

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
October 15, 2024
10:30 a.m.

BOARD MEMBERS:

WILLIAM H. DIETZ, JR., Chair
VALERIE V. CARDENAS, Vice Chair
DAVID RASSIN, Member
ERNEST RICHARDS, 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,
3 October 15th, and the Texas State Affordable Housing
4 Corporation Board meeting for October is called to order.
5 We will start with roll call. William Dietz, Chair, I am
6 here.

7 Valerie Cardenas.

8 MS. CARDENAS: Present.

9 MR. DIETZ: Ernest Richards.

10 MR. RICHARDS: Here.

11 MR. DIETZ: Lemuel Williams.

12 MR. WILLIAMS: Present.

13 MR. DIETZ: And David Rassin.

14 MR. RASSIN: Good morning. Present.

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

17 Before we begin, as usual, please join me in
18 the Pledge of Allegiance.

19 (Whereupon, the Pledge of Allegiance was
20 recited.)

21 MR. DIETZ: And to the Texas flag.

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

24 MR. DIETZ: All right. And before we go any
25 further, I just want to welcome our new Board member, Mr.

1 Richards. We are glad to have you with us.

2 MR. RICHARDS: Thank you very much.

3 MR. DIETZ: Thanks for being here.

4 Is there any public comment before we start?

5 (No response.)

6 MR. DIETZ: Hearing no public comment, we will
7 just move right along into the President's Report from Mr.
8 Long.

9 MR. LONG: Good morning, Chairman Dietz,
10 Members. I guess first I would just like to resound what
11 Mr. Dietz just said. A special welcome to Mr. Richards
12 for sitting in his first Board meeting with us.

13 I would like to confirm that Mr. Richards, in
14 conjunction with training with Ms. Scott at Coats Rose,
15 our General Counsel, completed his required training in
16 order to participate this morning. So, thank you for Ms.
17 Scott for that. And Mr. Richards, thank you for joining
18 us on that.

19 I just want to say a special thank you to
20 Rebecca. The Board book that we have to put together is
21 about 500 pages long. We don't read through every page,
22 obviously. But a lot of information.

23 And Rebecca takes the time to make sure that
24 those are updated and ready to go for the Board member
25 training. So, thank you for doing so.

1 The Corporation's financial and single audits
2 are ongoing. The first audit planning meeting was held
3 with Maxwell, Locke and Ritter on September 11. And the
4 final reports will be delivered to the Audit Committee and
5 the Board for approval at their November Board meeting.
6 So, looking forward to getting all of that done.

7 I want to thank the staff, specifically Melinda
8 and her team, for doing all the work that they are doing.

9 Nick and Betsy, for all the time they put in to making
10 sure that gets done.

11 You will notice than in Tab E's financial
12 reports, the third party, that information there is just a
13 statement. It is not there. The reason being is, we
14 require a lot of third-party statements that come in from
15 in our various financial institutions, and funders that we
16 have, and that information was not received in time for us
17 to put that report together for you. But that will be
18 provided to you at the November meeting, so I wanted to
19 make sure you are aware that that is there.

20 The Loan Committee met on Tuesday, October 8th.
21 I was not available. I was traveling. But I know they
22 did meet.

23 We didn't have any specific new loans that were
24 reviewed or discussed. However, we do always review the
25 Texas Housing Impact Fund loan report. And as a result,

1 there were no major questions that I was told need to be
2 brought to attention.

3 I always like to thank Mr. Williams for his
4 participation as the Loan Committee member from the Board
5 that sits on that with us. So, thank you for your time
6 there, Mr. Williams.

7 Single family updates. Rates are crazy right
8 now. We continue to see the rates fly all over the place.
9 We saw some nice reductions for a while. And now we are
10 back -- evidently, because of new job numbers and some
11 other things, rates are back up a little bit.

12 But we continue to see activity in our program.
13 The Homeownership team conducted five realtor trainings.
14 Seventy realtors participated in that.

15 Our LoanDoc training -- if you remember, we
16 switched our single family compliance software a while
17 back. And we are continuing to train our lenders in that
18 program. We train literally every day to help lenders get
19 familiar and get signed on with that program. 520 users
20 signed in for the required training and 410 completed the
21 trainings since last month.

22 We added three new lenders to our approved
23 lender list. So, that is always good to see the new
24 lenders are actively involved.

25 Some additional outreach. The Homeownership

1 team launched our monthly live lender FAQ session, with a
2 successful 30 lenders in attendance for September's
3 meeting. Lenders have the chance to ask questions in
4 advance, and then you have those questions answered.

5 And we are glad to see that so much
6 participation is taking place. The next session is
7 scheduled for October 24th. So, we hope for not only
8 similar but actually increased activity in that.

9 And it is open for registration and questions
10 at this time. So, if you know any lenders that are
11 looking to learn about our programs, please feel free to
12 have them join us.

13 We also had Frank Duplechain -- he will take
14 the TSAHC road show -- I love calling it that -- where he
15 goes out and he meets with various lenders and realtors
16 while out in the field. And he is going to take that road
17 show to San Angelo on October 29th, and Abilene on the
18 30th -- conduct our realtor training course as well. And
19 so, we look forward to having that be successful and have
20 a lot of participation in that.

21 On the Development Finance team, Cassandra
22 attended the Reclaiming Vacant Properties conference in
23 St. Louis recently. She sent me a beautiful picture of
24 the Arch. Thank you for that. It made me mad, because I
25 wasn't there.

1 But either way, she sent a nice picture and
2 said it was a good conference. This is an annual
3 conference that focuses on land banking and neighborhood
4 stabilization, and TSAHC has attended nearly every year
5 since 2010. It is one of the things that we use as a
6 program, as you know. So, getting as much information and
7 staying up to date on that is really important for us.

8 On October 23rd, June West Apartments in Austin
9 will have its grand opening ceremony. The 80-unit
10 property is 100 percent affordable and received a \$3
11 million loan construction from the Corporation. So, TSAHC
12 was a significant funder in that transaction.

