMS: Okay.

11 MR. DeLEON: So, all of our projects that we've  
12 done in the state of Texas are in Austin now. So, we just  
13 received certificates of occupancy for Espero Rutland.  
14 It's 170 units of supportive housing. So, we're starting  
15 to get our residents moved in there as we speak, so very  
16 exciting for us.

17 And then two other properties, Libertad Austin  
18 and Cairn Point Cameron, which have broken ground on  
19 construction. So, we hope to have those units on by late  
20 2025.

21 I believe we just closed on another property in  
22 Georgia. And so, we have three projects in the state of  
23 Georgia, one off in Arkansas. So, from Springfield, kind  
24 of moving direct south, and then to the west is kind of  
25 where our footprint is right now.

1 MS. CARDENAS: Any other questions?

2 MR. WILLIAMS: I'm good.

3 MR. RASSIN: In this document where we refer to  
4 the developer, is that Vecino Group or is someone else the  
5 developer?

6 MR. DANENFELZER: It -- no. Vecino Group is  
7 the developer, the parent company. They do have sort of  
8 subsidiary entities.

9 I know one is called Vecino Bond Group. And I  
10 may have said that a couple times, because in our  
11 communications, I've been talking with the Vecino Bond  
12 Group, but I believe -- Valentin?

13 MR. DeLEON: I believe the actual legal name is  
14 Vecino Bond Group, kind of does business as Vecino Group.  
15 So, one and the same.

16 MR. RASSIN: What I wanted to confirm is that  
17 when we're talking about the developer, we're not talking  
18 about another party that's specializing in construction  
19 that's partnering with The Vecino Group. When we say  
20 developer, when we say Vecino, we're talking about the  
21 same people?

22 MR. DeLEON: Correct.

23 MR. RASSIN: Thank you.

24 MR. DeLEON: Yeah.

25 MR. RASSIN: Okay.

1 MS. CARDENAS: Okay. If there is no other  
2 questions, if I can have a motion for approval? And I  
3 know there was a correction on the agenda item for Cairn  
4 Point Montopolis. So, if I can have a motion?

5 MR. WILLIAMS: Madame Chairwoman, this is Lem.  
6 I would like to make a motion to approve Tab Item 6, with  
7 the amendment of deleting the word "at" for Cairn Point  
8 Montopolis, for Board approval.

9 MS. CARDENAS: Okay.

10 MR. RASSIN: Seconded.

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

13 (No response.)

14 MS. CARDENAS: Okay. Seeing that there's none,  
15 all in favor, signify by saying aye.

16 (A chorus of ayes.)

17 MS. CARDENAS: Any opposed?

18 (No response.)

19 MS. CARDENAS: Tab Item 6 is approved as  
20 presented.

21 MR. DANENFELZER: Thank you.

22 MS. CARDENAS: Okay. We will now move on to  
23 Tab Item 7, which is the Presentation, Discussion and  
24 Possible Approval of a Resolution Authorizing the Texas  
25 State Affordable Housing Corporation to take preliminary

1 action to carry out the financing of Cairn Point  
2 Montopolis located in Austin, Texas, including creating  
3 entities, negotiating finance documents, and filing  
4 applications to obtain debt and grant financing for the  
5 Project.

6 MR. DANENFELZER: David Danenfelzer, Senior  
7 Director of Development Finance.

8 As noted, this project is the same as we just  
9 talked about. I won't go over the details or summary, but  
10 this action item is allowing us, again, to enter into --  
11 engage our counsel, our joint venture counsel, to begin  
12 the process of forming joint ventures with Vecino Group,  
13 and moving forward towards closing.

14 Again, we do hope and expect that we'll be able  
15 to bring this back, probably early summer as well, to  
16 close with -- or at least get final approval on the bonds  
17 and the joint venture activity.

18 MS. CARDENAS: Do you have any questions?

19 MR. WILLIAMS: Yeah. I guess, just to clarify,  
20 piggy-backing from the last question of Board member David  
21 Rassin, just to make sure this is going to be with The  
22 Vecino Group and not a specific entity within The Vecino  
23 Group, because I'm just reading here where -- the Tab  
24 Item 7, where it just -- including creating entities,  
25 negotiating financing, and filing applications.

1           Because I mean, I guess, my brain looks at it  
2 as the other entity, whether it be the bond entity could  
3 participate in this -- I just want to make sure I  
4 understand it.

