

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,  
March 19, 2024  
10:30 a.m.

BOARD MEMBERS:

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

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

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ACTION ITEMS IN OPEN MEETING: none

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P R O C E E D I N G S

(10:35 a.m.)

MR. DIETZ: Okay. It is 10:35 a.m. on March 19th, and the Texas State Affordable Housing Corporation Board meeting is called to order. We'll do roll call.

William Dietz, Chair. I am here.

Valerie Cardenas, Vice Chair.

MS. CARDENAS: Present.

MR. DIETZ: Courtney Johnson-Rose is absent.

Lemuel Williams?

MR. WILLIAMS: Present.

MR. DIETZ: And David Rassin.

MR. RASSIN: Good morning. Present.

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

Let's begin with the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited.)

MR. DIETZ: And to the Texas flag.

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

MR. DIETZ: Great. And before we begin, is there any public comment?

(No response.)

MR. DIETZ: Hearing none, Mr. Long, you have a President's Report for us. Welcome back.

1           MR. LONG: Thank you. Apologies for missing  
2 last month. I know I was in good hands with Ms. Taylor  
3 running the meeting on our behalf. But anyway, good  
4 morning, members, Mr. Dietz.

5           The monthly program and financial reports, as  
6 always, are in your Board book. If you have any  
7 questions, I am happy to have staff or myself to answer  
8 those. And if not, I will move on the program area  
9 updates.

10           I always like to let the Board know the Loan  
11 Committee's update. The TSAHC Loan Committee met on the  
12 last week, Tuesday on the 12th. During the meeting, the  
13 Committee considered and approved a loan commitment  
14 extension to Agape Resource and Assistance Center, or  
15 Jericho Village, which is -- excuse me -- a 38-unit  
16 supported multifamily rental community in Wylie, Texas,  
17 which is about approximately ten miles east of Plano.

18           The commitment is one for construction and one  
19 for permanent financing, \$2 million and \$750,000,  
20 respectively -- originally approved by the Board in June  
21 of 2023. Due to these loan amounts being in excess of the  
22 Loan Committee's approval limits, staff will be presenting  
23 the extension requests in greater detail to the Board  
24 later in the meeting under Tab Item 3.

25           The Committee also reviewed and approved a

1 \$760,000 loan to National Church Residences for the  
2 refinance of Live Oak Village, a 76-unit multifamily  
3 senior community in Aransas Pass, Texas, which is  
4 approximately located northeast -- 20 miles northeast of  
5 Corpus Christi. Is that right? While this is not on the  
6 agenda today, we do anticipate bringing this to the Board  
7 in April.

8 In addition, the Committee reviewed and  
9 discussed the Texas Housing Impact Fund loan report, which  
10 consists of all of our outstanding loans. No additional  
11 comments were made regarding those. And as always, I  
12 would like to thank our Board member representative, Mr.  
13 Williams, for his participation and comments during that  
14 meeting.

15 On the strategic plan update, as the Board  
16 knows, we started meeting in October of 2023 in  
17 partnership with Mission Capital. We convened a series of  
18 five sessions aimed at reviewing and refining our  
19 strategic plan, considering our current programs and  
20 services, and looking forward to the future.

21 Throughout these sessions, staff participated  
22 in activities focused on identifying the core motivations,  
23 values, programs, and initiatives that drive our work.  
24 And hopefully, this will culminate in the development of a  
25 new five-year strategic plan.

1           Our final session, which is scheduled for next  
2 Wednesday the 27th, in collaboration with Mission Capital  
3 will consolidate all of our efforts thus far. During this  
4 session, we will establish shared purpose statements,  
5 review and finalize the mission and value statements, and  
6 refine our elevator speeches. We anticipate finalizing  
7 the strategic plan over the next couple of months. Once  
8 completed, we will then be bringing that to the Board for  
9 your consideration and approval.

10           On the program area updates, related to Single  
11 Family, the market continues to be a little bit of a  
12 burden with rates, but we are continuing to see activity  
13 in our programs. We have added three new lenders since  
14 last meeting to our program, where they are now offering  
15 our Single Family programs.

16           We continue to collaborate with our master  
17 servicer, Lakeview Loan Servicing, as we coordinate with  
18 them to transition from our current compliance software  
19 with Emphasys, to a new software system they are creating  
20 called LoanDoc. And that is anticipated to start April  
21 1st.

22           Under fundraising, the Corporation and staff  
23 have been working on submitting an application for  
24 approximately \$2 million to the Capital Magnet Fund, to  
25 support the construction of affordable housing as part of

1 our ACT Land Bank program. If you recall, we already have  
2 an order from Capital Magnet Fund for a little over \$3  
3 million that we received a couple or three years ago. And  
4 that continues to be utilized internally as well.

5 The projects that we anticipate utilizing would  
6 be for the redevelopment of 1910 MLK project, where we are  
7 converting a building we already own to for-sale housing.  
8 As well as construction of homes in Mesquite Woods Phase  
9 II, which is a 22-lot single family subdivision that TSAHC  
10 owns in Harlingen. We also continue to explore other  
11 funding sources, such as funding through the Federal Loan  
12 Bank to support these projects.

13 Under marketing, March is Women's History  
14 Month. And the Corporation continues to work with Medina  
15 Group to market our programs to homebuyers in Harris  
16 County, as well as other counties.

17 We are focusing our communications on  
18 highlighting the evolving role of women in home ownership,  
19 as well as spotlighting woman leaders in housing; some of  
20 our leaders that we have on our Board, Ms. Cardenas and  
21 Ms. Johnson-Rose.

22 We released a new podcast on March 15 featuring  
23 Joniel LeVecque, our Director of Single Family Home  
24 Ownership Programs. And she interviewed Jed Guenther, who  
25 is Senior Vice President with Lakeview Loans Servicing,



1 and he talked about their role as master servicer in our  
2 programs, as well as the wealth of knowledge that he  
3 brought regarding the housing industry.