13 Looking forward to doing the grand opening.
14 The fact that it is 100 percent affordable says a lot
15 about the demand, and the need in the area.

16 On October 24th, an open house will be held at
17 Mesquite Woods Subdivision in Harlingen. This is a
18 22-unit subdivision that is part of TSAHC's land banking
19 program, where we own the land. We are working with
20 Harlingen CDC for them to put together and develop the
21 housing -- the individual housing on it.

22 As the local partner, they have completed three
23 homes to date, and two additional homes are under
24 construction. And the event will celebrate the first
25 three homes to move into the subdivision. So, we are

1 really excited about the progress they are making on that.

2 Fundraising. After we submitted our initial
3 inquiry, which was a requirement in order to be invited,
4 the Corporation has been invited to apply for a \$750,000
5 grant from the St. David's Foundation. And this, if we
6 are successful, it will support the redevelopment of our
7 1910 MLK property, which we are looking to develop into
8 for-sale condominiums.

9 That is one of the -- for those of you that
10 don't remember, 1910 is over next to -- real close to our
11 old office building. And we own that. It was an older
12 office building that we were renting out. And we have
13 been in the process of getting that set up to be converted
14 into for-sale housing in the form of condominiums.

15 A lot of work has gone into that. I would like
16 to thank David and his team for all the efforts they put
17 in, in terms of just coordinating with the various
18 contractors, the architectural firms and all that to get
19 that done.

20 The Corporation also received a \$23,000 grant
21 from Bank of America to support the 2024 Texas Supportive
22 Housing Institute. Adding that to the rest that we have
23 received to date, we have raised \$200,000 in support of
24 the Institute, and that fully is funding all the expenses
25 related to this year's Institute.

1 Marketing. On September 15th through October
2 15th was Hispanic Heritage month, and TSAHC participated
3 in three local Hispanic Heritage month festivals to spread
4 the word, not only about our programs, but also to just
5 visit with homebuyers that were eligible for our programs.

6 We also released a podcast segment featuring top lender
7 Clarissa Hernandez. I am sorry. I always get her name
8 wrong -- Clarissa Hernandez, and created a blog and social
9 media posts promoting our Spanish language resources.

10 So again, in recognition of Hispanic Heritage
11 month, we wanted to make sure that we reached out to as
12 many people as possible.

13 TSAHC is also releasing another podcast segment
14 on Friday the 18th, featuring Michael Wilt interviewing
15 David Northern, the head of the Houston Housing Authority.

16 If you recall, we have had some of our Board members
17 participate in these. We always try and get a speaker who
18 can talk specifically about various areas of housing that
19 we are looking to discuss.

20 And they'll be discussing the vital role of
21 housing authorities and opportunities to partner with
22 housing finance corporations like TSAHC. So, we're very
23 excited about this one. And I hope it goes well.

24 Under Housing Connection, TSAHC hosted our 2024
25 Housing Connection training workshop in San Antonio,

1 September 23rd through the 26th. It was offered at the
2 Federal Reserve Bank of Dallas, San Antonio Branch. I was
3 fortunate enough to be able to attend. It was well
4 attended.

5 We offered two courses taught by NeighborWorks
6 America, with a total of 43 non-profits and staff in
7 attendance. And we had some of our funders show up that
8 we use to fully fund that as well. So, we can provide
9 housing, rental -- hotel expenses are covered for those in
10 attendance. And there were funders: Lakeview Loan
11 Servicing, Texas Community Bank, and PNC were in
12 attendance to give a little presentation.

13 The Supportive Housing Institute, as I
14 mentioned earlier, it was kicked off on October 9th
15 through the 11th, here in this room. We had it available.

16 And we had some of our funders attend.

17 I was able to make an opening presentation, as
18 well. It is a really good group of people attending. We
19 have five of our six development teams participating in
20 this year's Institute, as well as our funders were here.

21 TSAHC staff coordinated a tour of three
22 permanent supportive housing properties in the Austin area
23 on that first afternoon of the 9th. And from what I
24 understand, it went really well. We actually had the bus
25 show up. And so, everybody had a place to get on.

1 And we had a great opportunity, that -- a great
2 group of people. I think they are very engaged. And
3 we're looking forward to that being a very successful
4 Institute this year.

5 The Corporation, as you know, executed our
6 contract with TxDOT regarding our participation in the
7 I-45 North Houston housing Highway Improvement Project.
8 The Corporation, as part of our contract, was to go out
9 and do the RFP for a consultant to help us get that kicked
10 off and identify the needs in the communities being
11 impacted. We received some information back on that.

12 We received one application on the original
13 response. In talking with TxDOT, they asked us to extend
14 that to see if we could receive additional responses to
15 the RFP. And in result, that Revitalization Plan
16 Consultant RFP has been extended to October 25th. And
17 we'll look forward to receiving some additional responses
18 on that and keep the Board updated as that project
19 continues to move forward.

20 Some events that we attended. Michael Wilt and
21 I attended the Texas Conference on Ending Homelessness in
22 September. Michael also participated on a panel promoting
23 and showing the successes of our Texas Supportive Housing
24 Institute.

25 Michael also represented the Corporation on

1 September 18th at the Interagency Housing Event in El
2 Paso, hosted by the Federal Reserve Bank at their El Paso
3 office. And also had the FDIC and the Office of the
4 Comptroller of Currency in participation.

5 David, excuse me -- David, me -- Janie, myself,
6 Joniel, and Donnetta attended the NCSHA Conference in
7 Phoenix in September -- late September, early October. It
8 is an annual conference that the National Council of State
9 Housing Agencies puts on and we really appreciate the
10 opportunity to attend. It is a great networking
11 opportunity. I am glad the staff got to go.

12 And one last thing I would like to mention is
13 that for the past several years, the Corporation staff
14 have participated in the State Agency Council and
15 Partnership for Children. It is a fundraising/gift
16 donation opportunity for children, for the holiday season.

17 And the Corporation has worked with this organizations
18 for the last several years.

19 This year, we decided to start the fundraising
20 a little earlier so we could get a better feel for how
21 many children we would be able to help. Typically, we
22 look to spend about \$100 per child, at the guidance of the
23 Agency. And this year, between the Corporation staff and
24 the Corporation, we raised \$4,000.