5           MR. DANENFELZER: Yeah. I'll be clear. One of  
6 the things -- every developer forms special purpose  
7 entities when they do developments, as do we. This  
8 actually does also give us -- the resolution gives us the  
9 authority to create a special purpose entity.

10           So, Vecino Group is the group we're going to be  
11 working with. However, just to be clear, they may form a  
12 special purpose entity for this project, and that would be  
13 ultimately who we are partnering with in the joint  
14 venture.

15           MR. WILLIAMS: Okay.

16           MR. DANENFELZER: But again, TSAHC will form a  
17 special purpose entity, likely to be called --

18           MR. WILLIAMS: Okay.

19           MR. DANENFELZER: -- TSAHC Cairn Point, in  
20 order to establish our relationship through that joint  
21 venture.

22           MR. WILLIAMS: Okay.

23           MR. RASSIN: Is it fair to say that joint  
24 venture counsel will confirm that it's the same ownership  
25 and there's no additional owners being introduced at the



1 special purpose entity level?

2 MR. DANENFELZER: Absolutely. Yeah. Our joint  
3 counsel does an excellent job of doing background and  
4 affiliate checks on all of the parties involved so we know  
5 exactly who's involved and their affiliation or non-  
6 affiliation with the project.

7 MR. RASSIN: How much of the project plan is  
8 already known to TSAHC?

9 MR. DANENFELZER: Say that once again?

10 MR. RASSIN: How much of the project plan is  
11 already known to TSAHC and the specific facilities to be  
12 built?

13 MR. DANENFELZER: We do have renderings of the  
14 project and a general site plan. That can be subject to  
15 change, however. We understand that.

16 At this early stage, we know that the process  
17 of going through zoning and site planning is underway.  
18 However, there's always a chance the City might request  
19 some modification or changes as they go through their  
20 procedures and issuing the final permits. So, we do have  
21 a very good idea of how this project will look. It's just  
22 those small details that may change.

23 We just had on a project where the City said,  
24 hey, we need you to move the water hookup 10 feet, and  
25 that means everything around that area needs to move 10

1 feet. So, we just need to be flexible.

2 MR. RASSIN: For my own education at this, you  
3 said, early stage, are any or most of the contractors and  
4 subcontractors identified, or does that come later?

5 MR. DANENFELZER: Valentin? I don't know the  
6 status of that.

7 MR. DeLEON: Vecino Group has its own  
8 construction company, so we will be doing the primary  
9 general contractor work. And since we do have such a, you  
10 know, healthy pipeline going on at the City of Austin, I  
11 can't say that all our subs are all identified. But we  
12 most likely work with the best ones that are, you know --  
13 have come in under budget and on time. So, if that  
14 answers --

15 MR. RASSIN: Is that construction company one  
16 that's hired by the joint venture?

17 MR. DeLEON: Ideally, we would request that  
18 TSAHC serve as the -- or that a special purpose entity  
19 serve as the general contractor for a sales tax exemption,  
20 to help the numbers pencil, and Vecino Construction would  
21 be the prime subcontractor.

22 MR. RASSIN: Thank you.

23 MS. CARDENAS: Okay. Any other questions?

24 MR. WILLIAMS: No.

25 MS. CARDENAS: Okay. Seeing there's none, if I

1 can have a motion for approval for Tab Item 7?

2 MR. RASSIN: I move that Tab Item 7 be approved  
3 as presented, with the correction of removing the word  
4 "at" between Cairn Point and Montopolis.

5 MR. WILLIAMS: Madame Chairwoman, this is Lem.  
6 I'll go ahead and second that.

7 MS. CARDENAS: Okay. I've got a first and a  
8 second. Do I have any public comments?

9 (No response.)

10 MS. CARDENAS: Seeing none, all those in favor,  
11 signify by saying aye.

12 (A chorus of ayes.)

13 MS. CARDENAS: Any opposed?

14 (No response.)

15 MS. CARDENAS: Tab Item 7 is approved as  
16 presented.

17 MR. DANENFELZER: Thank you.

18 MR. WILLIAMS: Thank you.

19 MS. CARDENAS: Okay. We will now move on to  
20 Tab Item 8, which is the Presentation, Discussion and  
21 Possible Approval of a Resolution regarding the submission  
22 of one or more Applications for Allocation of Private  
23 Activity Bonds, Notices of Intention to Issue Bonds and  
24 State Bond Applications to the Texas Bond Review Board and  
25 Declaration of Expectation to Reimburse Expenditures with

1 proceeds of future debt for Burleson Studios.