4 And if you haven't had a chance to listen to  
5 it, I listened to it the other day. And it is really  
6 quite informative. He talks a lot about his relationship  
7 and understanding of how they identify pricing, as well as  
8 the rates and market that they anticipate when they do  
9 master servicing.

10 Lakeview Loan Servicing, which is, again, our  
11 master servicer, is the largest master servicer in the  
12 country right now, with -- I can't even remember the  
13 number he said. But it is in the billions that they  
14 service.

15 I am also pleased to announce that TSAHC is  
16 hiring. Our Communications and Marketing Department has a  
17 position open for a communication and marketing specialist  
18 to support marketing efforts, including social media,  
19 advertising, and graphic design. This new position will  
20 report to Laura Ross, our Senior Manager of Communications  
21 and Development.

22 So, we have had over a hundred applications for  
23 the position. So, they have got their hands full, but  
24 hopefully have some good applicants that they can look  
25 through. Hopefully, in the near future, I will be

1 bringing that new person to the Board, so you can make fun  
2 of them at Board meetings.

3 Foundations Fund, the Board approved publishing  
4 the 2024 Texas Foundations Fund Guidelines for public  
5 comment at the February 20th Board meeting. The  
6 guidelines are currently out for public comment, and the  
7 comment period closes on March 22nd.

8 We anticipate bringing the final 2024  
9 Foundations Fund guidelines to the Board for consideration  
10 and approval at the April Board meeting. So, if there is  
11 any comments or anything, please feel free to reach out to  
12 the staff or myself and we can incorporate those into the  
13 comments that we have.

14 I wanted to, kind of, give the Board a little  
15 bit of an update on a project that we started about three  
16 or four years ago in the discussion phase. And that was  
17 with an opportunity to work with the Texas Department of  
18 Transportation, TxDOT.

19 Over the past several months, we have been  
20 working with TxDOT to finalize the terms of the contract  
21 to administer approximately \$30 million in funding for  
22 affordable housing programs and communities affected by  
23 the expansion of Interstate Highway 35 in North Houston --

24 MR. DIETZ: Forty-five.

25 MR. LONG: I am sorry, 45. What did I say? I'm

1       sorry -- Highway 45 in Houston. Thank you.

2                 Since we first brought this opportunity to the  
3 Board three years ago, I wanted to provide some background  
4 for everyone. Some of you weren't even around when we  
5 first started talking about this and the Board gave  
6 consideration to it.

7                 TSAHC was originally approached by TxDOT in the  
8 summer of 2020 to administer this funding. And we brought  
9 the project to the Board for initial consideration in  
10 October of that same year.

11                With the Board's initial approval, we began  
12 working with TxDOT and our General Counsel, Coats Rose --  
13 specifically, Routt Thornhill -- in early 2021 to draft  
14 the contract outlining our role in the process. However,  
15 the transportation project stalled, due to federal  
16 lawsuit, in spring of 2021, which put all contracting  
17 activities on hold until resolved. Thus, that three-year  
18 delay that we have experienced.

19                However, TxDOT received the green light to  
20 resume contracting activities last fall. And we are  
21 optimistic now that we would be able to bring the contract  
22 to the Board for full consideration and approval later  
23 this spring. TSAHC's role would be to serve as  
24 administrator of that funding, the \$30 million, which  
25 would be administered as grant funding to local housing

1 organizations serving the impacted communities. As well  
2 as from that \$30 million, we would receive our  
3 administrative fee related to that activity.

4 The Corporation plans to approach the project  
5 in two phases. The first phase would consist of  
6 identifying and hiring a local consultant to engage and  
7 interview those impacted communities to identify  
8 affordable housing programs and organizations they feel  
9 best support the needs of the communities. Phase two will  
10 include soliciting applications from the eligible  
11 organizations for funding and administering those funds to  
12 them.

13 As I mentioned before, of the total \$30 million  
14 that we would be awarded, \$1.5 million is available to the  
15 Corporation to cover our consultant costs and other  
16 administrative costs that we associated with administering  
17 the overall program.

18 The next Board meeting that we have scheduled  
19 is Tuesday, April 16th at 10:30. So, again, that is  
20 tentative, obviously, with Board members' availability.

21 But with that, Mr. Chairman, I will conclude my  
22 remarks. And if there is any questions, I am happy to  
23 answer any questions.

24 MR. DIETZ: Great. Thank you. Any questions  
25 or comments for Mr. Long?

1 MR. RASSIN: I do have one question.

2 MR. DIETZ: Sure.

3 MR. RASSIN: You may not know the answer off  
4 the top of your head. With the I-45 project, is there --  
5 considering the amount of litigation that surrounds it, is  
6 there any kind of indemnity in the contract where our  
7 legal fees would be covered if we are dragged into an  
8 indemnification?

9 MR. LONG: I actually don't know the answer to  
10 that, but --

11 MR. THORNHILL: [inaudible, from audience].

12 MR. LONG: Pardon? Last we looked at it, do  
13 you know?

14 MR. THORNHILL: We have to see the contract.

15 MR. LONG: That is Routt Thornhill, General  
16 Counsel, who has been reviewing the contract for this.  
17 But I don't think we have any -- I mean, I don't know the  
18 answer to the question, Mr. Rassin. But I am happy to get  
19 that for you, or make sure that it is included, if that  
20 needs to be -- if that is your recommendation.

21 MR. RASSIN: Thank you. You said it was  
22 one-something million dollars for our own administration  
23 costs. And I wondered whether potential litigation fees  
24 are included in that.

25 And perhaps we could also discuss the

1 likelihood of that litigation. Perhaps we're far enough  
2 away from it that it wouldn't reach us.