25 And so, we'll be serving 40 children this year.

1 And so, I am very thankful to the staff and appreciate
2 all the time and effort. But I thought that was worth
3 recognizing.

4 Lastly, the next scheduled Board meeting is
5 scheduled for Tuesday, November 19th, at 10:30. So, we
6 will be sure and send out to the Board members calendar
7 updates and be considering our agenda for that meeting.
8 And we will keep you posted along the way.

9 And with that, Mr. Chairman, I will conclude my
10 remarks.

11 MR. DIETZ: Great. Thank you very much.

12 Any Board members have any questions or
13 comments, discussion?

14 (No response.)

15 MR. DIETZ: No. Okay. Then, we'll move into
16 our action items for our open meeting today.

17 Tab Item 1 is the presentation, discussion and
18 possible approval of the minutes of the Board meeting that
19 was held on August 20, 2024. Are there any corrections or
20 additions or discussion about the minutes?

21 (No response.)

22 MR. DIETZ: And if not, is there a motion to
23 approve?

24 MR. WILLIAMS: Chair, this is Lem. I would
25 like to make a motion to approve the Board minutes held on

1 August 20, 2024.

2 MR. DIETZ: Great. Is there a second?

3 MR. RASSIN: Second.

4 MR. DIETZ: Okay. It has been moved and
5 seconded. Is there any public comment?

6 (No response.)

7 MR. DIETZ: Hearing none. All in favor, please
8 indicate so by saying aye.

9 (A chorus of ayes.)

10 MR. DIETZ: Any opposed.

11 (No response.)

12 MR. DIETZ: Okay. The minutes are approved.

13 Tab Item 2 is the presentation, discussion and
14 possible approval of the Texas Foundations Fund fiscal
15 year 2025 Disaster Recovery Guidelines.

16 MR. WILT: Good morning, Chairman, Board
17 Members. I am Michael Wilt, Senior Manager of External
18 Relations, here to present Tab Item 2.

19 We originally released these Texas Foundations
20 Fund disaster recovery guidelines for public comment at
21 the August Board meeting. And as you recall, the only
22 significant change we proposed this year was to eliminate
23 that requirement that applications would be due by June.
24 We had that requirement in there earlier, so that unused
25 funds would roll over into the Texas Foundations Fund

1 general.

2 Which one am I speaking to?

3 THE REPORTER: This is the one I am recording.

4 MR. WILT: Okay. Into the TFF general fund.

5 But that created a lapse in coverage for the disaster
6 recovery program, including during the summer months,
7 whenever we have had hurricane activity. So, we got rid
8 of that requirement. And now, we will accept applications
9 year round, as long as funds are available, including in
10 the summer months.

11 We had public comment due on October 4th, and
12 we did not receive any public comments. So, we did not
13 make any additional changes to the draft guidelines. And
14 the version before you is the same as the version that was
15 presented in August.

16 However, there was a spirited discussion from
17 the Board about these guidelines, and we met internally in
18 lieu of that discussion. Because your request was to look
19 at a way to divert unused funds, either to future disaster
20 recovery rounds or into the general Texas Foundations Fund
21 program. And we determined that we can create a reserve
22 account to hold any unused disaster recovery funds so that
23 they are available for future use, however the Board sees
24 fit.

25 Because this is an administrative function, we

1 did not feel it was necessary to add this to the
2 guidelines. However, because we release the guidelines
3 annually and always include the total funds available in
4 the guidelines, in the future, any funds made available
5 from previous funding rounds will be reflected in the
6 total funds available, as stated in the guidelines.

7 I am not an expert on the reserve account. And
8 so if you have questions pertaining to how that works
9 operationally, I will bring Melinda up here to answer
10 them. But I think I can answer anything else.

11 I will close my comments, and open it up for
12 questions.

13 MR. DIETZ: Great. Thank you. Any comments or
14 questions?

15 MR. WILLIAMS: I am good.

16 MS. CARDENAS: I think we had a lengthy
17 discussion the last time.

18 MR. WILLIAMS: I think Michael said it was
19 spirited.

20 MR. WILT: Tell me. It is all spirited.

21 MR. DIETZ: Thanks for -- I appreciate staff
22 kind of working through that, coming up with a way to
23 accommodate what kind of was the inclination of the Board
24 during our last discussion. Sounds like you have done
25 exactly that in a pretty simple and straightforward way.

1 So, thanks.

2 If there is no further comment or question, is
3 there a motion?

4 MR. RASSIN: Sure. Mr. Chairman, I move that
5 the 2025 Disaster Recovery Guidelines be approved -- I am
6 sorry -- the Disaster Recovery Guidelines for the Texas
7 Foundations Fund be approved as presented.

8 MR. WILLIAMS: Chair, this is Lem. I will go
9 ahead and second that.

10 MR. DIETZ: Okay. It has been moved and
11 seconded that we approve the Texas Foundations Fund fiscal
12 year 2025 Disaster Recovery Guidelines as presented. Is
13 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. Approved as presented.

21 MR. WILT: Thank you.

22 MR. DIETZ: Thank you very much.

23 Tab Item 3 is the presentation, discussion and
24 possible approval of a resolution permitting Texas State
25 Affordable Housing Corporation to purchase land under the

1 Affordable Communities of Texas Land Bank Program, in an
2 amount not to exceed \$250,000, to be developed for
3 affordable homeownership in partnership with Del Valle
4 CDC, and the communities of Alamo, Mercedes, and San Juan.

5 MR. DANENFELZER: Sorry. Good morning. David
6 Danenfelzer, Senior Director of Development and Finance.

7 Yes, this morning I am bringing to you a new
8 land banking opportunity. It has been a little while
9 since we had one of these. But for those of you who are
10 unfamiliar, our land banking program depends on having
11 local partners which we can rely on to build and develop
12 out either subdivisions or individual lots and homes, to
13 produce affordable housing for the program.