2 MS. RAMIREZ: Good morning, everybody. My name  
3 is Cassandra Ramirez. I'm the Development Finance Manager  
4 for TSAHC.

5 Unlike Dave's presentation, this is one agenda  
6 item related to just the approval of the bond application  
7 and bond inducement resolution. The applicant, Foundation  
8 Communities, is not seeking a joint venture partnership  
9 with TSAHC on this one. They are just seeking the bond  
10 financing.

11 As Dave mentioned in his presentation as well,  
12 this is preliminary action. We plan to come back to the  
13 Board once we have final numbers and are getting closer to  
14 closing.

15 Some highlights from the project summary that  
16 was provided for you all. The Burleson Studios project is  
17 going to be a 100 units of single residency occupancy  
18 units, targeted to extremely low-income persons, many of  
19 which will be exiting homelessness.

20 This project is being developed in partnership  
21 with Mobile Loaves & Fishes at Community First! Village,  
22 and they will lease the land for this development. So  
23 that's their joint venture project in this case.

24 This project qualifies under TSAHC's service-  
25 enriched targeting housing needs because the units that

1 are serving households at 30 percent AMI exceed 10  
2 percent. And in this case, 50 of the units are serving  
3 households at 30 percent AMI, and the other 50 are serving  
4 households at 50 percent AMI.

5 This project has a total budget of  
6 approximately 36.1 million. The proposed financing for  
7 this project includes tax-exempt bonds, deferred  
8 forgivable loans, grants, fundraising, and 4 percent  
9 housing tax credits. The total construction costs are  
10 estimated at approximately 26.3 million. The anticipated  
11 maximum bond amount of this project is 21.6 million.

12 In order to reach extremely low-income  
13 households, though, this project is not going to have  
14 permanent financing. So the sources of financing are  
15 going to be: 12.2 million in housing tax credits; loan  
16 funds from Travis County in the amount of 15 million; 1.85  
17 million, federal home loan bank loan; a million-dollar  
18 grant from the Dell Foundation; 1.5 million in Capital  
19 Magnet Loan funds; approximately \$2 million, sponsor loan  
20 from Foundation Communities; a \$500,000 grant from the St.  
21 David's Foundation; and approximately \$2 million in  
22 deferred forgivable fee from Foundation Communities.

23 You all know Foundation Communities. We've  
24 been working with them on the Juniper Creek project and  
25 the recently closed Norman Crossing project. They're a

1 nationally known nonprofit.

2           What's nice about this community is that the  
3 Burleson Studios residents are going to have access to the  
4 Community First! amenities that are part of Mobile Loaves  
5 & Fishes development. As I mentioned, Foundation  
6 Communities is our development partner for the Juniper  
7 Creek project that closed this summer and is now under  
8 construction.

9           And staff recommends the approval of this  
10 agenda item. Do you all have any questions for me?  
11 Sabrina Butler from Foundation Communities is available  
12 for any project-specific questions.

13           MR. WILLIAMS: I mean, I guess it's pricey, but  
14 I mean, definitely, I would have to say, kudos on just the  
15 fundraising aspect. Is there more money that can be  
16 released? Just throwing it out there.

17           If you want to answer that, ma'am, I mean, it's  
18 up to you.

19           MS. BUTLER: Hi, y'all. Sabrina Butler,  
20 Director of Development for Foundation Communities.

21           Yeah. I think -- you know, we have selected a  
22 general contractor and they're just now getting involved,  
23 so we're going to have some more accurate -- it's still  
24 very early -- preliminary pricing estimates soon. We do  
25 try to be conservative on the front end, so I'm hopeful

1 that it won't be quite as expensive as we're showing right  
2 now.

3 We wanted to make sure we're thinking of worst-  
4 case scenario and asking for the right --

5 MR. WILLIAMS: Yeah.

6 MS. BUTLER: -- amount of bonds in case it is --  
7 you know, it does end up being more expensive than we hope  
8 it will be. You heard our very extensive stack of  
9 fundraising. You know, we're going to continue to  
10 fundraise.

11 Right now, we're planning -- the \$2 million  
12 loan from Foundation Communities -- we are, you know,  
13 hoping we'll get some charitable grants to cover that so  
14 we don't have to use our own nonprofit cash. We're  
15 prepared to bridge that.

16 So, we're always looking for more money. We  
17 do -- you know, our -- one of the reasons of the high  
18 cost: we are forever owners. We plan to own and operate  
19 these indefinitely, and so we do try to build really  
20 durable.