3 MR. LONG: I will tell you that the contract is  
4 still -- it has not been finalized or signed. So, that is  
5 something that we would certainly look back to, now that  
6 you have made that comment. I will double check to be  
7 sure that it is there. But thank you.

8 MR. RASSIN: Thank you.

9 MR. WILLIAMS: I have a question regarding --  
10 so, you talked about the 1.5 out of the \$30 million. 1.5  
11 is for various resources like marketing, communications,  
12 is that right?

13 MR. LONG: It is for whatever we feel  
14 appropriate.

15 MR. WILLIAMS: Yes.

16 MR. LONG: The first part will be for us to use  
17 those funds to hire a consultant to help us work with the  
18 communities that are being affected.

19 MR. WILLIAMS: I guess with the surveys and  
20 outreach, to better understand placement of affordable  
21 housing, would that be a cost in which the Corporation  
22 would bear, or could that be, let's just say, something in  
23 joint partnership with TxDOT? Because I know that TxDOT  
24 is involved in affordable housing as well.

25 Not to say that hey, TxDOT, you pay for that,

1 and we'll help kind of manage, oversee. I am just trying  
2 to understand. Because if we are talking about there is  
3 going to be a survey to understand like, okay, where are  
4 we going to build affordable housing along 45? Couldn't  
5 TxDOT help pay for that, or is that going to be a cost  
6 that we are going to incur?

7 MR. LONG: I think that it will depend on, you  
8 know, partly, what our consultant determines is going to  
9 be the needs of the communities. It may not just be that  
10 it is just for the construction of or related to  
11 affordable housing. It could be a variety of other things  
12 related -- about services and other things.

13 MR. WILLIAMS: Yes.

14 MR. LONG: But certainly, I don't have an  
15 answer for you on that, per se, because I don't know yet  
16 what the demand would be. But Katie has been coordinating  
17 with the contract ongoing -- her and Michael had been  
18 working with TxDOT on that.

19 MR. WILLIAMS: Okay.

20 MR. LONG: So, Katie, do you want to answer, or  
21 provide any insight on that?

22 MS. CLAFLIN: Yes. Katie Claflin, Senior  
23 Director of Communications and Development.

24 I would just add, in our communications with  
25 TxDOT, I think they understand, as well as we understand,

1 that \$30 million will not touch -- fully solve the  
2 affordable housing needs of these communities.

3 MR. WILLIAMS: Yes.

4 MS. CLAFLIN: And so, we do anticipate that our  
5 work with the consultant will show that the affordable  
6 housing needs are much greater. But we think that it will  
7 give us, you know, an opportunity to figure out what the  
8 housing programs and housing opportunities are in that  
9 area.

10 And certainly, we can communicate with TxDOT if  
11 there is a larger need, if they are able to contribute  
12 additional funds in the future.

13 MR. WILLIAMS: Okay.

14 MS. CLAFLIN: And also, with the funders that  
15 we currently work with, you know, we certainly want to  
16 make this information available to them. If there is  
17 opportunity to leverage additional funds beyond this TxDOT  
18 funding --

19 MR. WILLIAMS: No. I appreciate that. Yes.  
20 I think that is probably the concern around the question I  
21 wanted to ask, but I just didn't know how to ask that.

22 Just based upon, just -- it's kind of like,  
23 okay, you know. You look at -- you hear about \$30  
24 million. Of course, you are thinking like, \$30 million.  
25 It is a lot.



1           But it is not significant to solve what we want  
2 to truly solve. And then you are talking about almost 5  
3 percent of that. And so, now you start dwindling down  
4 even further, the 1.5.

5           So, you are kind of like, where does that take  
6 us? Where does that go? So, no. I appreciate the  
7 initial -- the additional context of that.

8           MS. CLAFLIN: Yes. I did want to provide one  
9 point of clarification, that the \$1.5 million would be for  
10 TSAHC's administrative costs associated with the  
11 consultant.

12           MR. WILLIAMS: With the consultant.

13           MS. CLAFLIN: Staffing, marketing, like you  
14 mentioned. And then the remaining \$28.5 million would be  
15 specifically to invest in those housing programs and  
16 projects. So, it would be a total of about \$30 million  
17 available.

18           MR. WILLIAMS: Okay.

19           MR. DIETZ: Once we have a bylaws contract,  
20 then it will come back to the Board. So, we'll have more  
21 opportunities to discuss the details at a later date,  
22 correct?

23           MR. LONG: Correct.

24           MR. DIETZ: Great.

25           MS. CLAFLIN: We're very optimistic it will be

1 later this spring.

2 MR. DIETZ: Great. Great. And also, I think  
3 it is probably worth noting that this \$30 million is  
4 specifically designated for affordable housing that is  
5 related to this whole project.

6 But there are lots of other funding sources  
7 providing a lot of other services like rerouting roads,  
8 that sort of thing, that we are just not involved in. Is  
9 that a correct statement?

10 MS. CLAFLIN: That is correct. Yes.

11 MR. DIETZ: Yes.

12 MS. CLAFLIN: And specific to that -- and this  
13 is a question that we have gotten pretty frequently -- is  
14 that this funding is not specifically to provide to those  
15 who are being directly displaced. There is a completely  
16 separate pot of funding available to those homeowners,  
17 renters, and businesses that are being displaced. And we  
18 are not involved in that portion of it.

19 MR. DIETZ: Great. Well, we'll look forward to  
20 hearing more about it. Yes.

21 Any more questions?

22 MR. WILLIAMS: No, I was just saying -- yeah.  
23 We definitely -- yes. This is good information.

24 We don't want to take away from the agenda,  
25 because it is not on the agenda. But, yes. Definitely,

1       yeah, we want to dive a little bit deeper into it.

2                       Because I can, kind of, see we can get into a  
3       rabbit's hole with this, especially with the funding and  
4       kind of where our recommendation just kind of falls.  
5       Because ultimately, we want to see the Corporation win.  
6       We want to see homeowners win.