14 In this case, we were approached a little while
15 ago and have been talking with Del Valle CDC. They don't
16 fit our normal non-profit category of local partner. But
17 they are a for-profit, mission-driven entity that focuses
18 on communities in the Harlingen and McAllen metropolitan
19 area.

20 They have been developing properties over the
21 last few years, and they have asked us to consider
22 partnering on at least ten lots in the communities of
23 Alamo, San Juan, and Mercedes, if I got that right. It is
24 a large metro area. You know, it can take more than an
25 hour to go from Harlingen to McAllen, and there is a lot

1 of very small communities between them. Although, driving
2 the main highway between them, it seems to be like just
3 one continuous community, as some of us are used to in
4 other parts of Texas as well.

5 Today, what we are asking for, then, is just
6 your approval to expend up to \$250,000. We believe this
7 will be able to purchase ten lots. The lots are currently
8 held by Affordable Homes of South Texas, which was a
9 previous local partner, and we continue to work with them
10 from time to time of TSAHC's.

11 TSAHC actually did hold some of the lots in
12 this portfolio in our land bank previously, with
13 Affordable Homes of South Texas as the developer. The
14 lots were purchased using national Neighborhood
15 Stabilization Program funding, which is a federal program
16 that came out of the 2008 Housing and Economic Recovery
17 Act. There was a ten-year hold on those lots, however.

18 And those lots had to be transferred after that
19 ten-year period back to the State of Texas. And then,
20 they transferred them on to AHST, or Affordable Homes of
21 South Texas. And they have continued to hold and develop
22 many of the lots that we had with them.

23 But these particular properties, they just feel
24 that it is better for them to hand off to other non-
25 profits, or for-profits in this case, in order to expand

1 the construction pipeline that can provide affordable
2 housing.

3 So, I will leave it at that with my summary.
4 But if there is any questions, I am here to answer them.

5 MR. DIETZ: Thanks. Could you explain -- just
6 kind of basically re-explain for the Board's benefit kind
7 of how the land bank works. So, we buy the land and then,
8 kind of what happens?

9 MR. DANENFELZER: Yes. So, the basic steps
10 come where we purchase land and hold it. Our property tax
11 exemption helps keep the cost of that holding way down, or
12 significantly down.

13 As you are familiar, one of the biggest burdens
14 that most landowners have in the State of Texas is the
15 property taxes. In most cases, this land is completely
16 vacant, that we purchased. There are times when there are
17 homes on them.

18 If it is a dilapidated property, we clear the
19 site, so that we are not adding to, sort of, neighborhood
20 decline, or any health and safety issues that may arise
21 from having vacant homes. But in other cases, we do have
22 a local partner that is ready to develop on that land.

23 Our typical hold period for the land bank is
24 around five years. We have done some very short term land
25 banks of around six months. And we have had some other

1 properties in our portfolio for over ten years.

2 But it is always our goal to redevelop those
3 properties as fast as possible and get them activated as
4 affordable housing. Once the home is built, it is put up
5 for sale. And we tend to leave most of the responsibility
6 of not only the construction of that property, but the
7 marketing and identification of the low income household
8 to our local partner.

9 They are the ones who are there locally. They
10 are the ones who know the neighborhood needs and desires.
11 So, we don't try to, you know, provide oversight on --
12 hey, we don't like the look of that home. Or we don't --
13 you know, we think you should market it this way.

14 Because they are the local experts. But we can
15 bring our land banking expertise to the table, and lower
16 the holding costs. In some cases, we have purchased
17 properties or received free properties and held them, and
18 then, only had a very minimal cost to the end buyer when
19 it converts to affordable housing.

20 For example, I know we had some lots a few
21 years back, where we purchased them out of foreclosure
22 from a bank for around \$7,500 per lot. Despite holding
23 them for about ten years, we were able to -- we sold them
24 to the homeowner for around \$8,500. So --

25 MR. DIETZ: These are all being developed for

1 single family properties.

2 MR. DANENFELZER: Single family homeownership.
3 We can do rental in the land bank, and there have been
4 very few of those. But mostly, it is single family
5 homeownership.

6 MR. DIETZ: When the qualifying homeowner buys
7 it, they are buying the entire -- the house and the land.

8
9 MR. DANENFELZER: Correct. They are buying the
10 house and the land. So, they will end up having the new
11 tax burden.

12 But we try to keep these households affordable
13 to families at 80 percent. At least, the statewide
14 median, or area-wide median. It does depend on which is
15 higher.

16 In a county like Hidalgo and Cameron counties,
17 we end up seeing that their median income is so low, that
18 we go for the statewide median in order to make sure we
19 have a large enough market. And also, so that we can
20 actually, you know, support the sale cost and the cost of
21 construction. I think if we were to go with the area
22 median income, we'd probably have to discount these homes
23 another \$50,000. But we are -- you know, our local
24 partner has about a ten to 15 percent margin of error on
25 these.

1 So, cutting the price by more than 25 percent,
2 but eliminate any chance of a return -- it just isn't
3 sustainable to sell things for less than what it costs to
4 build.

5 MR. DIETZ: Yes.

6 MR. RICHARDS: David, thank you for your
7 presentation. So, is there a geographical limitation on
8 the land banking in Texas?

9 MR. DANENFELZER: Yes, the State of Texas is
10 our geographical limit. I have been advised by counsel
11 that if I could find some properties in Hawaii for us to
12 go visit, we could get a couple.

13 But otherwise, no. Texas is our limit. We can
14 go right up to the border.

15 MR. RICHARDS: Have you done any projects in
16 the Dallas area?

17 MR. DANENFELZER: Yes. We have done some land
18 banking like this a while back, with a group called
19 Builders of Hope, if you are familiar with them. They
20 work in sort of a -- it is not -- I get confused. It is
21 south of downtown but more west.

22 You know, when you are local, I tend to look at
23 it as sort of Southwest Dallas, but other groups, kind of,
24 have their neighborhood targets, so. And I know you are
25 from that area, so I don't want to, like, misrepresent

1 exactly where it is.

