

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,  
August 20, 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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1  
2 MR. DIETZ: It is 10:31 a.m. on Tuesday, August  
3 20th, and the Texas State Affordable Housing Corporation  
4 Board meeting is called to order.

5 We'll do our roll call first. William H.  
6 Dietz, Chair. I am present.

7 Valerie Cardenas.

8 MS. CARDENAS: Present.

9 MR. DIETZ: Courtney Johnson-Rose is absent.

10 Lemuel Williams.

11 MR. WILLIAMS: Present.

12 MR. DIETZ: And Andy Williams. No. That is  
13 not the right --

14 VOICE: No.

15 MR. DIETZ: David Rassin.

16 MR. RASSIN: Present.

17 MR. DIETZ: I will make a change on my little  
18 note here. All right. Okay.

19 Before we begin, if you could join me -- we do  
20 have a quorum. Join me in the Pledge of Allegiance.

21 (Whereupon, the Pledge of Allegiance was  
22 recited.)

23 MR. DIETZ: And to the Texas flag.

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

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

3 (No response.)

4 MR. DIETZ: How about we go to the President's  
5 Report from Mr. Long.

6 MR. LONG: Good morning, Chairman, Members.  
7 The monthly program reports and financial information are  
8 provided under Tabs A through C of the Board book.

9 Earlier this morning, the Audit Committee met  
10 to review and consider the Corporation's Audit Committee  
11 guidelines, and the 2024/2025 annual budget. Both of  
12 those items are on the Board meeting agenda for today,  
13 under Tab Items 2 and 3.

14 I would like to thank Ms. Cardenas and Mr.  
15 Rassin for their time in participating with us this  
16 morning. I'll let Ms. Cardenas and Mr. Rassin provide  
17 feedback during those agenda items later this morning.

18 The Loan Committee met last week, Tuesday the  
19 13th, during the Loan Committee meeting where we  
20 considered some pending loan requests under the  
21 Corporation's AHP program. While we still have some  
22 decisions that were made, we're pending some formal  
23 feedback from a couple of the applicants that we  
24 considered.

25 And so, those loans are still under

1 consideration. And we will keep the Board informed on  
2 that as we have our next Loan Committee meeting. The  
3 Committee also reviewed the Corporation's Housing Impact  
4 Fund, which is our outstanding loan portfolio.

5 And I always like to thank Mr. Williams for his  
6 participation. He joined us via web. And we appreciate  
7 his leadership and participation on the committee.

8 Under our Single Family Programs, we are doing  
9 some training. We continue to do our realtor outreach.  
10 And we have our top lenders that conducted seven real  
11 estate or realtor CE training courses, reaching over 100  
12 realtors.

13 We have -- our largest realtor outreach in the  
14 past was 1,500 that we had been able to train. Our goal  
15 for 2024 was to reach 2,500 realtors. As of now, we have  
16 reached 2,645 realtors. So, I want to thank the staff,  
17 Frank, Sarah, Joniel and her team, for making sure that we  
18 get the word out in marketing our programs.

19 Realtors are our number one, if not top end of  
20 our marketing of our programs, along with our lenders.  
21 So, we really appreciate the fact that outreach has been  
22 significant, and the response has been positive.

23 LoanDoc -- if you remember, we went from  
24 Emphasys to LoanDoc, our new compliance software that we  
25 are using. And we continue to train lenders every day;

1 657 users have signed in for the required training, and  
2 550 have completed that training.

3 Lender participation -- we continue to add  
4 lenders. We have added seven new lenders since the last  
5 Board meeting. They have now been approved to participate  
6 and offer our programs.

7 Additional outreach. Frank Duplechain, the  
8 road show that he puts on is continuing. This last -- in  
9 July, he spent most of his time in Central Texas,  
10 providing real estate CE classes held at various  
11 organizations, realtor offices, including Four Rivers  
12 Association, which is our first time there. Also  
13 participated in the San Antonio Board of Realtors.

14 Six mortgage companies attended our Leader  
15 Lender Roundtable. And nine mortgage company meetings  
16 were held in two days in Central Texas. So again, a lot  
17 of activity from the marketing of our programs, and our  
18 road show.

19 And I want to thank Frank for his efforts, and  
20 his willingness to travel so much.

21 Under fundraising, the Corporation secured  
22 165,000 in funding from Wells Fargo, J.P. Morgan Chase,  
23 Dominion, Texas Community Bank, Regents Bank, Frost Bank,  
24 Insperity, Federal Loan Bank of Dallas, Capital Impact  
25 Partners, and Vecino Group in support of our 2024 Texas

1 Supportive Housing Institute. That is our training  
2 program.

3 Related to our PSH program, where we train  
4 developers in the development of permanent supportive  
5 housing. This includes a \$100,000 commitment from Wells  
6 Fargo, which was increased from Wells Fargo's original  
7 award amount of \$50,000. So, they doubled it. So, we  
8 want to thank Wells Fargo for their generous support of  
9 that program.

10 The Corporation also received \$38,000 in  
11 funding from various partners, including Texas Community  
12 Bank, Lakeview Loan Servicing, PNC, and individual lenders  
13 and realtors in support of our 2024 Housing Connection  
14 trainings, which now fully funds that training, as well as  
15 will allow us to fund the hotel costs for those that are  
16 traveling in from out of town. So again, a very generous  
17 support system that we have, in allowing the Corporation  
18 to continue to provide that training.

19 Under marketing, the Corporation released  
20 several videos on social media to introduce our networks,  
21 of our programs and staff.

22 I just want to add on this, one of them is  
23 specific to our home ownership team. And originally, I  
24 was not real keen on the idea, because it seemed a little  
25 fun. But I wasn't sure whether it was professional



1 enough.

2 But I will tell you, Shelby has done a  
3 phenomenal job. And I just want to say that video is  
4 really fun. And it is really appropriate. And it  
5 introduces our Single Family Home Ownership Team.

6 And if you haven't had a chance, I will send  
7 you the link, and you can watch it. But it is really a  
8 fun video.

9 And Mr. Dietz, it reminds me kind of what you  
10 have done with some of the stuff in Waco.

11 So, it really is a great opportunity for us to  
12 be able to introduce for those lenders and realtors and  
13 people that don't know our staff -- a great way to get to  
14 meet them, in a very fun way. And I really appreciate the  
15 work that was done on them.

16 The Corporation has also redesigned our  
17 homebuyer brochures. These are brochures that we give out  
18 free of charge to our lenders and realtors to help promote  
19 our programs. And so, we had to revamp those, and we do  
20 them in English and in Spanish.

21 Speaking of that, Hispanic Heritage Month kicks  
22 off on September 15th. And we are currently planning a  
23 campaign that includes social media videos, blog posts,  
24 podcast segments, to promote our homebuyer programs to the  
25 Hispanic and Spanish speaking homebuyers and realtor

1 network.

2 Texas Foundations Fund, the Corporation  
3 received an executed grant agreements with all 82  
4 organizations awarded funding through our 2024 Texas  
5 Foundations Fund funding cycle. If you remember, the  
6 Board approved that last month. And so, all of those  
7 awards have not only been released, but executed.

8 And we started signing out checks. I know that  
9 because I signed a bunch of them last week. And I was  
10 very happy to send out over \$200,000 worth of checks last  
11 week alone.

12 So, with that, we are looking forward to it.  
13 We should have all of these processed no later than the  
14 end of the month. So, that is really nice to get that  
15 money out the door.

16 And I want to thank the Board again for your  
17 support and your encouragement to allow us to fund these  
18 very needed and hopefully very responsive non-profits that  
19 we are able to serve with this money.