7                       So, that is kind of where I think the focus is  
8       either \$30 million, 1.5. We are just trying to figure out  
9       what we don't know at the moment. So, appreciate that.  
10      Thank you.

11                      MR. LONG: And I would commend the staff,  
12      Katie, and Michael, and the team. They have done a lot of  
13      work.

14                      And this is something, as I said before, it was  
15      put on three-year pause for us. And so, we were picking  
16      it back up. And of course, they wanted to hit the ground  
17      running. And you know, you have, kind of, got to restart  
18      the engine, if you will.

19                      And so, we want to make sure everything is done  
20      right, I's are dotted, T's are crossed. And certainly get  
21      the Board's consideration and approval as we move forward.  
22      I don't think the staff, we as a whole, would have wanted  
23      to move forward with this if we didn't think we could do a  
24      really good job at it. I think we pride ourselves -- I  
25      have pride. I take a lot of pride in the fact that we

1 take something on, we do a really good job of it.

2 And so, I appreciate the fact that Katie has,  
3 kind of, led this charge in coordinating on it. And if we  
4 bring it back to the Board, it will be because we think we  
5 are ready to go.

6 MR. DIETZ: I think it says something positive  
7 about the organization that the Texas Department of  
8 Transportation reached out to us as a provider of services  
9 like this statewide. And it is a perfect fit for exactly  
10 why this organization exists.

11 And I commend the staff for being willing to  
12 take that on. Because that is going to be a big project,  
13 and take a lot of time, and resources. But I think it is  
14 absolutely worthwhile.

15 And so, thanks. Thank you to the staff for  
16 being willing to jump in there and help the state and that  
17 specific community in this way.

18 MR. LONG: Katie, you might tell them again the  
19 time frame of this process. It is not just a one-year  
20 deal.

21 MS. CLAFLIN: Sure. So, I think we are looking  
22 at this would be a five-year process. The first year  
23 would be specifically that Phase One that David mentioned,  
24 where we would be engaging a consultant to help us  
25 identify the specific housing needs and opportunities in

1 the area, or in the impacted communities. And then the  
2 next four years would be the actual administration of the  
3 funds.

4 So, we know that this is something that is  
5 going to take quite a while to do correctly. And we  
6 really want to make sure that we take our time, and we  
7 fully understand what the needs and the opportunities are.  
8 So, there will be lots of updates and opportunities for  
9 Board engagement along the way, and we really appreciate  
10 your feedback.

11 MR. RASSIN: If it is not meant to address the  
12 needs of displaced persons, I look forward to hearing what  
13 it does do.

14 MR. LONG: Certainly. Yes. Thank you.

15 MR. DIETZ: Any other comments or questions?

16 (No response.)

17 MR. DIETZ: Great. Thank you for that  
18 presentation.

19 MR. LONG: Thank you.

20 MS. CLAFLIN: Thank you.

21 MR. DIETZ: And Mr. Long, we were at the end of  
22 your President's Report, correct?

23 MR. LONG: Yes. We are done.

24 MR. DIETZ: Okay. Anything else?

25 MR. LONG: The next Board meeting is scheduled

1 for April 16th.

2 MR. DIETZ: Great. Any other questions for Mr.  
3 Long about any other topics?

4 (No response.)

5 MR. DIETZ: Great. Well, if we are ready, then  
6 we will move into the action items for our open meeting  
7 today.

8 Tab 1 is the presentation, discussion and  
9 possible approval of minutes of the Board meeting that was  
10 held on February 20, 2024. Any corrections or questions  
11 or amendments to the minutes?

12 (No response.)

13 MR. DIETZ: If not, is there a motion to  
14 approve?

15 MR. WILLIAMS: Mr. Chairman, this is Lemuel  
16 Williams. I will make a motion to approve the Board  
17 minutes held on February 20, 2024.

18 MR. DIETZ: It has been moved. Is there a  
19 second?

20 MR. RASSIN: I'd like to second that motion.

21 MR. DIETZ: Okay. It has been moved and  
22 seconded that we approve the minutes of the Board meeting  
23 held on February 20, as submitted.

24 Is there any public comment?

25 (No response.)

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

3 (A chorus of ayes.)

4 MR. DIETZ: Any opposed?

5 (No response.)

6 MR. DIETZ: Okay. The minutes are approved as  
7 submitted.

8 Tab 2 is an update and discussion of the  
9 Sandpiper Cove Apartments project. This tab item requires  
10 no Board action.

11 MR. LONG: Correct.

12 MR. DIETZ: It is simply for our update. And  
13 thank you to the staff for providing us with this update.  
14 Because we specifically asked, at the time, that we did  
15 follow up on this project.

16 If you were onboard at that time, you know that  
17 there was a lot of public comment, a lot of community  
18 input, and a lot of different opinions. And so, we wanted  
19 to make sure we really follow through on this particular  
20 item.

21 So, I am thankful to the staff for doing  
22 exactly what we asked you to do. Thank you.

23 MS. STUBBS: Yes. Of course. Good morning,  
24 Board Chair, and Board members. I'm Celina Stubbs,  
25 Director of Asset Oversight and Compliance.

1           My glasses are only to read. So, you might  
2           seem a little blurry. I might hold on.

3           But you are right. We have done a lot of  
4           oversight on this property. In fact, the construction is  
5           something that we have never really done.

6           But we went out there. And we don't usually  
7           see a property, or inspect a property about two years  
8           after, so we can see what the rehab looks like and the end  
9           result of it.

10           So, today, I will be providing you with an  
11           overview on Sandpiper Cove's 2023 Asset Oversight and  
12           Compliance review that I conducted in October of 2023.  
13           So, as you recall, this bond transaction received  
14           considerable staff review and Board consideration over  
15           several Board meetings. In addition, the transaction  
16           received significant scrutiny, external input, and  
17           publicity during the review process.