2 I know sometimes I tell people I live in North
3 Austin. And then people who live way north from Austin
4 tell me, no, I live in Central Austin.

5 MR. DIETZ: Yes.

6 MR. RASSIN: I haven't sorted that out. I like
7 to pretend that I live in River Oaks. But I have a
8 question for you.

9 MR. DANENFELZER: Yes.

10 MR. RASSIN: About the statewide versus
11 regional median income. So, I understand that, sure,
12 there is a better return to the developer if we base it on
13 statewide. But doesn't that run the risk of defeating the
14 purpose in building housing that is not truly affordable
15 for the region, and the people that you want?

16 MR. DANENFELZER: In my time of doing this and
17 having worked both here and at the State's Department of
18 Housing, the statute actually does permit this sort of
19 higher of state or local area median. And what we have
20 seen is that the gap between the 80 percent state and what
21 is actually getting built is still quite significant.
22 Many homes in this market are still being sold for a good
23 \$50,000 to \$75,000 more than what we'll be targeting under
24 this program.

25 And we are just not -- in most cases, we are

1 just -- we are still filling a very big need in the
2 marketplace. Because custom builders and even those large
3 production builders are targeting more the 100 percent to
4 120 percent of statewide median income, because that is
5 where they can maximize and get what they anticipate for
6 returns. So, we are still pretty comfortable with it.

7 There might be a couple of markets where the
8 median income is so low that we would be missing a
9 significant portion or close to market. But in this case,
10 we are only about, you know, 20 to 25 percent off the
11 mark, which is still pretty good. I know some towns in
12 East Texas have much lower median incomes, even. So, and
13 even along the border, there is others that are much
14 lower.

15 MR. RASSIN: And I know that you have capped
16 the selling prices of the houses, is that correct?

17 MR. DANENFELZER: Yes. We always try to cap it
18 at 80 percent median income. And we use a sort of a
19 backwards calculation. We look at their median incomes by
20 family size, and then we look at what 30 percent of their
21 household income would be, what they can then afford for a
22 mortgage, taxes and insurance, based on that 30 percent.
23 So, that is where we draw the number, I think, of
24 \$215,000 --

25 MR. LONG: 215-.

1 MR. DANENFELZER: Right.

2 MR. RASSIN: I am satisfied with that. But I
3 want to spell out specifically what it is that I am
4 worried about --

5 MR. DANENFELZER: Yes.

6 MR. RASSIN: -- and that is developers using us
7 to build houses that they would build anyway. Finding a
8 loophole saying this is affordable housing.

9 MR. DANENFELZER: Yes. And we do look at that
10 market rate. I certainly tell a lot more builders no,
11 than I bring projects to you all. We get called
12 regularly. Every month, we get two or three calls from
13 developers who are simply looking to increase their
14 margin.

15 And if they -- you know, yes, probably the most
16 frustrating ones are, often now, there is a popularity of
17 tiny homes is still very high. I know last year we had a
18 developer asking, hey, I can build homes in Brownwood,
19 Texas, and I can sell them for \$150,000. And they will be
20 really affordable for 80 percent households. But they
21 were 400 square foot homes.

22 But, and we just, we won't support something
23 like that. Because on the square foot costs, that is more
24 than we can build anywhere else in the state of Texas and
25 provide decent housing.

1 MR. RASSIN: Thank you, David. That goes to
2 the heart of what I am asking. The last few years, saying
3 no.

4 MR. DANENFELZER: Yes. Yes.

5 MS. CARDENAS: Now, David, on whether it is,
6 you know, any, I guess, developer or for-profit or
7 not-for-profit, do they not provide you with, you know,
8 plans and specifications so that TSAHC can do their cost
9 breakdown, as far as cost per square foot? So, as you are
10 mentioning, you know -- so it is not just something that,
11 you know, can kind of go through the wayside. There is
12 some kind of, you know, math, right, that is going on to
13 ensure that the cost per square foot, you know, is in line
14 with what we would deem affordable housing.

15 MR. DANENFELZER: Absolutely. Before we
16 finalize the individual contracts for construction with
17 whoever the builder and the developer are, we will review
18 site, the plans, both the site plans, the building plan.
19 We do a cursory review of it for accessibility
20 requirements, which we are under federal law required to
21 meet Title 2 and 3 of the ADA.

22 We also make sure they certify through their
23 architect or engineer the energy efficiency standards and
24 qualities. And then, of course, they need to meet basic
25 health and safety standards for building permits in their

1 area. So, all of that has to kind of piece together for
2 us to sign off on the final budget numbers.

3 And you are right. We often have folks come in
4 with house plans again, that even at that point they
5 will -- we recently had a builder which -- all great
6 intentions. They just thought, hey, what if we could add
7 another 200 square feet.

8 But even at the same cost of construction, we
9 couldn't really justify that increased cost to homebuyers.
10 So, they are still building a 1,200 square foot home. We
11 just had to kind of back it off of the 1,400 square foot
12 that they wanted to add on, because we couldn't reach that
13 affordable target price.

14 MS. CARDENAS: And you know, and just to
15 provide some perspective to the Board, you know my primary
16 line of business is mortgage lending. And so, Joniel
17 knows, I ask her all the time, how are these, you know,
18 statewide income limits calculated, versus, you know, area
19 median.

20 And you know, being from the Rio Grande Valley,
21 which these lots happen to be located, people really do
22 miss out. When you are talking about our area median
23 household of four, based on HUD income limits being at
24 \$60,000, versus the statewide -- and someone can correct
25 me. I know there is so many numbers. It is either 97.8

1 or 91.4.

2 And so, that is a huge difference to allow
3 somebody to be able to qualify for also down payment
4 assistance versus, oh, they are exceeding the income
5 limit, you know, at \$60,000. Therefore, they are missing
6 an opportunity for affordable housing. Therefore, they
7 are missing, you know, the opportunity for down payment
8 assistance.

9 So, you know, it is just hard to get borrowers
10 qualified. Several institutions in the Valley work with
11 Federal Home Loan Bank, which provides sizeable down
12 payment assistance. This past year, it was \$20,000.