20 Housing Connection registration for the  
21 Corporation's 2024 Housing Connection training closes this  
22 Friday, the 23rd. This year's training will take place on  
23 September 23rd through the 26th at the Federal Home Loan  
24 Bank Dallas's San Antonio branch. TSAHC is offering two  
25 Neighborworks training courses: Foreclosure Basics for

1 home ownership counselors, and Budget Basics: Decoding  
2 the Mysteries of the Pro Forma. I might need to take that  
3 one.

4 Texas Supportive Housing Institute, the  
5 applications for the 2024 Texas Supportive Housing  
6 Institute closed on August 16th. The Institute is a  
7 four-month intensive training, as I mentioned earlier, and  
8 technical assistance program for developers interested in  
9 building permanent supportive housing. We have had great  
10 response in the past on this.

11 As you remember, the last year, we did the  
12 symposium. This year, we are back to doing the Institute,  
13 which is more of the training. And we hope to have a very  
14 good application response. And we are looking forward to  
15 having a really good course this year.

16 The Corporation partners with the Corporation  
17 for Supportive Housing to provide both the instruction and  
18 technical assistance, and the curriculum for that  
19 training. So, we look forward to having that. And the  
20 Corporation will typically accept about up to six  
21 applicants to participate in that program with us. And  
22 so, we are going through the review process right now, and  
23 we'll let you know how that works out, and who we end up  
24 selecting, at the next Board meeting.

25 The TxDOT, the Texas Department of

1 Transportation contract, which was approved by our Board  
2 in June. It was fully executed on July 19th.

3 The Corporation immediately raised the RFP,  
4 which the Board also approved at the last Board meeting,  
5 to select a consultant to help us to create the  
6 revitalization plan that will guide the expenditures of  
7 those funds that we have been awarded through the TxDOT  
8 contract, which, if you remember, is \$28.5 million that we  
9 have utilized for putting out into the communities that  
10 are impacted by the North Houston Highway Improvement  
11 Project.

12 Under some trainings, David Danenfelzer  
13 attended an interagency workshop in Waco. I think he had  
14 a chance to have lunch with Mr. Dietz during that time.  
15 He was speaking on a panel about financial resources and  
16 affordable housing. That workshop was put together by the  
17 FDIC, HUD, and OCC.

18 And I want to thank David for his time  
19 traveling. And Mr. Dietz, thank you for your  
20 participation in joining David for lunch that day, just to  
21 catch up on things.

22 Some other events that are going on. On August  
23 13th, Cassandra and Valerie, Ms. Cardenas, attended the  
24 groundbreaking of an Anacua Village project in Mission,  
25 Texas. TSAHC is providing a \$2 million construction loan

1 for this development that will include 100-unit mixed  
2 unit, mixed income, multifamily, community-owned and  
3 managed by the Mission Housing Authority.

4 And Ms. Cardenas, thank you very much for your  
5 participation. I got to see some pictures of you holding  
6 a shovel and throwing dirt. And so, we appreciate your  
7 participation in that. And Cassandra, for going and  
8 representing the Corporation.

9 With that, Mr. Chairman, that will conclude my  
10 remarks, other than to let you know that the next  
11 tentatively scheduled Board meeting is set for Tuesday,  
12 September 17, at 10:30.

13 And I will answer any questions if you have  
14 any. I know that was a lot of information. So, I  
15 apologize for the length of that report.

16 MR. DIETZ: Definitely send me that video. I  
17 look forward to seeing that.

18 MR. LONG: We will do so. It has some great  
19 acting by the staff. Great acting. I think they watched  
20 your video, to make sure they were doing it right.

21 MS. LEVECQUE: (From audience.) I wasn't  
22 acting, David.

23 MR. LONG: That wasn't all -- in that case, we  
24 have some concerns.

25 MR. DIETZ: Any questions or comments for Mr.

1 Long?

2 (No response.)

3 MR. DIETZ: Well, let's move on to our action  
4 items for the meeting today.

5 Tab Item 1 is the presentation, discussion and  
6 possible approval of minutes of the Board meeting that was  
7 held on July 16, 2024. Any questions or comments or  
8 additions or amendments?

9 (No response.)

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

11 MR. WILLIAMS: Chairman Dietz, this is Lemuel  
12 Williams. I make a motion to approve the Board minutes of  
13 July 16, 2024.

14 MS. CARDENAS: Second.

15 MR. DIETZ: It has been moved and seconded. Is  
16 there any public comment?

17 (No response.)

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

20 (A chorus of ayes.)

21 MR. DIETZ: The minutes are approved as  
22 presented.

23 Tab Item 2 is the presentation and discussion,  
24 and possible approval of the Fiscal Year 2025 Annual  
25 Operating Budget.

1 MS. SMITH: Good morning. My name is Melinda  
2 Smith. I am the CFO. And I am here to present the  
3 operating budget for 2025.

4 I wanted to start by saying first that I would  
5 really like to thank everybody that participated in  
6 preparing this, because it takes a while to put this  
7 together. And all the directors of all the various  
8 divisions, I know, spent a great deal of time coming up  
9 with their individual budgets for the year. And it is not  
10 an easy thing to do.

11 And then, I would like to thank my staff, Nick  
12 Lawrence and Betsy Aldrich, for putting the actual budget  
13 together and, of course, adding all the final touches to  
14 it.

15 It is a cash basis budget. And one of the  
16 unique things about it, or at least, I think so, is that  
17 we budget based on current year earnings. We don't budget  
18 any expenditures that we can't pay for with what we earned  
19 this year.

20 So, we are not taking from our reserves when we  
21 prepare our budget. And it has been that way for many,  
22 many years. And that is how we have been able to save  
23 some money aside to have.

24 So, we did present it this morning -- the  
25 budget this morning to the Audit Committee. It is a \$29

1 million budget -- \$29 million in revenue. And roughly the  
2 same number in expenditures.

3           Just a couple of highlights. Because of the  
4 interest rate, the reduction in interest rates, or the  
5 increase in interest rates, our in revenue for Single  
6 Family has reduced, has come down a little bit. But we  
7 have been able to make up the difference with our lending  
8 program and our rental program income. So, we have got  
9 quite a diversified sources of revenue.

10           On the expenditures side, we budgeted a couple  
11 of new positions, vacant positions. Don't know that we  
12 will fill them, but if we do need to, we can.

13           And then of course, TxDOT, the program that  
14 David mentioned earlier, how much is that? It is 20  
15 point --

16           MR. LONG: \$28.5 million.

17           MS. SMITH: The initial funding that we will  
18 receive from TxDOT, the administrative funds. And then,  
19 the consultant for that is included in this budget.

20           MR. LONG: I would add -- let me clarify. It  
21 is a \$30 million contract with TxDOT, of which \$28.5  
22 million is available for the communities.

23           MS. SMITH: If you would like, I can go over  
24 the individual line items, or I can just ask that the  
25 Board approve the budget as presented.



1 MR. LONG: If I may, Mr. Rassin and Ms.  
2 Cardenas, obviously, are the Board members representing  
3 the Audit Committee. And I'd ask that if they had any  
4 thoughts or questions or comments they wanted to bring to  
5 the full Board at this time.

6 MS. CARDENAS: So, you know, I want to kind of  
7 go off of what Melinda said. I mean, the team did an  
8 amazing job. They provided notes, which made it very  
9 easy, you know, for us to understand any fluctuations that  
10 we might have seen.

11 And so, you know, for the rest of the Board,  
12 those notes are there. I think we just kind of questioned  
13 some things that caught our eye, which is going to be on  
14 your lending program revenue. You know, there was a  
15 significant difference there.

16 They alluded to the fact that there are two  
17 properties, you know, that are being paid off. And so,  
18 that would increase the receivable income to the revenue  
19 portion of it. And so, everything else was pretty  
20 straightforward.