18           Ultimately, the Board approved the transaction  
19           in February of 2022. Shortly after closing, ITEX provided  
20           us with a construction contract which detailed that rehab  
21           activities began shortly after closing, with an  
22           anticipated completion date of August 2023. In August, we  
23           reached out to the developers team, and they confirmed  
24           that several items were completed, including the interior  
25           rehab of all 192 units.



1           And I mentioned that there were a few pending  
2 items. So, in October of 2023, I completed the review.  
3 So, I conducted both an asset oversight review and a  
4 compliance review.

5           The asset oversight review monitors the  
6 physical and financial condition of the property. And the  
7 compliance review is more a review of management's policy  
8 and procedures and a tenant follow-up review which is for  
9 income eligibility purposes.

10           So, specific to the asset oversight review, I  
11 completed a physical inspection of the property grounds  
12 and four vacant units. The units I inspected were all in  
13 good condition and ready for occupancy, as you will see in  
14 the photos that were provided to you today. However,  
15 there were a handful of pending items noticed during the  
16 inspection of the property grounds.

17           For example, the management office wasn't  
18 completed. Sorry. The property access gates weren't  
19 installed yet. Exterior and interior sidewalk had cracks  
20 and tripping hazards, et cetera -- a few other things that  
21 I noticed while I was walking the grounds.

22           Because of these pending items, I issued one  
23 finding on the report. And the corrective action to close  
24 that finding was to provide me with monthly construction  
25 progress reports, so that I could see what steps were

1 taken until it is all completed.

2 To date, I have received two monthly progress  
3 reports, for the ending of January, and the ending of  
4 February, 2024. The four pending items are as follows.

5 So, the management office that was under  
6 construction at the time of my visit is now complete. The  
7 new office includes a community room, a business center, a  
8 laundry room, a gym, and the mail center. This was  
9 completed in the middle of December and they have now  
10 since moved in and are functioning just fine in their new  
11 office.

12 The parking lots. So, when I was out on site,  
13 there were prepping the entrances of two parking lot areas  
14 to install automatic access gates. And that wasn't  
15 completed at that point.

16 At the end of February, the developer let us  
17 know that it is still not complete, nor are they going to  
18 complete it until the pavement topping is complete. And  
19 they will not do that until the environmental work is  
20 completed. This environmental work is scheduled to take  
21 place in April 2024. And they are currently awaiting  
22 approval from the Texas Commission on Environmental  
23 Quality to get that taken care of.

24 And obviously, in February, there was no  
25 update, since we are waiting for April.

1           There were also damaged sidewalks, resulting in  
2 trip hazards in front of the management office. In  
3 January, I was informed that the item is still not  
4 completed until this environmental work gets completed in  
5 April. The owner disclosed that the environmental work is  
6 needed to prevent destroying any of their already  
7 completed work, because they are going to have to  
8 excavate. And so, they want to make sure all of that is  
9 looked at before they do the work.

10           In February's progress report, the owner  
11 confirmed that the sidewalks directly in front of the  
12 management office had been completed. However, there is a  
13 portion on the side of the management office that they are  
14 not going to complete until they get that environmental  
15 work done in April.

16           I was also informed that the owner is working  
17 with the city to address the trip hazards and uneven  
18 sidewalks within the public right-of-way. And you will  
19 see those also in your photos.

20           Lastly, there were several rehab materials that  
21 were on property grounds that, quite frankly, provided not  
22 the best curb appeal for a property that is being  
23 rehabilitated. They had a large pile of bricks that were  
24 not neatly placed. They were kind of just thrown on a  
25 corner of the property.

1           In addition, they had large storage bins. They  
2 had a lot of trucks on the grounds, and a lot of just  
3 construction materials. At the end of January, the owner  
4 did confirm that the majority of the materials were  
5 removed in the middle of February. In February's report,  
6 they confirmed that all materials except for concrete  
7 materials will be removed by March 15th.

8           So, as I mentioned, I will continue to monitor  
9 the completion of rehab activities through monthly  
10 progress reports, and the finding on the report will not  
11 be closed until every item is checked off that box.

12           There were a few things that I also wanted to  
13 mention to you guys that I did not cite as a finding.  
14 While walking the property grounds, I was able to confirm  
15 that they did install a six-foot iron beam below the  
16 exterior gates, brick wall of the property. I know that  
17 was a big point of contention with the project.

18           And I also noticed a few urgent items that  
19 resulted or that potentially could be trip hazards that  
20 they did fix while I was on site, since they had a  
21 construction team out there. That was some uneven  
22 surfaces on walk paths between buildings, little sewage  
23 pipes that didn't have their coverings. And they got  
24 those closed. And some uneven, or unstable stairwell  
25 beams that they were able to all secure before I left the

1 property that day.

2 So, their eagerness to get it done was really  
3 impressive. They got it all done for me.

4 I also mentioned that I conducted a compliance  
5 review. This says the property's written policies and  
6 procedures were satisfactory, and all within property and  
7 program requirements.

8 I reviewed 16 tenant files. Ten of those 16  
9 did result in findings. The findings were due to tenants  
10 having incomplete forms, income calculation errors, and  
11 did not provide an updated unit status report, which is a  
12 requirement of management.

13 However, none of these findings resulted in  
14 overall program eligibility issues. So, therefore, they  
15 were written as findings that just result in them  
16 providing me with corrective action. Management submitted  
17 corrective action for seven of the ten findings prior to  
18 the issuance of the report, and then followed up by  
19 submitting corrective action for the final three findings  
20 within the corrective action period.

21 And I was able to issue a findings cleared  
22 letter and close out the report on February 16th. So,  
23 they were able to take care of that report. So, overall,  
24 the owner, management, agent, site staff has all been  
25 responsive to all inquiries and appear very eager to

1 complete all rehab activities and to provide safe, decent  
2 and affordable housing.