13 And they are held to, you know -- for our area,
14 you know, the household cannot make, again, a household of
15 four, \$60,000. Well, you have somebody at \$62,000, or
16 \$65-, they are out. And they need that in order to bring
17 that cost of housing down.

18 So, I know we think \$90,000, you know, that is
19 state median. But we are missing a whole gap of
20 homeownership. And you know, things have gotten more
21 expensive. You know, aside from the costs of housing.

22 So, to allow a little bit higher income limit
23 to get them qualified -- and I understood what you were
24 saying, right. Not to take advantage of, okay, now they
25 can qualify for more. We can't even get them qualified,

1 you know, at certain levels.

2 And so, it is a real challenge. So, Joniel was
3 fortunate enough, you know, to educate me on, there is the
4 state, you know, income limit. And that just opens up,
5 you know, more opportunities for more homeownership in
6 certain areas of Texas.

7 MR. DIETZ: Any other comments or questions?

8 (No response.)

9 MR. DIETZ: All right. Is there a motion?

10 MR. WILLIAMS: I do not want this thing to die
11 on the vine here. I am trying to find my motion here.
12 Tab Item 3, okay.

13 Chair, this is Lem. I would like to make a
14 motion to approve the resolution permitting TSAHC to
15 purchase land under the Affordable Communities of Texas
16 Land Bank Program, in the amount not to exceed \$250,000,
17 to be developed for affordable homeownership in
18 partnership with Del Valle CDC, and the communities of
19 Alamo, Mercedes, and San Juan.

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

22 MR. RICHARDS: I second. This is Ernest
23 Richards.

24 MR. DIETZ: Moved and seconded. Is there any
25 public comment?

1 (No response.)

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

4 (A chorus of ayes.)

5 MR. DIETZ: Any abstentions or negatives?

6 MS. CARDENAS: I abstain.

7 MR. DIETZ: Okay. Any opposed?

8 (No response.)

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

10 MR. DANENFELZER: Thank you very much.

11 MR. DIETZ: Okay. Tab Item 4 is the
12 presentation, discussion and possible approval of a
13 resolution authorizing the Texas State Affordable Housing
14 Corporation to close the financing of Boulevard 61 located
15 in Houston, Texas, including creating entities,
16 negotiating finance documents, and obtaining debt
17 financing and equity investment in the project.

18 MS. RAMIREZ: Good morning, everyone. My name
19 is Cassandra Ramirez. I am a Development and Finance
20 Manager with TSAHC.

21 This agenda item is related to the Boulevard 61
22 project in Houston, Texas. This will be located in
23 southwest Houston and will include 100 units of housing.

24 To give you all some background in this
25 project, we received this joint venture application last

1 year in November and brought it to you all in December for
2 preliminary approval to carry out this project and apply
3 for financing, and participate in the ownership. And we
4 are at the point now where we are seeking your final
5 approval so that we can move towards a construction
6 finance closing and participate in the ownership and
7 operation.

8 So, as mentioned, this will include 100 units.
9 This project qualified for our joint venture program,
10 because at least 10 percent of the units are serving
11 households at 30 percent AMI or below.

12 We have made a lot of progress on this project,
13 since we brought this project to you all in December.
14 Coats Rose represents TSAHC as our joint venture counsel.

15 And there is an MOU in place. We formed the TSAHC
16 ownership entities, and ground leases.

17 Draft closing docs are in the works. So, as
18 mentioned, we are at the point where we are seeking your
19 final approval, so that we can move to the construction
20 and finance closing and construction start.

21 This project, the budget is approximately \$33
22 million. It has a variety of sources. It is primarily a
23 9 percent tax credit development but will include a HUD
24 (d) (4) loan. It includes City of Houston HOME funds, a
25 TDHCA multifamily direct loan, and some sponsor funds as

1 well.

2 As mentioned, you know, we have met our project
3 milestones. And we are just at the point where we are
4 ready to close and start construction, which we are timing
5 for January, with the project's financing currently in
6 underwriting with all the sources.

7 DMA has been a partner with TSAHC in the past.
8 They are our development partner for the Park on 14th
9 project, which is under construction right now. And we
10 are excited to work with them on this development.

11 So, that is my presentation. If you all have
12 any questions, feel free to ask.

13 MR. DIETZ: Great. Thank you very much.

14 MR. WILLIAMS: I have a question.

15 Thank you, Cassandra. So, I see here for DMA,
16 they have developed more than 34 properties in Texas and
17 Georgia. Besides Plano and then Houston, I guess, what
18 other areas or regions here in Texas?

19 MS. RAMIREZ: All over the state. They do some
20 consulting work for tax credit developments. They do
21 consulting. But they also have a developer arm and have 9
22 percent tax credits -- a lot in Austin, a little bit in
23 the DFW area.

24 I believe this is their first project in
25 Houston. But they're sort of all over the place. They

1 have some rural properties as well. They were one of the
2 first participants in the tax credit program in the '90s.

3 MR. WILLIAMS: Okay. Okay.

4 MR. DIETZ: Yes.

5 MR. RICHARDS: Thank you for your presentation.
6 My question is on the entities. It says "creating
7 entities." What kind of entities are those?

8 MS. RAMIREZ: So, this is a joint venture
9 partnership where we are partnering with DMA as the
10 developer. And TSAHC is coming in as the sole member of
11 the General Partner, or managing member, in order to
12 provide the property tax exemption.

13 So, it would be easier to show you with an org
14 chart. But there is an ownership entity made up of TSAHC,
15 and then, a special member that is DMA. There is a HUB
16 involved. But the TSAHC entities are related to the
17 ownership.

18 MR. RICHARDS: So, those would be like LLCs or
19 what?

20 MS. RAMIREZ: Yes.

21 MR. RICHARDS: And I wonder if counsel can
22 chime in on this. Also, is this profit, non-profit? Is
23 it any sort of a corporate vehicle or structure?