21 Also, the supportive housing community is only  
22 100 efficiency units, but we have a lot of space for  
23 offices. We've got a lot of really deep services, case  
24 management. There will be an on-site food pantry. So,  
25 there is a lot of ancillary space that we're building out

1 here.

2 So -- and we are -- again, because we are  
3 planning to own this indefinitely, we also pay all  
4 utilities for the residents here, to keep their housing  
5 costs low, and so we do try to build to really high energy  
6 efficiency standards too, which part of the reason for the  
7 higher cost.

8 MR. WILLIAMS: It's all -- I'm looking here,  
9 right next to the airport. I guess, are you forecasting  
10 there's going to be other development around this --

11 MS. BUTLER: Yeah, yeah. This -- so we're --  
12 as Cassandra said, we're, you know -- we're going to be  
13 part of a very large Mobile Loaves & Fishes village. So,  
14 they're expanding. If you're familiar with them, on the  
15 east side, they now have -- they were donated -- we're  
16 part of a 70-acre development here on Burleson.

17 So, they got 70 acres donated from Tito  
18 Beverage, and they're donating to us two and a half acres  
19 that we'll be ground leasing from them. So, we will be  
20 surrounded by our own sort of community, serving the  
21 formerly homeless folks.

22 And there actually is a lot of development  
23 happening now in this area. It's really changing really  
24 fast. There's a number of construction projects with  
25 single and multifamily in this area. So, a few years ago



1 when we started talking about it, it felt like it was out  
2 there, and now it's definitely changing real fast.

3 MR. WILLIAMS: Yeah. Thank you.

4 MS. CARDENAS: Okay. Questions?

5 (No response.)

6 MS. CARDENAS: No? Okay. If there are no  
7 other questions, if I can have a motion for approval for  
8 Tab Item 8?

9 MR. WILLIAMS: Madame Chairwoman, this is Lem.  
10 I would like to make a motion to approve Tab Item 8, as  
11 listed in the agenda.

12 MS. CARDENAS: Okay.

13 MR. RASSIN: Seconded.

14 MS. CARDENAS: Okay. I have got a first and a  
15 second. Is there any public comment on this item?

16 (No response.)

17 MS. CARDENAS: Seeing none, all those in favor,  
18 signify by saying aye.

19 (A chorus of ayes.)

20 MS. CARDENAS: Any opposed?

21 (No response.)

22 MS. CARDENAS: Tab Item 8 is approved as  
23 presented. Okay.

24 Moving on to Tab Item 9. Tab Item 9 is the  
25 Presentation, Discussion and Possible Approval of a

1 Resolution Authorizing the Texas State Affordable Housing  
2 Corporation to take preliminary action to carry out the  
3 financing of Boulevard 61 which is located in Houston,  
4 Texas, including creating entities, negotiating finance  
5 documents, and filing applications to obtain debt and  
6 grant financing for the Project.

7 MS. RAMIREZ: Good morning again. This is  
8 Cassandra Ramirez, Development Finance Manager.

9 Unlike the last agenda item, this is one action  
10 item specific to a joint venture request. They're not  
11 seeking bond financing. They are seeking TSAHC's  
12 participation in the joint venture ownership of the  
13 project.

14 This resolution will authorize a TSAHC  
15 subsidiary to enter an MOU with the developer and  
16 participate in the finance applications as part of the  
17 ownership entity. And as a reference, this is similar to  
18 TSAHC's role in the Juniper Creek project that we  
19 partnered with Foundation Communities that's under  
20 construction, as well as the Park on 14th project in  
21 Plano, of which the applicant developer is our general  
22 partner.

23 The applicant is Diana McIver & Associates.  
24 And as I mentioned, they are our partner on the Park on  
25 14th in Plano. This project includes 100 units of

1 multifamily housing in Houston.

2 It qualifies under TSAHC's joint venture  
3 guidelines because at least 10 percent of the units are  
4 housing persons at 30 percent AMI or below. Thirty-eight  
5 units will be reserved for households earning 30 percent  
6 AMI, 6 units will serve households at 50 percent AMI, 38  
7 units will serve households at 60 percent AMI, eight units  
8 are serving households at 80 percent AMI, and 10 units are  
9 market rate in this case.

10 This project received a 2021 9-percent tax  
11 credit award allocation. They had initially partnered  
12 with the Houston Housing Authority as their joint venture  
13 partner and they were going to own the land and lease it  
14 to them for the property tax exemption.