21 You know, we are recommending that -- you know,  
22 approval of this budget. But certainly, if any of the  
23 Board members see anything that we may not have caught,  
24 you know, everything is laid out here.

25 But I do want to commend the team. They did --

1 I know, with Melinda's leadership, and then, you know,  
2 with every leader, there is always, you know, a great team  
3 behind that.

4 And so, I do want to thank them for putting  
5 such a well-prepared budget together, one that was easy  
6 for us to understand as well.

7 MR. DIETZ: Thanks for your work today on the  
8 Audit Committee. We appreciate that.

9 MS. SMITH: Thank you.

10 MR. DIETZ: Any questions from the Board?

11 (No response.)

12 MR. DIETZ: If there aren't any questions or  
13 further discussion, is there a motion?

14 MS. CARDENAS: Motion to approve Tab Item 2 as  
15 presented.

16 MR. WILLIAMS: I will second that.

17 MR. DIETZ: It has been moved and seconded. Is  
18 there any public comment?

19 (No response.)

20 MR. DIETZ: Hearing none. All in favor of  
21 approving the fiscal year 2025 annual operating budget as  
22 presented, please say aye.

23 (A chorus of ayes.)

24 MR. DIETZ: Any opposed.

25 (No response.)

1 MR. DIETZ: Okay. The Annual Operating Budget  
2 is approved as presented.

3 MS. SMITH: Thank you.

4

5 MR. DIETZ: Thank you so much for everyone's  
6 work on that. I know that it took a lot of effort.

7 MS. SMITH: Thank you.

8 MR. DIETZ: Tab Item 3 -- I did have one quick  
9 question about that. So, on the state, the TxDOT deal,  
10 all of that funding, will that all show up as revenue and  
11 expenditures for us? Or does that -- so, that will --

12 MR. LONG: Not this year.

13 MS. SMITH: Not this year, but it will.

14 MR. DIETZ: So, year two, it will.

15 MR. LONG: It is broken into two sections.

16 MR. DIETZ: Okay.

17 MR. LONG: We have the front section, which is  
18 considered the \$500,000 including the consultant. That  
19 will take some time to get that done. And once that is  
20 completed, then the second piece will show up, we assume,  
21 as part of a budgeted line item.

22 MR. DIETZ: Okay. Okay. So, it actually does  
23 inflow and outflow as part of our budget. So, that will  
24 have a substantial impact on our --

25 MS. SMITH: Yes.

1 MR. LONG: The first piece is included in this  
2 budget.

3 MR. DIETZ: Yes. Okay. Yes. Thank you very  
4 much.

5 MS. SMITH: But it is very small, just  
6 \$500,000.

7 MR. LONG: Right.

8 MR. DIETZ: All right. Well, Tab Item 3 is the  
9 presentation, discussion and possible approval of the  
10 Fiscal Year 2025 Audit Committee guidelines.

11 MS. SMITH: Thank you. My name is Melinda  
12 Smith. I am the CFO.

13 The Audit Committee guidelines actually require  
14 that they be reviewed and approved by the Board on an  
15 annual basis. And so, that is why we are here to ask the  
16 Board to approve those guidelines.

17 We did submit them to Maxwell, Locke and  
18 Ritter, our CPA firm, and asked them to review them. And  
19 the partner there, along with one of their managers, both  
20 reviewed those Audit Committee guidelines and did not have  
21 any suggestions for changes.

22 Of course, we reviewed them internally as well,  
23 and we did not have any changes, either. So, we are  
24 presenting the Audit Committee guidelines with no changes  
25 to the Board for approval. And they were presented this

1 morning to the Audit Committee.

2 MR. DIETZ: Any questions or comments from the  
3 Audit Committee about the Committee guidelines?

4 MS. CARDENAS: It was pretty straightforward,  
5 since there are no changes. Our obvious recommendation  
6 was to approve it at a Board level.

7 MR. DIETZ: Great. Any further discussion?

8 (No response.)

9 MR. DIETZ: Or is there a motion?

10 MR. RASSIN: So, moved.

11 MS. CARDENAS: Second.

12 MR. DIETZ: It is moved and seconded that we  
13 approve the fiscal year 2025 Audit Committee Guidelines as  
14 presented. Is there any public comment?

15 (No response.)

16 MR. DIETZ: Hearing none. All in favor, please  
17 say aye.

18 (A chorus of ayes.)

19 MR. DIETZ: Any opposed.

20 (No response.)

21 MR. DIETZ: Okay. The 2025 Audit Committee  
22 guidelines are approved as presented.

23 MS. SMITH: Thank you so much.

24 MR. DIETZ: Thank you. Tab Item 4 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 1910 MLK, located in Austin, Texas, including  
4 creating entities, negotiating finance documents, and  
5 filing applications to obtain debt financing and invest  
6 equity in the project.

7 MS. RAMIREZ: Good morning, everyone. My name  
8 is Cassandra Ramirez. I am the Development and Finance  
9 Manager here with TSAHC.

10 This agenda item requests approvals for the  
11 last act to take preliminary action to carry out the  
12 financing for the 1910 MLK development in Austin.

13 We have spoken about this project in the past,  
14 but this is TSAHC's property at 1910 MLK that is currently  
15 a vacant office building. But we are working with a  
16 development team to create affordable condominiums, 24  
17 units, targeting households at 80 percent AMI or below.

18 So, we are in the process of applying for funds  
19 to help us with the development costs. And one of our  
20 applications is to the City of Austin, for their Ownership  
21 Housing Development Program, OHDA, which requires a board  
22 resolution as part of the application, before the Board  
23 approves the project and the funding request.

24 So, that is why we are here today, to get your  
25 approval of this resolution so that we can apply for

1 financing, and create the entities, and take out the  
2 preliminary action to do the development and finance the  
3 development.

4 MS. CARDENAS: So, when we went over the  
5 budget, just to clarify in Audit Committee, there was  
6 mention of a line not being drawn in anticipation. So,  
7 this would be aside from the line?

8 MR. LONG: This is funding coming from another  
9 source other than the line.

10 MS. CARDENAS: Okay. Okay.

11 MS. RAMIREZ: And permission to just look for  
12 other sources and apply for them.

13 MS. CARDENAS: Okay.

14 MR. DIETZ: And just for any Board members that  
15 may not remember kind of the history of where this  
16 property came from -- am I correct, this was the  
17 property -- not the property that we moved from, but the  
18 property that was adjacent to the property that we used to  
19 office in.

20 MS. RAMIREZ: Correct.

21 MR. DIETZ: And the reason that we owned that  
22 is because we -- did we office there at some point?

23 MS. RAMIREZ: I don't think so.

24 MR. LONG: No. The intent originally was, when  
25 we bought 2200 MLK, that we outgrew that space. And we

1 thought that having an alternative location where we could  
2 still have expansion was convenient. And 1910 became  
3 available, and it was something that we took advantage of,  
4 with Board approval.

5 Over time, we realized that we were able to  
6 make 2200 work. And so, we turned 1910 into a non-profit  
7 rental opportunity, and we had it converted into three  
8 separate suites. And those three separate suites were  
9 rented to non-profits.

10 At the request and discussion, kind of  
11 internally, whether or not we need to have multiple office  
12 buildings under our portfolio, the discussion among staff  
13 was to consider the idea of maybe changing that location  
14 and razing the current structure -- which is the oldest  
15 building we own -- and converting it into affordable  
16 housing.

17 And so, the project development right now  
18 consists of potentially up to 20 to 25 units of affordable  
19 for-sale condominiums, that we would make available in a  
20 very, very high-end corridor of the City of Austin. And  
21 make it not only affordable -- similar to what we did, for  
22 those of you who don't know -- kind of like the Chicon  
23 project that we funded as well.