24 MS. RAMIREZ: Sure.

25 MR. DIETZ: If you could state your name.

1 MS. SCOTT: This is Sarah Scott with Coats
2 Rose. Good morning. Yes.

3 I wanted to mention, and as Cassandra
4 mentioned, there is a HUB involved. Sorry. I can just
5 speak loudly.

6 I think when the developer first applied for
7 tax credits -- you know, in the competitive program, you
8 can get extra points either for having a non-profit
9 involved, or for having a HUB involved. And when they
10 applied, TSAHC wasn't a contemplated partner.

11 So, they used one of their HUBs. It is
12 actually related to some of the employees. It is a woman-
13 owned LLC. And they realized the cost of construction and
14 the cost of operating was going to be too high, so they
15 looked for a partner that could bring a tax exemption,
16 like TSAHC.

17 And once you have received an award and you are
18 changing the ownership structure, you have to get TDHCA's
19 approval. And it is a more administrative approval. If
20 you simply add the non-profit, rather than substitute the
21 HUB out, and adding in the non-profit. So, that is why
22 this looks a little different, in that the managing member
23 will be 5 percent owned by the HUB and 95 percent owned by
24 a TSAHC-related entity.

25 And then below that, there is just for complete

1 protection, there is another TSAHC single purpose entity
2 that is wholly owned by TSAHC itself. But this still
3 allows for the property tax exemption, because all the
4 documents leading up to the owner entity provide for TSAHC
5 control.

6 MR. RICHARDS: Thank you very much.

7 MR. DIETZ: Great.

8 MR. RASSIN: I was wondering, because I am
9 trying to zoom in on the electronic copy now to determine
10 where the cross street is. I understand that it is on
11 Richmond, and the approximate location. What is, where
12 exactly is it?

13 MS. RAMIREZ: It is an existing building. I
14 can't think of the cross street. It is right off of the
15 freeway.

16 MR. RASSIN: Do you know the address?

17 MS. SCOTT: It is 6101, I believe -- Richmond.

18

19 MR. RASSIN: Thank you.

20 (Pause.)

21 MR. DIETZ: Any other questions, or comments,
22 or discussion from the Board?

23 (No response.)

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

25 MR. RICHARDS: Ernest Richards. I move for

1 approval of a resolution authorizing the Texas State
2 Affordable Housing Corporation to close the financing of
3 Boulevard 61 located in Houston, Texas, including creating
4 entities, negotiating finance documents, and obtaining
5 debt financing and equity investment in the project.

6 MS. CARDENAS: Second.

7 MR. DIETZ: It has been moved and seconded. Is
8 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. Approved as presented.

16 MS. RAMIREZ: Thank y'all.

17 MR. DIETZ: Thank you.

18 On to the next page. Tab Item 5, the
19 presentation, discussion and possible approval of a
20 resolution to approve participation in the Connect
21 Investment Trust.

22 MS. SMITH: Good morning. My name is Melinda
23 Smith. I am the CFO. And yes, we are asking the Board to
24 approve a new investment pool for the Corporation to
25 invest in.

1 Currently, we only have LOGIC. That was really
2 the only one available. And then, there is the sister
3 pool, the name escapes me. But it is basically the same
4 thing, and operated by the same company.

5 And we are requesting that we be able to invest
6 in Connect. Let me get the name. Thank you. Connect
7 Investment Trust.

8 And government pools are basically set up as
9 money market mutual funds. And the value of the portfolio
10 stays at \$1, so that you are really not losing any market
11 value, based on what you have invested. And right now,
12 the rate is around 5 percent.

13 So, we are requesting that the Board allow us
14 to be able to invest in this new government pool, which is
15 operated by Meeder Investment Company, which is the
16 investment company that Patterson and Associates --
17 purchased Patterson and Associates.

18 So, that we have some competition, and we have
19 a little extra opportunity to invest in something else.
20 So, it just widens our investment opportunities.

21 MR. DIETZ: Currently, we have one money market
22 fund that our cash is in, is that correct?

23 MS. SMITH: Well, we have it in a variety of
24 places. But there is only one investment pool that we
25 utilize, and that is LOGIC.

1 MR. DIETZ: And that is under Patterson's
2 supervision as well?

3 MS. SMITH: Yes. I mean, they recommended it.
4 But it is actually operated by Hilltop.

5 MR. DIETZ: Okay.

6 MS. SMITH: And then, the new one is operated
7 by, or was created by Meeder Investment.

8 MR. DIETZ: Okay. Are we talking about
9 basically splitting our cash that would be in the other
10 government pool into these two pools? Is that the idea?

11 MS. SMITH: Well, just as the rates -- just
12 depending on what the rates are.

13 MR. DIETZ: Okay.

14 MS. SMITH: We would, you know, put money over
15 there. If the rate was better at this new one, then we
16 might put our money there. If it is not, we will keep it
17 in LOGIC. But it gives us another opportunity to spread
18 it out and diversify it a little more.

19 MR. DIETZ: These are -- they are money market
20 funds?

21 MS. SMITH: Yes.

22 MR. DIETZ: Okay. Yes.

23 MS. SMITH: Yes.

24 MR. DIETZ: Yes, 5 percent is a high rate in
25 today's environment.

1 MS. SMITH: Yes. It is actually 4 point
2 something.

3 What did you say it was, Nick?

4 MR. LAWRENCE: 93.

5 MS. SMITH: 93.

6 MR. DIETZ: After the 50 basis point cut, that
7 is a particularly high rate.

8 MR. WILLIAMS: We wouldn't sell any assets to
9 invest into this new fund?

10 MS. SMITH: No.

11 MR. WILLIAMS: That was just -- okay.

12 MS. SMITH: No, sir.

13 MR. WILLIAMS: Okay.

14 MR. RASSIN: I understand why this is before
15 the Board. It is because the Texas Connect requires this
16 particular resolution. If the resolution were not
17 required by Texas Connect, is this still something that
18 would require Board approval?

19 MS. SMITH: Would it still be something that
20 was required? Yes, it would. It would.

21 For the Public Funds Investment Act, that
22 would -- we definitely would be required to ask for your
23 approval.

24 MR. RASSIN: Is there a dollar threshold for
25 that? I would be amazed if you knew off the top of your

1 head. I don't expect you to tell me what it is, just if
2 there is one.