15 However, there were new rules that TDHCA and  
16 the Housing Authority exceeded their 9-percent income  
17 limit, so they could not enter the joint venture. So, DMA  
18 applied to TSAHC for this role, and they are seeking  
19 TSAHC's participation for the property tax exemption.

20 What else? Site control is already vested with  
21 DMA. It was approved for a house checks credit supplement  
22 this year, and they're looking to close on financing in  
23 May 2024. We believe this property tax exemption is  
24 critical to this project based on their pro forma and  
25 feasibility, and you know, just because of the high

1 construction costs and the high number of 30 percent AMI  
2 or below units that are being provided for this project.

3 In terms of financing, this project has a total  
4 development budget of approximately 32.8 million. The  
5 proposed financing includes a Capital One HUD 221(d) (4)  
6 loan for construction financing, 9-percent housing tax  
7 credits, a TDHCA multifamily direct loan, a seller sponsor  
8 note, and deferred developer fee and some match funds.

9 The project's direct costs are approximately  
10 7.9 for acquisition, 19.1 million for hard construction  
11 costs, and soft costs at 1.6 million, financing costs at  
12 1.7 million, developer fee at close to 2 million, and a  
13 reserve account of approximately half a million to round  
14 out the remaining project costs.

15 This project has the support of the Mayor and  
16 state representatives. What else can I tell you about  
17 this project? As I mentioned, we are partnering with the  
18 DMA on the Park on 14th project in Plano that's currently  
19 under construction, and we see a similar role for this  
20 project.

21 We recommend approval of entering a joint  
22 venture with the DMA subsidiary for this project in order  
23 to keep it viable and keep it moving, since it does have  
24 the 221 tax credits already allocated to it. Janine Sisak  
25 of DMA is available, if you have any project-specific

1 questions, and I'm available as well if you have any  
2 questions for me.

3 MS. CARDENAS: So, all was in order, other than  
4 they exceeded, I guess, the 9-percent limit, and so coming  
5 to us for the --

6 MS. RAMIREZ: A substitute.

7 MS. CARDENAS: -- property tax exemption?

8 MR. RASSIN: To what extent does TSAHC stay  
9 involved with the property after the construction is  
10 complete?

11 MS. RAMIREZ: We will have site control. So,  
12 we will be vested, long term.

13 MR. RASSIN: We've looked at expenses for the  
14 construction of the site. Are there expected to be  
15 funding burdens that continue, or will the project be  
16 completely self-sustaining?

17 MS. RAMIREZ: They do have to reexamine pricing  
18 and go out for pricing again. So, we do see some  
19 potential shifts. But you know, again, this is just  
20 preliminary action to start the process to do the joint  
21 venture and allow them to go after the financing  
22 applications to get to construction start.

23 But they do have to rebid the project at this  
24 point. The bids are old. So that might make some  
25 adjustments.

1 MS. CARDENAS: So, the final approval would  
2 come back?

3 MS. RAMIREZ: Absolutely.

4 MR. RASSIN: Thank you. What I'm trying to  
5 understand -- perhaps this will come back -- is, I  
6 understand if we're committing to a burden to -- I don't  
7 mean burden in a bad way. We're committing to a burden  
8 for the construction, but what tail comes with it?

9 You know, for the next 50, 60 years, are we on  
10 the hook for cost overruns and the operations of the  
11 facility?

12 MS. RAMIREZ: No. I mean there will be a  
13 company agreement that's drafted by Coats Rose, our joint  
14 venture attorney. You know, it will have the long-term  
15 terms of the deal and the compliance. I mean, there will  
16 be auditing requirements and long-term compliance  
17 requirements that will follow similarly to what we did for  
18 the Juniper Creek project and for Park on 14th.

19 But you know, it's also geared to get the  
20 property tax exemption. So, we do have to be invested  
21 long term, but there is auditing and there are compliance  
22 guidelines that will be outlined in the company agreement  
23 and the development agreements.

24 MR. RASSIN: Thank you.

25 MR. WILLIAMS: Madame Chairwoman, I guess,

1 along -- just to kind of piggyback, do you see any -- I  
2 guess, any hurdles, any issues, concerns with this  
3 particular project, or --

4 MS. RAMIREZ: Janine can probably speak better  
5 to that, but I think it's -- you know, just getting the  
6 financing applications in place and making sure that the  
7 construction costs are not exceeding their sources.