24 We are working on design with architects right  
25 now, so we really don't have a final budget number to give



1 you, or what that is going to look like.

2 And so, what Ms. Ramirez is really bringing to  
3 you is the idea of us trying to start finding sources of  
4 funding, so that we can start bringing it to bear. We can  
5 obviously fund some of it internally. We can fund some of  
6 it with some lines of credit.

7 But the more we can draw from third parties  
8 minimizes the expense that we have to incur internally.  
9 In addition, as she mentioned, these funding sources  
10 typically want a Board resolution authorizing us to being  
11 in that position, from the Board. And so, that is what  
12 this resolution does. It kind of gives us permission to  
13 kind of go out and seek that funding.

14 MR. DIETZ: Yes. Right. So, we currently own  
15 three buildings: the building we are in, the building we  
16 used to be in, plus this building across the street from  
17 the building we used to be in --

18 MR. LONG: Right.

19 MR. DIETZ: -- that was originally purchased as  
20 possible expansion.

21 MR. LONG: And, it is really not -- it is kind  
22 of a block down. It is not right across the street. It  
23 is like a block down.

24 MR. DIETZ: Okay.

25 MR. LONG: But yes, that is correct. In 2200,

1 our old office building has been converted into three  
2 suites, and it is rented to non-profits right now as well.

3 MR. DIETZ: Yes.

4 MR. LONG: But in the budget, as you saw, there  
5 was no revenue for 1910 this year --

6 MR. DIETZ: Yes.

7 MR. LONG: -- because there is no one in the  
8 building at this time.

9 MR. DIETZ: Yes. Great.

10 Any other questions from the Board?

11 MR. WILLIAMS: A quick question. So, I guess,  
12 for the Capital Magnet and the City of Austin funding, I  
13 see the status is applied for. I guess, how long is it  
14 going to take for their decision to --

15 MS. RAMIREZ: The City should be in October or  
16 November. And I believe the CMF funds is the same time.  
17 So, we should have something --

18 MR. WILLIAMS: So, pretty quickly.

19 MR. LONG: Should know before the end of the  
20 calendar year.

21 MR. WILLIAMS: Okay.

22 MR. DIETZ: Any other questions, comments or  
23 discussion?

24 (No response.)

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

1 MS. CARDENAS: Motion to approve Tab Item 4 as  
2 presented.

3 MR. WILLIAMS: Chairman, I will second that.

4 MR. DIETZ: Okay. It has been moved and  
5 seconded that we approve a resolution authorizing the  
6 Texas State Affordable Housing Corporation to take  
7 preliminary action to carry out the financing of 1910 MLK,  
8 located in Austin, Texas, including creating entities,  
9 negotiating finance documents, and filing applications to  
10 obtain debt financing and invest equity in the project.

11 Any public comment?

12 (No response.)

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

15 (A chorus of ayes.)

16 MR. DIETZ: Any opposed.

17 (No response.)

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

20 MS. RAMIREZ: Thanks.

21 MR. DIETZ: Tab Item 5 is the presentation,  
22 discussion and possible approval of amendments to Texas  
23 State Affordable Housing Corporation's Joint Venture  
24 Guidelines.

25 MR. DANENFELZER: Good morning. David

1 Danenfelzer, Senior Director of Development Finance.

2 Our Joint Venture Program is related to the --  
3 is sort of a sub-program under the Affordable Communities  
4 and Texas Land Banking. And as we have talked over the  
5 last few years, we have been partnering with developers to  
6 build and own and operate different housing projects. We  
7 have two under construction currently, including the Park  
8 on 14th in Plano, Texas, and Juniper Creek affordable  
9 housing apartments here in Austin, Texas.

10 We have a couple more in the pipeline. But in  
11 looking at our guidelines for selecting potential projects  
12 and moving forward with things, we did want to kind of  
13 fine tune things a little bit and propose some changes to  
14 you last month. Those have been out for public comment.

15 And in talking with our counsel, Coats Rose, we  
16 did come up with one small change to the previously  
17 proposed draft. I will draw your attention to the  
18 calculation of general contractor fees in Section 4(e).

19 In this, we -- it is a real fine tune of the  
20 language, adding the word "minimum." But we also kind of  
21 just wanted to make sure we were clear. What we did is  
22 looked at the market and increased the amount of our  
23 minimum fee for that to \$30,000.

24 That is pretty much where the market rate is  
25 for other non-profits to be a general contractor role --

1 which provides a sales tax savings to the project that can  
2 be very significant on large scale projects. And in our  
3 previous writeup, we had a lower minimum fee and a higher  
4 percentage fee. And what we discovered was that our  
5 percentage fee was really a little too high.

6 On one of the projects that we are working on  
7 currently, Boulevard 61, that really accounted to several  
8 hundred thousand dollars. And when the market rate for  
9 other non-profits is around \$30,000 to \$35,000 to offer  
10 that service, that development simply chose to go to a  
11 local non-profit and get that service rather than asking  
12 us to do it.

13 So, we don't want to miss out on that potential  
14 income on future projects. It is something that is a good  
15 way for us to interact and generate a little additional  
16 income to the project, or program. So, we kind of  
17 re-balanced those numbers, increasing the one -- the  
18 minimum to \$30,000, and lowering the percentage so that in  
19 the event that we do have large scale projects, we are not  
20 totally out of whack with the market in the future.

21 So, that is one thing I just wanted to make  
22 sure that we were clear about, because there was the  
23 addition of the word "minimum" to that write-up by  
24 Counsel.

25 Otherwise, these have been out for more than 30

1 days for public comment for public comment. And they are  
2 ready for your approval today. And if you approve and  
3 accept and all changes, I then post the documents as final  
4 for this year.

5 MR. DIETZ: And the redline changes -- the  
6 changes that were already in place last time we saw this,  
7 but changes from the previous version.

8 MR. DANENFELZER: Yes. The one additional is  
9 that, in that 4(b) it is the word "minimum" is added.

10 MR. DIETZ: And that is the blue line stuff.

11 MR. DANENFELZER: Yes.

12 MR. DIETZ: Because the additional. Yes.

13 MR. DANENFELZER: It gets tricky. Sometimes  
14 Word puts blue lines where I don't want it to, and then  
15 red lines. And so, I try not to rely completely on that.

16 But I do know that the word "minimum" was changed from  
17 the previous version.

18 MR. WILLIAMS: Was there any public comment?

19 MR. DANENFELZER: There were no public  
20 comments, just our discussion with Counsel about cleaning  
21 up that language.

22 MR. WILLIAMS: Okay.

23 MR. DIETZ: Any other questions or comments?

24 (No response.)

25 MR. DIETZ: Is there a motion?

1 MR. WILLIAMS: Chairman, this is Lemuel  
2 Williams. I make a motion to approve Tab Item 5 as  
3 presented in the agenda.

4 MR. RASSIN: Second.

5 MR. DIETZ: It has been moved and seconded that  
6 we approve the amendments to the Texas State Affordable  
7 Housing Corporation's Joint Venture guidelines, as  
8 presented. Is there any public comment?

9 (No response.)

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

12 (A chorus of ayes.)

13 MR. DIETZ: Any opposed.

14 (No response.)

15 MR. DIETZ: Okay. The amendments are approved  
16 as presented.

17 Tab Item 6 is the presentation, discussion and  
18 possible approval of the guidelines, scoring criteria, and  
19 targeted housing needs for the allocation of Qualified  
20 Residential Rental Project tax exempt bonds under the  
21 Multifamily Housing Private Activity Bond Program Request  
22 for Proposals, and the 501(c)(3) Bond Program policies for  
23 calendar year 2025.

24 MR. DANENFELZER: Good morning. David  
25 Danenfelzer. Senior Director of Development and Finance.

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Similar to the last item, we proposed these for public comment last month. We have had over 30 days to accept and review comments by both the public and our Counsel, and internally.