3 I do want to point out that we have been  
4 recently notified that the management agent that was  
5 approved during the transaction approval, J. Allen  
6 Management, is no longer involved with the development.  
7 As of February 16th, a new property management, Arnold  
8 Grounds Property Management, has been put in place.

9 This concludes my summary of Sandpiper. And I  
10 am open to answer any questions you may have.

11 MR. DIETZ: Thank you. Any questions?

12 MR. WILLIAMS: I have several. We appreciate  
13 the update. When I saw Sandpiper Cove, I just, you know,  
14 just kind of shrugged my shoulders a little bit. I am  
15 trying to figure out where to start.

16 So, for the property management, J. Allen, do  
17 you have a reason why they are no longer involved?

18 MS. STUBBS: They did not disclose any  
19 information. I just received an email saying that they  
20 are now with Arnold Grounds.

21 MR. WILLIAMS: Okay.

22 MS. STUBBS: I have not ever worked with Arnold  
23 Grounds. However, I will say that I immediately got them  
24 set up and they are very, very aware of our monthly  
25 deadlines to report these unit status reports, and they

1 did meet that deadline.

2 MR. WILLIAMS: Yes.

3 MS. STUBBS: So, so far, so good.

4 MR. WILLIAMS: Okay. Okay. Another part of  
5 your report, you were talking about -- I guess there were  
6 various construction materials that needed to be removed  
7 that, I guess, the property management company said it was  
8 going to be removed by March 15th, or March 19th. So, I  
9 guess, did it get removed?

10 MS. STUBBS: Well, that was part of the end.  
11 So, I asked them to provide me with construction updates  
12 for the last day of each month.

13 MR. WILLIAMS: Yes.

14 MS. STUBBS: So, on the last of February, they  
15 said that the remaining materials outside of the concrete,  
16 except for concrete, will be picked up March 15th. And  
17 so, I am waiting for March.

18 MR. WILLIAMS: Okay.

19 MS. STUBBS: So, some of them were removed,  
20 just not all.

21 MR. WILLIAMS: Okay. Okay. The last piece,  
22 which I think I know how to ask. But definitely help me  
23 out.

24 So, you were talking about the gates needing to  
25 be installed. But they couldn't be installed because of

1 they are waiting on the pavement of the parking lot --

2 MS. STUBBS: The topping.

3 MR. WILLIAMS: The topping of the parking lot.

4 So, the problem is the topping of the parking lot won't  
5 happen until April, until they receive the report from  
6 TCEQ. Correct?

7 MS. STUBBS: Correct.

8 MR. WILLIAMS: Okay. So, I guess my question  
9 is, if you began asking for reports from October until  
10 now, how long have they known that they needed these  
11 reports from TCEQ?

12 MS. STUBBS: I am not aware of how long that  
13 they have known. It is definitely on their radar now.

14 I will say that the rehab of the property did  
15 take a little longer than anticipated. But it was during  
16 the time frame where all properties that are going through  
17 rehabs have been taking a little bit longer. And I think  
18 that might just be material, getting work staff out there.

19 But as far as the Texas Commission of  
20 Environmental, I am not sure how long they have been  
21 waiting for that report. But I can certainly ask for that  
22 information and give you an update next month.

23 MR. WILLIAMS: Okay. Yes. Because that way,  
24 if they are just kind of -- everyone has spent -- and when  
25 I say everyone, whether if it is the management company,



1 property management, the Board, tenants, everyone has  
2 spent a lot of time on this.

3 And there were a lot of feedback, both  
4 positive, negative, and indifferent behind it. So, just  
5 you know, when you mentioned that, I was just kind of  
6 thinking about timeline.

7 Like, okay. If you knew that you needed a  
8 report, but then you have to give monthly updates, how  
9 long have you known that this report wasn't going to be  
10 until an X period of time. Not trying to accuse or say  
11 anybody is doing anything.

12 Just, like I said, everybody has spent a lot of  
13 time on this. And there were a lot of passionate  
14 commentary behind it.

15 So, other than that, thank you so much for this  
16 report. I know it is a long time coming for everyone  
17 here. Just by looking at the photos, it looks amazing.

18 Actually, one other question. Were you able to  
19 get any resident feedback, kind of just from the  
20 rehabilitation of what they have seen from the actual  
21 place, living quarters?

22 Because the last time I mean, this room was  
23 packed with residents. And some had not so good feedback.  
24 Others, they were just happy to be there.

25 But since this is a rehab, just wanting to

1 know, have you seen any feedback? Have you gotten  
2 anything from residents?

3 MS. STUBBS: We have not.

4 MR. WILLIAMS: Okay.

5 MS. STUBBS: Since, I mean, quite frankly,  
6 after the day it closed, this might be -- if there was a  
7 complaint, they usually directly go to Michael Wilt.  
8 However, if it is anything to do with my department or a  
9 tenant in the property that we serve, yes, I will hear  
10 about it, right. And so, there was nothing that came  
11 through after the approval.

12 MR. WILLIAMS: Okay.

13 MS. STUBBS: We didn't receive any complaints.  
14 There is also a form that our tenants -- or not our  
15 tenants, but our participant tenants need to sign, saying  
16 that if they have an issue or a complaint, and they go  
17 through property, and they go through their site staff,  
18 and it is not being addressed, they have our direct  
19 contact information to get a hold of us. That needs to be  
20 signed by every person, once the rehab takes over, even at  
21 new construction developments.

22 That form is in there. And to date, I haven't  
23 received a single call from anybody that lives at  
24 Sandpiper.

25 While I am on site, if I do see tenants, it is

1 not a normal practice to get feedback from tenants.