8 MR. WILLIAMS: Okay.

9 MS. RAMIREZ: But I know permitting is getting  
10 underway soon as well. So, you know, the goal is to close  
11 by May of this year and start construction soon after, so  
12 it's a very fast timeline. I'll let Janine speak.

13 MS. SISAK: Yeah, that's right. We're shovel-  
14 ready. We've been -- I'm sorry. Janine Sisak, DMA  
15 Development Company, Senior Vice-President and General  
16 Counsel. And you know, have been personally involved with  
17 the Park on 14th.

18 This one's a little different. The Park on  
19 14th was a site that you all owned and went out to RFP for  
20 a developer. And I think, in that case, TSAHC ended up  
21 providing the guarantees and was the managing member.  
22 This deal is kind of the reverse.

23 This is a deal we brought to TSAHC. DMA will  
24 be providing long-term guarantees, both construction  
25 completion, operating guarantees through the term, tax

1 credit delivery guarantees to the investor for the  
2 15 years.

3 So, just to kind of answer or confirm what  
4 Cassandra said there about, you know, being no risk to  
5 TSAHC on this deal. In terms of kind of risks and getting  
6 to closing, we are shovel-ready. The market continues to  
7 be a challenge. Interest rates went up, but then they  
8 went down.

9 Who knows what they'll be when we lock the rate  
10 with HUD? Construction costs went up, but you know,  
11 they've stabilized. So, you know, we do need to go out to  
12 bid and see where the pricing comes in.

13 I will say that the land for this deal was very  
14 expensive. DMA used its own funds to take down the land,  
15 and we're committed to, you know, funding any gap by  
16 leaving our equity in the deal, you know, kind of, again  
17 the reverse of the Park on 14th where TSAHC put equity  
18 into the deal.

19 DMA is prepared here to leave its purchase  
20 price -- so how it would work: we wouldn't write a check  
21 for closing, but we wouldn't take the full 7 million back,  
22 and that's how we intend to fund the gap. So, we're  
23 committed to getting this deal done because we've already  
24 spent upwards of \$2 million on, you know, getting it  
25 permit-ready.



1           So, you know, as we say, in the deal, we're  
2 super pregnant. It's too late for us to turn back. So,  
3 we're going for it, and this is kind of our problem, not  
4 TSAHC's.

5           We're just very appreciative that you would  
6 consider being our partner for this tax exemption, because  
7 we really need it to kind of make this deal make, even  
8 though, you know, it's still -- it's without our own  
9 equity.

10           MR. WILLIAMS: You have skin in the game.  
11 That's --

12           MS. SISAK: I'm sorry?

13           MR. WILLIAMS: You have skin in the game. I  
14 mean, that's pretty much what it is.

15           MS. SISAK: One more time?

16           MS. CARDENAS: You've got -- that you've got  
17 skin in the game.

18           MS. RAMIREZ: Skin in the game.

19           MS. SISAK: Oh, yes, very much so.

20           MR. WILLIAMS: Yes, yes.

21           MS. CARDENAS: Okay.

22           MR. WILLIAMS: Thank you. Thank you for that.

23           And I move that the item at Tab 9 be approved as  
24 presented.

25           MR. RASSIN: Madame Chairwoman, I'll go ahead

1 and second that.

2 MS. CARDENAS: Okay. I've got a first and a  
3 second. Is there any public comment on this item?

4 (No response.)

5 MS. CARDENAS: Seeing none, all those signify  
6 by saying aye.

7 (A chorus of ayes.)

8 MS. CARDENAS: Any opposed?

9 (No response.)

10 MS. CARDENAS: Tab Item 9 is approved as  
11 presented.

12 MS. SISAK: Thank you.

13 MS. RAMIREZ: Thank you all.

14 MR. WILLIAMS: Thank you.

15 MS. CARDENAS: Okay. And we will now move on  
16 to our final item, Tab Item 10, which is the Presentation,  
17 Discussion and Possible Approval for Publication and  
18 Public Comment of the Draft of the Texas  
19 State Affordable Housing Corporation's 2024 Annual Action  
20 Plan.

21 MR. WILT: Good morning, Chairwoman Cardenas,  
22 Board members. I'm Michael Wilt, Senior Manager of  
23 External Relations, here to present the draft 2024 Annual  
24 Action Plan. It's prepared in accordance with Texas  
25 Government Code 2306.566 which requires us to develop a

1 plan to address the state's housing needs.

2 According to 2306.0721, our Annual Action Plan  
3 must be included each year in the state low-income housing  
4 plan prepared by the Texas Department of Housing and  
5 Community Affairs. I want to thank each of the program  
6 managers for providing data and information about the  
7 successes and direction of their programs, and also  
8 reviewing the draft.