There was one change as well to this one that was based on public comment. The development partner of ours, Foundation Communities, noted that our originally proposed language under Section 6(m)(3), which was some additional detail regarding the readiness to proceed, may be interpreted to be quite limited.

What we had proposed was to have sort of other funding sources already applied for or having already approved. We agreed with their comments that, in many cases, although we have a cycle which runs on a calendar year generally -- but we accept applications in October, approve or induce transactions in December, and then give them time to get everything else ready, including other funding sources.

One of the clear ones that we understood was a conflict was the housing tax credit application cannot be submitted until a bond reservation is submitted, which can't be done until after we induce. And we don't induce until after allocation. So, we are really putting the cart way before the horse on that original language.



1           So, we have softened it to simply ask that they  
2 provided a clear list of their funding sources and the  
3 dates at which they have to apply and those to be  
4 approved. It does give us the ability then to sort of  
5 look at, as things changed, are those significant enough  
6 changes where we may need to withdraw our support or  
7 induce another transaction in the future, because of those  
8 delays. It is something we never want to do.

9           But at the same time, getting that, and making  
10 it a part of the application process gives us a little  
11 more leverage if we do have applicants who are greatly  
12 delayed in their funding strategies. And I do believe in  
13 that one.

14           Because that was a previous change, we struck  
15 out the previous change. And then, there is redlines for  
16 the new change, which I could not turn to blue.

17           MS. CARDENAS: Just a minor grammatical. Just  
18 "within" versus "withine."

19           MR. DANENFELZER: Okay. Thank you for catching  
20 that.

21           There is also, if I may, one other small change  
22 that was pointed out by a Board member this morning. I  
23 want to appreciate and thank Mr. Rassin for reading  
24 through the rules and policies very carefully. There is a  
25 little bit of a logic error.

1           Let me pull it up, so I can get the exact  
2 reference. It is in our targeted housing needs. I  
3 believe it is on page 3 of the actual policy. It would be  
4 Section (d).

5           Yes. It would be page 3 of 24 in the actual  
6 policy, under disaster relief housing. Mr. Rassin did a  
7 great catch. It was one of those things where when we  
8 read it, we kind of understood it. So, we did it.

9           But right where the first redline is there, we  
10 are proposing to add a little language. The way it reads  
11 right now is that the declaration that resulted in the  
12 loss or destruction of housing units would trigger. What  
13 we actually want is the disaster.

14           So, the Federal Emergency Management Agency  
15 disaster declaration related to the disaster that  
16 resulted -- so, we are going to --

17           MR. DIETZ: Inserting the word related to the  
18 disaster.

19           MR. DANENFELZER: Right.

20           MR. DIETZ: Between "declaration" and "that."

21           MR. DANENFELZER: Yes.

22           MR. DIETZ: I have got it.

23           MR. DANENFELZER: So that we have -- what we  
24 really mean is, we are looking at the disaster. But the  
25 declaration didn't result in loss. It was the disaster

1 that resulted in the housing loss.

2 MR. DIETZ: Great. Any other comments or  
3 questions? Or discussion?

4 (No response.)

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

6 MR. RASSIN: I move that the item be approved  
7 as presented.

8 MS. CARDENAS: Second.

9 MR. DIETZ: And should the motion include --  
10 since in the presentation, those four words aren't there,  
11 should we reference those four words? Is that necessary?

12 MR. RASSIN: Yes, Chair.

13 MR. DIETZ: Okay. So, the motion is then, as  
14 presented with the addition "related to the disaster."

15 MS. CARDENAS: Related to the disaster.

16 MR. RASSIN: Yes. Thank you.

17 MS. CARDENAS: I second.

18 MR. DIETZ: Okay. So, it is moved and  
19 seconded. Is there any public comment?

20 (No response.)

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

23 (A chorus of ayes.)

24 MR. DIETZ: Any opposed.

25 (No response.)

1 MR. DIETZ: Okay. The guidelines, scoring  
2 criteria, and targeted housing needs for the allocation of  
3 a Qualified Residential Rental Project tax exempt bonds  
4 under the Multifamily Housing Private Activity Bond  
5 Program Request for Proposals, and the 501(c)(3) Bond  
6 Program policies for calendar year 2025 are approved as  
7 presented, with the added language.

8 Tab Item 7 is the presentation, discussion and  
9 possible approval of a resolution authorizing the issuance  
10 of Texas State Affordable Housing Corporation Multifamily  
11 Housing Revenue Bonds for Burleson Studios, Series 2024, a  
12 trust indenture, a loan agreement, a bond purchase  
13 agreement, an Asset Oversight, and Compliance and security  
14 agreement, a regulatory agreement, a preliminary official  
15 statement, and a final official statement authorizing the  
16 execution of documents and instruments necessary or  
17 convenient to carry out the issuance of the bonds, and  
18 other provisions in connection therewith.

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

21 As is typical, what we do is, this is a  
22 multi-month process. This application did come in October  
23 of 2023. We induced it in December, and we have been  
24 working towards closing on this project since.

25 Over these many months, the financing has kind

1 of solidified. Different applications have been made and  
2 approved. And the project is now ready to move forward  
3 with its closing.

4 TSAHC for its part, and particularly for the  
5 part of our bond counsel, has drafted the documents that  
6 are referenced in the agenda item. Those were sent  
7 electronically to the Board members, as well as the paper  
8 copies at the back of the room for anyone who would like  
9 to peruse the 350 pages of documents there.

10 That being said, this is a 104-unit single  
11 residency occupancy, or SRO community. This means that it  
12 is just single loan apartments. They do target 100  
13 percent of the units towards households or individuals  
14 that are facing homelessness, or at risk of homelessness.

15  
16 It is part of a greater project called  
17 Community First, which has been developed over the last  
18 probably 15, almost 20 years now, by Mobile Loaves and  
19 Fishes. But this project in particular is being developed  
20 by Foundation Communities, a longtime partner of TSAHC and  
21 other entities within the community that provides  
22 affordable housing.

23 The project is one of those things where we  
24 just -- it was kind of a home run from the beginning.  
25 When we saw it, we knew this was a great project. The

1 Community First! project, this would be the Phase 3 of  
2 that project.

3 It houses literally hundreds of families who  
4 are at risk, or have been homeless. And we find that the  
5 model has been very successful, and has really generated a  
6 number of other models throughout the country, other  
7 communities trying to copy it.

8 As I have said, the bond documents are ready to  
9 go. A couple of things that this action would trigger is  
10 our ability to apply then to the Bond Review Board for  
11 final approval of the bonds. If approved today, then I'll  
12 submit that application this week. And it will be going  
13 to them for their vote on the bonds and the transaction  
14 next month.

15 The tax credits are in process. We expect the  
16 underwriting to be approved this week or next. And those  
17 are really the final two approvals before we go to pricing  
18 on the bonds and closing, which is planned for October  
19 14th at this point.

20 MR. DIETZ: Great. Questions or comments?

21 (No response.)

22 MR. DIETZ: Or is there a motion?

23 MR. WILLIAMS: Mr. Chairman, this is Lemuel  
24 Williams, and I make a motion to approve Tab Item 7 as  
25 presented in the agenda.

1 MS. CARDENAS: Second.

2 MR. DIETZ: It has been moved and seconded that  
3 we approve a resolution authorizing the issuance of Texas  
4 State Affordable Housing Corporation Multifamily Housing  
5 Revenue Bonds for Burleson Studios, Series 2024, a trust  
6 indenture, a loan agreement, a bond purchase agreement, an  
7 Asset Oversight and Compliance and security agreement, a  
8 regulatory agreement, a preliminary official statement,  
9 and a final official statement authorizing the execution  
10 of documents and instruments necessary or convenient to  
11 carry out the issuance of the bonds, and other provisions  
12 in connection therewith.