2 MR. WILLIAMS: Yes.

3 MS. STUBBS: So, that does not happen.

4 However, if I am onsite and there is, you know, tenants  
5 sitting outside, I always say, hello, how are you.

6 If I go into a unit that is occupied, I always  
7 ask how is your unit, is everything working well. In this  
8 case, I inspected four vacant units. So, there was no  
9 tenant to really ask those questions.

10 MR. WILLIAMS: Yes.

11 MS. STUBBS: I did make myself noticeable. I  
12 said hi to people that were outside, and at no time did  
13 they stop me. And they have stopped me before. But they  
14 didn't in this case.

15 MR. WILLIAMS: Okay. Okay. Like I said, thank  
16 you again. I know a lot of time, effort, and work has  
17 been placed into it. So, appreciate it.

18 MS. STUBBS: Yes, it has. And I am very happy  
19 to say that they are 94 percent [sic] occupied. But you  
20 know, for two years, they were kind of averaging 70  
21 percent, and that was because they moved people around as  
22 they were rehabbing these units. But as of March, they  
23 are 99.4 percent occupied.

24 MR. WILLIAMS: That is great. That is great.

25 MR. DIETZ: Any other questions or comments?

1 MR. WILLIAMS: Mr. Chairman, I am done.

2 MR. DIETZ: No? Great. Thank you very much  
3 for that presentation. Appreciate it.

4 MS. STUBBS: Of course. Thank you.

5 MR. DIETZ: All right. Since that requires no  
6 Board action, we'll just move straight into Tab 3, which  
7 is the presentation, discussion and possible approval of  
8 loan commitment extensions to Agape Resource and  
9 Assistance Center, Incorporated, or an affiliate, for both  
10 a \$2,000,000 construction loan and a \$750,000 permanent  
11 loan related to Jericho Village, a 38-unit supportive  
12 multi-family rental community in Wylie, Texas.

13 MS. RAMIREZ: Good morning, everyone. My name  
14 is Cassandra Ramirez. I am the Development Finance  
15 Manager.

16 And as David mentioned earlier in his  
17 presentation, these loans were previously approved by you  
18 all in June. We are coming back to you all for  
19 consideration of approval of loan commitment extensions so  
20 that the developer owner can finish their final  
21 fundraising piece. They have an application that they are  
22 submitting that will not get notification until October.  
23 So, we would like to put in a little bit of time after  
24 October, so that they can mobilize to close and start  
25 construction.

1           To give you a little bit more of a background  
2 on this project. You know, this is 38 units in Wylie,  
3 Texas. This is an area that doesn't have a lot of  
4 affordable housing to begin with.

5           And this developer has made great strides in  
6 progress to date, since this project was initially  
7 approved for funding. They have building permits ready to  
8 go. They have fundraised almost \$5 million in terms of  
9 grants, in-kind contributions, et cetera.

10           They received an award for public vouchers from  
11 the City of Plano, which is very, very impressive. And it  
12 will really help them with their operating costs. And as  
13 David mentioned earlier, the Loan Committee met last week  
14 and, after review of the history, approved a loan  
15 commitment extension through the end of December of this  
16 year.

17           To give you a little bit more reason why we  
18 need a loan commitment extension or why this project needs  
19 a loan commitment extension, it is related to their  
20 Federal Home Loan Bank award that they got in December.  
21 They were ready to go start construction soon after,  
22 mobilized. But the member bank pulled out of the award,  
23 and they had to get the award back.

24           So, impressively enough, they found another  
25 member bank, which is not easy to do for the Federal Home

1 Loan Bank program. And they are submitting an application  
2 this spring, with notification anticipated by October.  
3 And as I mentioned, we are recommending an extension  
4 through the end of December, so they can mobilize for a  
5 loan closing and construction start.

6 Another thing to mention on this loan, or these  
7 loans, is that we are using Capital Magnet Funds as a  
8 funding source. And it is a very difficult source to  
9 place into projects.

10 So, you know, we would have to find another  
11 loan to put these funds into. So, for that reason as  
12 well, we highly recommend approving an extension so that  
13 they can meet their funding goal and we can start  
14 construction. And as I mentioned, they are really close.

15  
16 MR. DIETZ: Without the extension, the date  
17 would be what?

18 MS. RAMIREZ: March 18. That expired  
19 yesterday.

20 MR. DIETZ: Okay.

21 MS. RAMIREZ: So, we previously approved an  
22 extension through Loan Committee, but per policy, we need  
23 to go to you all for any additional extensions.

24 MR. DIETZ: Great.

25 MS. CARDENAS: And then after construction, or

1 assuming, right, obviously approval, and they get that  
2 additional funding, they begin construction. What is the  
3 timeline there? Is there, you know, a time frame before  
4 that expires and then it needs to come back?

5 MS. RAMIREZ: Well, there is the construction  
6 loan. There is the \$2 million construction loan that  
7 TSAHC approved, and then the \$750,000 permanent loan. So,  
8 we are going to be in it for the long run.

9 But after the construction period, their other  
10 perm lender will pay off the --

11 MS. CARDENAS: I guess my question is, how long  
12 is the construction period?

13 MS. RAMIREZ: The construction period, at least  
14 18 months.

15 MS. CARDENAS: Okay.

16 MR. DIETZ: Any other questions or comments?

17 (No response.)

18 MR. DIETZ: Okay. Then is there a motion?

19 MR. WILLIAMS: Chair? This is Lem. I will go  
20 ahead and make the motion to approve the loan commitment  
21 extensions to Agape Resource and Assistance Center,  
22 Incorporated, or an affiliate, for both a \$2,000,000  
23 construction loan and a \$750,000 permanent loan related to  
24 Jericho Village, which is a 38-unit supportive  
25 multi-family rental community in Wylie, Texas.

1 MR. DIETZ: Great. It has been moved. Is  
2 there a second?

3 MS. CARDENAS: Second.

4 MR. DIETZ: Is there any public comment?

5 (No response.)