9 And I just want to thank Katie and Janie. They  
10 give it a thorough review before it gets seen by y'all.

11 Regarding the process -- today, we're asking  
12 you to approve the draft plan for publication and make it  
13 available for public comment. That public comment would  
14 begin tomorrow, December 20, and conclude on Friday,  
15 January 25, 2024.

16 It also includes a public hearing that we do in  
17 conjunction with TDHCA and that's scheduled for January 9.

18 We take public comment and then we bring back the final  
19 version of the plan to you in February.

20 I will note that the draft plan only includes  
21 program activities through October 31 of this year. We  
22 have to update a few numbers at the end of the year mainly  
23 as they relate to homebuyer programs and development  
24 finance programs. When the plan comes back to you in  
25 February, it will have all the updated numbers through

1 December 31.

2 A few highlights. I always highlight a few key  
3 stats. We're at almost 10,000 households served through  
4 our homebuyer programs through the end of October.

5 Comparatively, last year, we assisted more than  
6 10,400 households. That was for the entire year. So,  
7 we're on track to surpass those numbers, even through the  
8 end of October.

9 I wouldn't be surprised if we've already  
10 exceeded those numbers as of today. In fact, we probably  
11 have. If you're curious, in 2021, we assisted 22,726  
12 households. That was our most ever.

13 And in 2020, it was more than 16,000. Our 2022  
14 and 2023 numbers look closer to 2019, when we assisted  
15 about 9,400 households, but I mean, we have a high  
16 interest rate environment. So, it's remarkable that we're  
17 still doing the volume we're doing. It's remarkable that  
18 our '22 and '23 numbers, you know, are close to what '19  
19 numbers were, considering our interest rates.

20 Our Multifamily Private Activity Bond Program  
21 continues to be heavily subscribed, as you all just found  
22 out today. We closed on more than 115 million in bond  
23 financing last year. That surpassed the 2022 number of  
24 64 million in bond financing.

25 Third, we awarded grants to 66 nonprofits

1 through our Texas Foundations Fund. This is, far and  
2 away, the most awards we've ever made through this  
3 program. Last year was the most awards we'd ever made at  
4 56, and so it just reflects your intent to expand the  
5 impact of the program.

6 Our Single Family Rental Housing Program  
7 continues to rapidly expand with this year's addition of  
8 one home in Georgetown, two in Ft. Worth, and 22 in Flint.  
9 We're up to 63 total homes across four markets.

10 And speaking of that, I would ask that you turn  
11 to page 15 where those Single Family Rental Program  
12 numbers are. Since it's fantasy football season, I have a  
13 stat correction.

14 And it says, 78 total rental homes. That  
15 number is true, but that's for all of our rental homes in  
16 our entire rental home portfolio. Only 63 of those are  
17 single family. So, I would entertain, in addition to any  
18 amendments that you have, an amendment that would change  
19 that 78 number to 63.

20 The other 15 rental homes are all at  
21 Rollins-Martin. So, those are the multifamily rental home  
22 numbers.

23 And lastly, highlight: we hosted our first-  
24 ever conference this year, the Permanent Supportive  
25 Housing Symposium, in early November that brought together

1 200 attendees to learn from each other and share best  
2 practices in supportive housing.

3 With that, take any comments, questions.

4 MS. CARDENAS: So, instead of the 78 rental  
5 homes, you're saying here it's 63?

6 MR. WILT: That's correct, yeah.

7 MR. WILLIAMS: Okay.

8 MS. CARDENAS: Well, it seems, overall, based  
9 on the action plan --

10 MR. WILLIAMS: Good work.

11 MS. CARDENAS: -- and the report you've  
12 provided, everything is very promising and very positive,  
13 despite all the challenges -- right -- that have  
14 transpired through these past years. So, I think --

15 MR. WILT: It's been a good year.

16 MS. CARDENAS: It's -- y'all have -- you know,  
17 collectively, everyone has done an amazing job. So, thank  
18 you all for that.

19 Do y'all have any questions regarding the  
20 Action Plan?

21 MR. WILLIAMS: No. It's good work, everybody.

22 MR. WILT: I would note that, I mean, we do  
23 this plan because we have to. Right? It's a good, high-  
24 level overview of the program activities and forecasting  
25 to next year, but it's not something that we live or die

1 by.