13 Is there any public comment?

14 (No response.)

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

17 (A chorus of ayes.)

18 MR. DIETZ: Any opposed.

19 (No response.)

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

21 MR. DANENFELZER: Thank you.

22 MR. DIETZ: Tab Item 8 is the presentation,  
23 discussion and possible approval to publish for public  
24 comment the Texas Foundations Fund fiscal year 2025  
25 Disaster Recovery Guidelines.

1 MS. ORENDAIN: Good morning. My name is Anna  
2 Orendain. I serve as the External Relations Specialist  
3 here at TSAHC.

4 Today, we are presenting you with a draft of  
5 our Texas Foundations Fund Fiscal Year 2025 Disaster  
6 Recovery Program Draft Guidelines. With the approval of  
7 the Board, we would post the draft guidelines for a public  
8 comment period. That will end in late September, allowing  
9 us to address public feedback, and bringing a revised copy  
10 back to the Board in October.

11 Looking at the draft guidelines, we did make  
12 one major change in that the unused disaster recovery  
13 funds would no longer roll over into the pot of available  
14 TFF annual funds. We also added in some language to  
15 clarify that we will accept, or that we currently do  
16 accept federal, state, and local disaster declarations.  
17 Otherwise, we just updated the dates and contact  
18 information in the document.

19 And with that, I would like to provide a chance  
20 for questions.

21 MR. DIETZ: So, does that mean that the unused  
22 funds, whereas they used to just to go to the Texas  
23 Foundations Fund general pot, now they will specifically  
24 be held for future years demand disaster recovery. Is  
25 that correct?



1 MS. ORENDAIN: That is correct.

2 MR. LONG: That is correct. Obviously, the  
3 Board would have discretion any time that built up too  
4 high, or if there was, you know, further need. We can do  
5 whatever at the Board's discretion.

6 But the intent would be to, with the rise of  
7 disasters and impact that it is having on our ability to  
8 fund those, we wanted to just have excess funding  
9 available for future disasters.

10 MR. DIETZ: And I guess that way also, if  
11 somebody happened to contribute funds for a disaster and  
12 we have money left over, it is still being used for  
13 disasters, and not just being -- yes, okay. Makes sense  
14 to me.

15 MR. RASSIN: Where is that chain reflected? Is  
16 it reflected in this document or a different document?

17 MS. ORENDAIN: It isn't in that document. It  
18 is just towards the beginning, we used to have language in  
19 there that said that an amount of funding would roll over  
20 into the annual grant program. And we rewrote that.

21 MR. WILT: Michael Wilt. Senior Manager of  
22 External Relations. If I could add a little bit of  
23 context to these guidelines.

24 MR. DIETZ: Yes.

25 MR. WILT: We are trying to separate the two

1 programs, even though they are both under Texas  
2 Foundations Fund. Because we ran into a problem, a lapse  
3 in coverage of the Disaster Recovery Program, because it  
4 shut down on June 1st of 2024. And that was because we  
5 were seeing how much disaster funding we had to roll over  
6 into the budget for TFF, the regular TFF program. And  
7 what ended up happening is that we didn't have new  
8 guidelines out.

9 So, Hurricane Beryl rolled through Houston.  
10 And our disaster recovery program was shut down for a few  
11 months during that lapse. So, going forward, we will be  
12 able to avoid that by having the Disaster Recovery  
13 Program, basically, turn over on June 1st of every year.

14 Which means that, going forward, we will have  
15 to bring these disaster recovery guidelines earlier, in  
16 anticipation of that next \$250,000 commitment. But it  
17 will mean that we don't have any lapse in coverage for  
18 hurricane season, or for any other disaster activities  
19 that may occur over the summer.

20 MR. DIETZ: Okay. So, you are avoiding the  
21 potential to have a month or whatever period of time --

22 MR. WILT: Yes.

23 MR. DIETZ: -- where we can't immediately fund  
24 a disaster.

25 MR. WILT: Right. And we are also -- you will

1 hear about this later in the year, but we are also  
2 considering changes to the Texas Foundations Fund in  
3 general, only around the timing -- basically, to release  
4 the funds in January of each year and just have set asides  
5 for each of the priority areas.

6 I won't go into too many details, but  
7 basically, the TFF funding will be on its own schedule --  
8 TFF general. The Disaster Recovery will be on a separate  
9 schedule, so that they are not tied together and it causes  
10 us, you know, loss in coverage or other administrative  
11 problems.

12 That is what we are trying to accomplish. That  
13 is what we both try to accomplish with the regular  
14 program. But in the meantime, we are trying to address  
15 what is going on in Disaster Recovery right now, which is  
16 Beryl happened.

17 In these guidelines, they do state that you can  
18 retroactively apply funding to disasters declared on or  
19 after June 1st. So, these guidelines will cover Beryl.  
20 It just means that people will have to get reimbursed for  
21 repair activities that probably will have already been  
22 performed.

23 MR. DIETZ: All right. Any other substantive  
24 changes?

25 MR. WILT: No substantive changes. But

1 regarding -- we have excess disaster funds come January 1,  
2 or June 1 of 2025. We haven't -- the guidelines don't say  
3 what we will do with that funding.

4 And we could have a conversation then, next  
5 year, if you want to then roll over that remaining funding  
6 to TFF, or just keep it in a separate silo for disaster  
7 activities and that funding will continue to grow.

8 MR. DIETZ: I see. So, the absence of the  
9 language that causes it to roll over into the TFF doesn't  
10 specifically mandate that something in particular be done  
11 with it.

12 MR. WILT: That is correct.

13 MR. DIETZ: It is just that we as the Board  
14 would have the flexibility to roll it over into TFF if  
15 that was appropriate, or keep it earmarked for disasters,  
16 if that was -- is that, am I saying that correctly?

17 MR. WILT: That is correct.

18 MR. RASSIN: Doesn't it mean that you do  
19 anything with the money? That it is just not used to  
20 program with, for the program it reverts to, to general  
21 funds?

22 MR. LONG: Certainly. The Board could do  
23 whatever they want with the discretionary excess funding.  
24 But the intent would be to keep it within the program.

25 Because we have demands. I mean, we have seen

1 over the years, there are demands. Not only in the  
2 general fund, as the Board has seen us taking  
3 significantly increased applications.

4 But also, the demand for disaster assistance  
5 has become growing to where we are actually looking at, as  
6 they are presenting today, to separate it out and have its  
7 own set-aside funding.

8 MS. CARDENAS: So, for --

9 MR. LONG: The Board could always make the  
10 decision to do whatever.

11 MR. WILT: Correct.

12 MS. CARDENAS: So, before the changes, because  
13 I heard Anna say we removed it so that it no longer rolls  
14 into the Fund. It was automatically rolling into the  
15 general funds?

16 MR. WILT: Yes. That is correct. It was  
17 automatically rolling into that.

18 MS. CARDENAS: Okay.

19 MR. LONG: And Valerie, when you say general  
20 fund, you mean --

21 MS. CARDENAS: The TFF.

22 MR. LONG: TFF. Yes. That is correct.

23 MS. CARDENAS: Because I mean, I see TFF. And  
24 it is like general and disaster recovery. And so, she was  
25 stating we removed the language -- or you all removed the

1 language so that it no longer just reverts to the general  
2 fund. And I don't know if that is the correct term. But  
3 I am just trying to simplify it.

4 MR. LONG: That is correct.

5 MS. CARDENAS: So now it is still going to be  
6 reserved for disaster recovery if there is monies that are  
7 still available.