6 MR. DIETZ: Hearing none. All in favor, please  
7 say aye.

8 (A chorus of ayes.)

9 MR. DIETZ: Any opposed?

10 (No response.)

11 MR. DIETZ: Okay. The loan commitment  
12 extensions are approved as submitted. Thank you.

13 On to Tab 4. I think we are just kind of  
14 cleaning up some of our documents, if I understand  
15 correctly. Tab 4 is the presentation, discussion and  
16 possible approval of a resolution to approve the Eleventh  
17 Amended and Restated Bylaws of the Corporation.

18 MR. LONG: That is correct, Mr. Chairman. Let  
19 me have Mr. Thornhill give a kind of an overview. He  
20 drafted the resolutions for the Board, as well as worked  
21 with us in making sure that we correctly clean these up.

22 And the first one, if you look at Tab Item 4,  
23 is basically to address the change in address, since we  
24 have been in this building here. And some other changes.

25



1           So, Mr. Thornhill, go from here.

2           MR. THORNHILL: Routt Thornhill at Coats Rose,  
3 P.C., which is General Counsel for the Corporation. The  
4 staff came to me and asked that they found some overdue  
5 housekeeping issues that needed to be addressed in the  
6 formal legal documents establishing the Corporation.

7           And so, I undertook to make some changes that  
8 are highlighted in your presentation, or in your books.  
9 And a redline of the bylaws. And the staff wants to  
10 continue with the process of amending and restating the  
11 bylaws each time, so there is a complete document, you  
12 know, a single source to go to, for determining the bylaws  
13 issues.

14           And if you all turn it over to page -- let's  
15 see here, page 7 of the bylaws, 42 of your booklet. You  
16 will see the one and only change that we are proposing to  
17 the bylaws. And it is just to, again, clean up the  
18 difference in the principal office and to take out the  
19 mailing address, because now the mailing address is an  
20 office. We don't have a P.O. box anymore.

21           MR. WILLIAMS: And instead of the 10th, it is  
22 the 11th.

23           MR. THORNHILL: Exactly. That is the other  
24 redline change, yes -- the differentiated.

25           MR. DIETZ: Great. Any questions or comments

1 about that amendment to our bylaws?

2 (No response.)

3 MR. DIETZ: If there are no questions or  
4 comments, is there a motion?

5 MR. RASSIN: I would like to move that we  
6 accept the resolution as presented.

7 MR. DIETZ: Is there a second?

8 MS. CARDENAS: Second.

9 MR. DIETZ: Okay. It has been moved and  
10 seconded that we accept the resolution to approve the  
11 Eleventh Amended and Restated Bylaws of the Corporation as  
12 presented. Is there any public comment?

13 (No response.)

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

16 (A chorus of ayes.)

17 MR. DIETZ: Any opposed?

18 (No response.)

19 MR. DIETZ: Okay. The resolution is approved  
20 as presented.

21 Tab Item 5 is the presentation, discussion and  
22 possible approval of a resolution to approve Certificate  
23 of Amendment for the Corporation.

24 MR. THORNHILL: Routt Thornhill, Coats Rose,  
25 P.C., the General Counsel for the Corporation. Another

1 cleanup housekeeping item, and that is a requirement for  
2 an amendment to the Articles of Incorporation that were  
3 filed by the Corporation back in 1994.

4 This can be effectuated by -- the Secretary of  
5 State has forms. The Certificate of Amendment that is in  
6 your packet is the document that we drafted to make the  
7 change. The change is not substantive, in that it is just  
8 to try to preclude having to amend the Certificate of  
9 Formation every time there is a change in the board of  
10 directors.

11 So, we have just gone ahead and outlined what  
12 the statute requires. And that is, we have five positions  
13 appointed by the Governor. And there's a statement  
14 about -- they have to be made without regard to certain  
15 protected persons, protected classes.

16 So, we left all that language in there. We  
17 just took out any of the reference to the exact names of  
18 the board of directors. And this will be filed with the  
19 Secretary of State's office in their corporation division,  
20 if you approve it.

21 Any questions?

22 (No response.)

23 MR. DIETZ: Questions or comments?

24 (No response.)

25 MR. DIETZ: Or, if there are none, is there a

1 motion?

2 MR. RASSIN: I'd like to move that the  
3 resolution be approved as presented.

4 MR. DIETZ: And is there a second?

5 MS. CARDENAS: Second.

6 MR. DIETZ: Okay. It has been moved and  
7 seconded that we approve the resolution to approve  
8 Certificate of Amendment for the Corporation, as  
9 presented. Is there any public comment?

10 (No response.)

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

13 (A chorus of ayes.)

14 MR. DIETZ: Any opposed?

15 (No response.)

16 MR. DIETZ: Okay. The resolution is approved  
17 as presented.

18 MR. THORNHILL: Thank you.

19 MR. DIETZ: Thank you. And I think that brings  
20 us to the end of our tab items, or our action items for  
21 our meeting today.

22 There is no reason for us to go into closed  
23 meeting, is there?

24 MR. LONG: There is not, sir.

25 MR. DIETZ: Okay. Any announcements or closing

1       comments?

2                   MR. LONG:  No.  We'll keep the Board informed  
3       as to the plan for the April Board meeting.  It is  
4       tentatively the 16th right now.  And if we confirm quorum,  
5       then we will go from there regarding agenda items.

6                   MR. DIETZ:  Great.  So, it is 11:23, and the  
7       meeting is now adjourned.

8                   (Whereupon, at 11:23 a.m., the meeting was  
9       concluded.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board  
LOCATION: Austin, Texas  
DATE: March 19, 2024

I do hereby certify that the foregoing pages, numbers 1 through 46, 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: March 25, 2024

/s/ Carol Bourgeois  
(Transcriber)

On the Record Reporting  
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