2 That's more reflected in our Strategic Action  
3 Plan in terms of metrics that we use to evaluate  
4 ourselves. This is just more for a public-facing document  
5 that quickly provides a recap and synopsis of our program  
6 activities and brief outlook into the following year.

7 MS. CARDENAS: I mean, I know you all prepare a  
8 lot of data, but I think it's also good because it gives  
9 us an overview -- right -- but it also allows you all to  
10 measure and really kind of see it glaring at you, what you  
11 have done and how it -- comparatively to past years.

12 And so, I think, overall, it's great. I know  
13 you said you have to do it, but it's still good, you know.

14 It's so good to bring this together, all the data, into  
15 one plan.

16 MR. WILT: And ultimately, that State Low  
17 Income Housing Plan is shared with the Governor,  
18 Lieutenant Governor, and Speaker's Office, as also  
19 statutorily required.

20 MS. CARDENAS: Good. Okay. Okay.

21 If there's no other items for discussion on Tab  
22 Item 10, if I can have a motion for approval?

23 MR. WILLIAMS: Chairwoman, this is Lem. I'd  
24 like to make a motion for Tab Item 10, which is the  
25 publication and public comment on the draft of the Texas

1 State Affordable Housing Corporation 2024 Annual Action  
2 Plan.

3 MS. CARDENAS: Okay. Got a motion.

4 MR. RASSIN: Did you want to add the  
5 amendment --

6 MR. WILLIAMS: Do we need that, the amendment?  
7 Well, yes. With the amendment of changing from 78 to 63.

8 MR. RASSIN: Seconded.

9 MS. CARDENAS: Okay. I've got a first and a  
10 second. Do I have any public comments?

11 (No response.)

12 MS. CARDENAS: Seeing none, all those in favor,  
13 signify by saying aye.

14 (A chorus of ayes.)

15 MS. CARDENAS: Any opposed?

16 (No response.)

17 MS. CARDENAS: Tab Item 10 is approved as  
18 presented, with amendments referenced. Okay.

19 Do we have any other items for discussion or  
20 action items?

21 MR. LONG: We do not. We don't have any reason  
22 to go into closed session.

23 And again, I would just remind the Board  
24 members that the next tentative scheduled Board meeting is  
25 on the 16th of January. And we will coordinate with all



1 the Board members and communicate with each of them  
2 independently to make sure we have everybody available.

3 With that, other than that, Madame Chair, we're --  
4 that will conclude all of remarks.

5 MS. CARDENAS: I believe there was a typo  
6 noted, and I know it's in the packet.

7 MR. RASSIN: It was a non-substantive typo in  
8 Item No. 8 or 9.

9 MS. CARDENAS: In the resolution?

10 MR. RASSIN: Yes.

11 MS. DeLEON: Nine.

12 MS. CARDENAS: Nine? The last name?

13 MS. DeLEON: Jamie Long.

14 MS. CARDENAS: Yes. So that way, if that can  
15 just be, I guess, corrected? I don't know if it --

16 MR. RASSIN: I move that --

17 MS. DeLEON: I can correct it.

18 MS. CARDENAS: I don't know if it needs to go  
19 in, or it just -- because it's in the packet, or -- as  
20 long as it's corrected, off to the side.

21 MR. RASSIN: Yeah.

22 MS. CARDENAS: Okay.

23 MR. RASSIN: For good order, I move that that  
24 typo be corrected for --

25 MS. CARDENAS: Okay. No, it's written in --

1 MR. THORNHILL: The resolution.

2 MS. CARDENAS: Yeah. It's in the --

3 MR. RASSIN: Oh, okay.

4 MS. CARDENAS: Yeah. It's spelled out. I  
5 think it's --

6 MR. THORNHILL: Item 9 resolution.

7 MR. WILLIAMS: Got it.

8 MS. LONG: Section 4.

9 MR. WILLIAMS: Okay. Thank you.

10 MS. CARDENAS: Okay. Find it?

11 MR. WILLIAMS: Ah, okay, okay. Thank you.

12 MS. CARDENAS: Okay. Okay. So that notation.

13 Yes. Okay. So, if there's no other items,

14 we'll go ahead and adjourn our meeting at 12:01 p.m.

15 (Whereupon, at 12:01 p.m., the meeting was

16 adjourned.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

C E R T I F I C A T E

MEETING OF: TSAHC Board  
LOCATION: Austin, Texas  
DATE: December 19, 2023

I do hereby certify that the foregoing pages,  
numbers 1 through 83, 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: December 27, 2023

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

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