8 MR. WILT: We haven't made that determination.

9 All we have said is that for the next fiscal, there is a  
10 quarter of a million available, until June 1 of 2025. But  
11 there is [inaudible] funding. We haven't made a  
12 determination over what to do with that.

13 We are simply trying to keep the disaster  
14 recovery separated and siloed so that there is  
15 predictability on what we have each year, and what can go  
16 out the door, and when that funding turns over.

17 MS. CARDENAS: Okay.

18 MR. WILT: And what we do over at TFF general,  
19 we can decide that later.

20 MR. RASSIN: I want to ask Valerie's question  
21 again, because I think it is a good question. I am not  
22 sure I understood.

23 My concern is that if there is no automatic  
24 thing that happens to the funds, that you might lose them,  
25 which is not what we are intending to happen. If it is

1 not used in 2025, the funds revert to TFF, or just to the  
2 general --

3 MR. WILT: Historically, they reverted to TFF.

4 MR. DIETZ: Right.

5 MR. WILT: We took that language out. And we  
6 have not made a determination over where they would go.

7 MR. RASSIN: So, there is no chute -- with a  
8 C-H -- where they will automatically fall into place,  
9 where they are assumed to be useful for this program. You  
10 would almost have to come back and start asking the Board.

11 MR. WILT: That is correct. But it is June 1  
12 of 2025, which would allow you to have that discussion in  
13 advance of the budget.

14 MR. RASSIN: I am comfortable with it, so long  
15 as you are. I don't want you guys to have to lose --

16 MR. LONG: If I may. I think Michael is right.  
17 And that is a good question.

18 But again, there is no predetermined chute it  
19 would fall under. So essentially, it would reside in the  
20 Disaster Recovery until the Board makes the decision, as I  
21 said early on. You can decide to move it elsewhere, if  
22 you wanted to or you could leave it there.

23 But you would have to make that decision as a  
24 functional discussion. So, we could have that  
25 conversation and then make the decision whether you wanted

1 to use it elsewhere or put it back in the --

2 MR. DIETZ: Which means staff will have to  
3 bring that to the Board each year at the cessation of the  
4 current term, right. And that way, we can make a  
5 determination as to what happens with any leftover funds,  
6 if there are any.

7 MR. LONG: Or make the decision going forward  
8 that we no longer want to do that, that we want to leave  
9 it in the Disaster Recovery Fund. And the Board can make  
10 a decision --

11 MR. DIETZ: Okay.

12 MR. LONG: -- if it gets too large, that they  
13 could withdraw it and put it elsewhere.

14 MR. DIETZ: Yes.

15 MR. LONG: I mean, that's -- Michael, did I  
16 misstate that?

17 MR. WILT: No. That is correct.

18 MS. CARDENAS: So, to clarify for me, what is  
19 general? I think I am --

20 MR. LONG: When we say general, I mean --

21 MS. CARDENAS: What is the general?

22 MR. LONG: I mean, there is the Foundations  
23 Fund general, and then there is the Foundations Fund  
24 disaster.

25 MS. CARDENAS: Okay.



1           MR. LONG:  However, you want to break that up.  
2           If you are talking about the overall general  
3           administrative budget of the Corporation, obviously, the  
4           Board could do that as well, and say, we want to put this  
5           towards another project.  But we are just trying to keep  
6           this all within the Foundations Fund.

7           MR. RASSIN:  That is not how I understood it.

8           MS. CARDENAS:  Yes.  I just.  Sorry.

9           MR. LONG:  The Foundations Fund is a very  
10          heavily demanded program that the Board gives us authority  
11          to allocate funding for every year.

12          MS. CARDENAS:  No.  We want you all to have it.  
13          We just wanted to make it easier for you.

14          MR. LONG:  And we want to be able to do that.  
15          So, we are not looking -- I am personally not looking to  
16          have the Board move this to another project program in the  
17          Corporation's portfolio of programs.  I would like it to  
18          stay within the Foundations Fund, general or disaster.

19          MR. WILT:  Let me provide a scenario.  Say,  
20          June 1, 2025, rolls around and we have awarded \$150,000 of  
21          disaster recovery funds.  We have \$100,000 remaining in  
22          disaster recovery that is uncommitted.  It could be  
23          committed during the budgeting deliberation to either the  
24          regular Texas Foundations Fund program, which we are  
25          calling general, I guess.

1           And so, let's say you are originally  
2           anticipating budgeting \$1 million for that. Now, you can  
3           budget \$1.1 million for that. And those funds may, if we  
4           end up going with the new cycle, be released on January 1  
5           of 2026. We would have 1.1 available.

6           Or you could elect to keep the disaster  
7           recovery funding separate and make another either  
8           commitment of \$250,000 for the next fiscal, or a  
9           commitment of \$350,000 for the next fiscal, and just roll  
10          the disaster recovery funds into more disaster recovery  
11          funding.

12          Let's say, it is anticipated to be a busy  
13          hurricane season next summer. Then you could elect to  
14          say, hey, a lot of hurricanes coming through. We probably  
15          need \$350,000.

16          MS. CARDENAS: So, you are just wanting the  
17          flexibility to know where to navigate those funds --

18          MR. WILT: Yes. Exactly.

19          MS. CARDENAS: Okay.

20          MR. WILT: And, well, the problem we ran into  
21          this year is that we were waiting. We had to shut down  
22          disaster recovery in June to know how much would roll over  
23          from disaster. And that ended up creating that lapse in  
24          coverage of the program.

25          MR. WILLIAMS: I can appreciate that. Because

1 I mean, initially, my brain was going to, okay. Depending  
2 upon natural disasters, why don't we just have the monies  
3 there to prepare for additional natural disasters.

4 But okay, so, we have the discretion to choose  
5 either/or on where the monies can go. Okay. Okay. That  
6 makes sense.

7 MS. CARDENAS: I think for us, as long as it is  
8 clear --

9 MR. WILLIAMS: Yes.

10 MS. CARDENAS: Because I was still confused.  
11 So, we want it to work for you all. Right.

12 We don't want any time lapses or restriction of  
13 funds, because there is a need. So, I think whatever  
14 needs to be written accordingly to allow that flexibility.

15 MR. RASSIN: Are you saying -- I think our  
16 consensus is that we don't want you to forfeit the money  
17 if it is not used in one year.

18 Is that what you are saying, Ms. Cardenas?

19 MS. CARDENAS: I don't think they are  
20 forfeiting the money. I think it is just so that if the  
21 guidelines say this, now their hands are tied. They have  
22 to come back to the Board.

23 And maybe you still do. But at least to be  
24 able to -- hey, there is two hurricanes that are coming  
25 in, as you mentioned. We need to shift funds for you to

1 have that flexibility to do it. We don't want also -- or  
2 maybe that is not even happening right now.

3 I think -- it is like I understand, but I feel  
4 like I am still like confused. I just want things to be  
5 easier for you all.

6 MR. WILLIAMS: I think the question is, why was  
7 it taken out? I think -- I don't think we had --

8 MS. CARDENAS: No. Because they are saying  
9 that it had -- the way that it was written --

10 MR. WILLIAMS: Yes.

11 MS. CARDENAS: It had to revert back to what we  
12 are calling the general fund. And so, that caused the  
13 lapse in time frame issue, right.

14 MR. THORNHILL: An accounting issue.

15 MR. WILT: It automatically rolled over.

16 MS. CARDENAS: Right.

17 MR. DIETZ: Should there be any or would this  
18 just complicate things if there was just some language  
19 that said any leftover funds may be allocated towards this  
20 or this.

21 MS. CARDENAS: As needed.

22 MR. WILLIAMS: Because that is what it sounds  
23 like. It is like it was removed, because of, I guess,  
24 accounting financial matters. But then, we are almost  
25 saying, there needs to be stated somehow like some

1 guidance, some direction.

2 And I guess -- I mean, I go back -- Valerie, I  
3 go back to you, where it is like, hey. However, whatever  
4 is going to non-complicate this situation for staff, I am  
5 fine with that. If they need to come back, I am okay with  
6 that, too.

7 I just -- if we have any inclination of  
8 verbiage, or anything that is documented, it almost  
9 appears, you would have to come back anyway.

10 MR. WILT: That is correct. You are only  
11 putting these out for public comment.

12 May I suggest that -- it seems like the Board's  
13 prerogative is to have two chutes as an option. And pick  
14 language that reflects either of those. Either it will  
15 continue to reside in Disaster Recovery Funding and that  
16 funding will continue to grow. Or, maybe, it gets  
17 exhausted.

18 Or Chute B is it goes into Texas Foundations  
19 Fund, the general program fund for the next fiscal year.  
20 Those are the only two options. You do not want this  
21 funding to be uncommitted.

22 MR. WILLIAMS: I just don't -- I don't want too  
23 much language. I mean, that is just for me. I don't want  
24 too much language because then -- if staff has to come  
25 back anyways, I would rather have the conversation with

1       them to understand where they see potential pitfalls and  
2       also successes in the funding mechanism. And then we can  
3       decide and help deliberate along with them.

4                I just -- I don't want anything written and  
5       then we have to come back and kind of figure out like,  
6       why, why was it stated. And this is what we meant.

7                MS. CARDENAS: Well, not too much language, but  
8       something that, you know, for audit purposes, you know --  
9       that says, oh, they weren't allowed to do this yet. They  
10      moved it over here.

11               So, that is all I am saying there. Yes, I  
12      agree. Not complicating it, not too much language. But  
13      whatever language is needed that if they are ever audited  
14      because they made, you know, an executive decision, right,  
15      to say hey, there is a need here.

16               But that doesn't restrict them, and then they  
17      are cited during some formal audit that is occurring.

18               MS. SMITH: I just wanted to clarify --

19               MR. LONG: Melinda, you need to come to the  
20      microphone and announce who you are.

21               MS. SMITH: I just wanted to clarify that in  
22      the current budget, we have budgeted \$1,250,000 for the  
23      Texas Foundations Fund, the regular Texas Foundations  
24      Fund --

25               MR. LONG: The general.

1 MS. SMITH: General. Yes.

2 MR. WILLIAMS: Okay.

3 MS. SMITH: And then \$250,000 for the disaster  
4 recovery.

5 MS. CARDENAS: But that is within the -- or  
6 that --

7 MS. SMITH: Separate.

8 MS. CARDENAS: -- so, it's 1.5.

9 MS. SMITH: Completely separate.

10 MS. CARDENAS: Okay.

11 MS. SMITH: So, they are budgeted as two  
12 different line items this year for the first time.

13 MS. CARDENAS: Okay.

14 MS. SMITH: Before, we had them together. But  
15 at the end of the year, if they are not spent, they don't  
16 go into any reserve fund. They just go back into the  
17 General Fund, the big General Fund, and then have to be  
18 requested again the next year through the budget process.

19  
20 We don't have to do it that way, obviously.  
21 You could change that. The Board could designate the  
22 funds permanently. But right now, that is the way it is.

23

24 MS. CARDENAS: Okay.

25 MR. RASSIN: So, it sounds like you do lose

1 funds from the program, if they are not used.

2 MR. WILT: We haven't lost funds from the  
3 program yet because we had the language in there that it  
4 rolled over.

5 MR. RASSIN: And yet, when you remove this  
6 language, I am concerned that you are going to start  
7 losing the money.

8 MR. WILT: We are sensitive to that concern.  
9 And to Mr. Williams' point, I think we are going to -- we  
10 will draft language that reflects what you all are saying.

11 MR. DIETZ: Yes. I like the kind of the sample  
12 language that you just used, the two chute language.

13 MR. WILT: Right.

14 MR. DIETZ: As long as it is not something that  
15 complicates your life. So, yes. I think that makes sense  
16 to have something like that in there.

17 And so, perhaps, if I understood you correctly,  
18 perhaps a good course of action would be, we could approve  
19 what we have got here for public comment with some  
20 direction to you to, during that public comment phase,  
21 have some language like that, that you just suggested,  
22 added. And then when it comes back to the Board for full  
23 and final approval, that language would be included.

24 MR. WILT: Is that reflective of your comments,  
25 Mr. Rassin?



1 MR. RASSIN: Mr. Wilt, I want you to get the  
2 money that you want and I trust that you know what is best  
3 for your program. I think we share those objectives. It  
4 sounds like we do. So, I would say yes.

5 MR. WILT: Okay.

6 MR. WILLIAMS: I just want to make sure, I  
7 guess -- because we kind of tossed around auditing. This  
8 is -- I mean, it is not going to complicate the current  
9 auditing process standards if we add -- if language is  
10 added into this, it is not going to complicate anything.

11 MR. LONG: We will work with Accounting to make  
12 sure that we don't do anything that would complicate that  
13 process.

14 MR. WILLIAMS: Okay. Okay.

15 MR. DIETZ: And that is perfectly okay to have  
16 that suggestion that has just been proposed today added  
17 during the public comment process and then approved later.  
18 Is that correct?

19 MR. WILT: Yes. We do that routinely.

20 MR. DIETZ: Yes. Great.

21 MR. LONG: As well as, at the next Board  
22 meeting it was brought forward for formal approval before  
23 you approve it. If the language isn't quite what you  
24 want, we can tweak it during the meeting.

25 MR. DIETZ: Yes. Perfect.

1 Any other questions or comments?

2 (No response.)

3 MR. DIETZ: Is there a motion?

4 MS. CARDENAS: Motion to approve Tab Item 8 as  
5 presented, in addition to the comments suggested by  
6 Chairman Dietz and provided by TSAHC staff.

7 MR. RASSIN: I second that.

8 MR. LONG: Well done.

9 MR. DIETZ: Okay. So, it is moved and seconded  
10 that we approve to publish for public comment the Texas  
11 Foundations Fund fiscal year 2025 Disaster Recovery  
12 Guidelines, with further direction to tweak those  
13 guidelines as discussed. Does that satisfy the motion?

14 MS. CARDENAS: (No audible response.)

15 MR. DIETZ: Is there any public comment?

16 (No response.)

17 MR. DIETZ: Hearing none. Please say aye in  
18 favor.

19 (A chorus of ayes.)

20 MR. DIETZ: Any opposed.

21 (No response.)

22 MR. DIETZ: Okay, approved as presented with  
23 the addition noted.

24 MR. WILT: Thank you.

25 MR. DIETZ: Thank you.

1           MR. LONG: I will add, that was not the  
2 topic -- not the agenda item I thought we would have the  
3 discussion on. That was the slam dunk.

4           MR. DIETZ: Yes.

5           MR. LONG: Thank you for your input and  
6 feedback. We appreciate it.

7           MR. DIETZ: Yes. Any reason to go into closed  
8 meeting today?

9           MR. LONG: No, sir.

10          MR. DIETZ: No. Any announcements or closing  
11 comments from the Board or from the President?

12          MR. LONG: No. Just a reminder that the next  
13 scheduled Board meeting is September 17th at 10:30.

14          MR. DIETZ: Okay. Great.

15                 With that, it is 11:38 and we are adjourned.

16                 (Whereupon, at 11:38 a.m., the meeting was  
17 concluded.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board  
LOCATION: Austin, Texas  
DATE: August 20, 2024

I do hereby certify that the foregoing pages, numbers 1 through 60, 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: August 26, 2024

/s/ Carol Bourgeois  
(Transcriber)

On the Record Reporting  
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