3 MS. SMITH: We have in the investment policy a
4 limit on how much we can put in a pool. We have some
5 diversification. But other than that, there is no
6 requirement or specific limit.

7 MR. RICHARDS: I have a question. If you don't
8 mind, maybe I missed it somewhere in there. Is there a
9 dollar amount involved in this resolution?

10 MR. LONG: Is there a specific dollar amount?
11 You are asking, are we looking to put a certain amount of
12 money in there?

13 MR. RICHARDS: Yes.

14 MR. LONG: I think right now, what we are
15 asking for, Mr. Richards, is just the approval to be able
16 to utilize this fund if we find it to be a better rate for
17 investment versus LOGIC currently. But I don't know that
18 we have a dollar amount.

19 MS. SMITH: No.

20 MR. LONG: As Mr. Rassin just asked, what is
21 the cap? We don't have a limit. It is really more
22 internal, what you guys have -- the Board has determined
23 to be our investment strategy and policy for
24 diversification as well as limits. And so, we would
25 continue to follow that guidance from the Board, which is

1 already established in the investment policy.

2 MS. SMITH: And it would more likely be new
3 money that was coming in, more likely than not, that we
4 were earning and bringing in, that we might put over
5 there.

6 MR. RICHARDS: Have we done anything like this
7 before? Has there a prior investment in the Connect
8 Investment Trust? Is this going to be the first time?

9 MR. LONG: It is new to us. Yes.

10 MR. RICHARDS: New, okay.

11 MR. WILLIAMS: And I guess, Melinda, the
12 reporting structure for this particular investment pool
13 would be the exact same thing that we have had with LOGIC,
14 right?

15 MS. SMITH: Yes, sir. Exactly.

16 MR. WILLIAMS: Okay.

17 MS. SMITH: The same investments, actually.
18 They almost mirror each other.

19 MR. WILLIAMS: Oh, okay.

20 MR. DIETZ: These government pools -- say for
21 instance, we were running a government pool -- are
22 regulated in terms of what the underlying assets are.

23 MS. SMITH: Yes.

24 MR. DIETZ: Correct?

25 MS. SMITH: Yes. Very much so.

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

3 MR. RASSIN: I have no objections.

4 MR. DIETZ: All right. Is there a motion?

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

7 MR. WILLIAMS: Chair, this is Lem. I will go
8 ahead and second that.

9 MR. DIETZ: It has been moved and seconded that
10 we approve participation in the Connect Investment Trust.

11 Is there any public comment?

12 (No response.)

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

15 (A chorus of ayes.)

16 MR. DIETZ: Any opposed.

17 (No response.)

18 MR. DIETZ: Okay. It is approved. Thank you.

19 MS. SMITH: Thank you.

20 MR. DIETZ: Tab Item 6 is the presentation,
21 discussion and possible approval of a resolution to
22 approve the Corporation's fiscal year 2025 investment
23 policy.

24 MS. SMITH: Again, my name is Melinda Smith.
25 And I am the CFO. And we are asking the Board to approve

1 the investment policy.

2 The Public Funds Investment Act requires that
3 we bring this to the Board annually and have it approved.

4 And so, that is what we are doing. We do not have any
5 changes to the policy this year.

6 I did notice, as I was looking at it, that my
7 table of contents cut off the page numbers, so I apologize
8 for that.

9 MR. DIETZ: Any questions or comments about
10 our --

11 MS. SMITH: Also, I would like to mention that
12 this policy has been reviewed by our investment advisor.
13 And by us, of course. But we don't just rely on our
14 internal staff.

15 We have someone else at the company review it,
16 advise us on whether or not we need to make changes to it.

17 MR. DIETZ: Discussion from the Board?

18 (No response.)

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

20 MR. WILLIAMS: Chair, this is Lem. I make a
21 motion to have the Board approve the Corporation's fiscal
22 year 2025 investment policy.

23 MR. RASSIN: I second that motion.

24 MR. DIETZ: Okay. It has been moved and
25 seconded that we approve the investment policy for 2025 as

1 presented. Is there any public comment?

2 (No response.)

3 MR. DIETZ: Hearing none. All in favor, please
4 say aye.

5 (A chorus of ayes.)

6 MR. DIETZ: Any opposed.

7 (No response.)

8 MR. DIETZ: It is approved.

9 MS. SMITH: Thank you.

10 MR. DIETZ: On to Tab Item 7, which is the
11 presentation, discussion and possible approval of the
12 Corporation's fiscal year 2025 broker listing.

13 MS. SMITH: Yes. The Public Funds Investment
14 Act requires, in addition to the investment policy, that
15 we also ask the Board to review and approve the broker
16 listing.

17 This is the broker dealer list that Meeder
18 Investment provided to us. They help us by bidding the
19 investments that we do. Each one requires three bids.

20 And this is the list of the brokers and dealers
21 that they use in order to do that. There were none that
22 were deleted from last year, but we did have four
23 additions. Arbor Research and Trading, LLC, Citigroup
24 Global Markets, Jane Street, and U.S. Bancorp Investments
25 were the four new investment companies added to the list.

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So, we are asking the Board to approve this as part of the Public Funds Investment Act requirement.

MR. DIETZ: Any comments or questions?
Discussion?

(No response.)

MR. DIETZ: Or motions?

MS. CARDENAS: Motion to approve Tab Item 7 as presented.

MR. WILLIAMS: Chair, I will go ahead and second that.

MR. DIETZ: It has been moved and seconded that we approve the Corporation's fiscal year 2025 broker listing. Is there any public comment?

(No response.)

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

(A chorus of ayes.)

MR. DIETZ: Please note for the record that I will abstain on Tab Item 7. Any opposed.

(No response.)

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

MS. SMITH: Thank you very much.

MR. DIETZ: Tab Item 8 is a presentation and discussion of the Texas State Affordable Housing

1 Corporation's fiscal year 2024 and 2025 Strategic Plans.

2 If I understand that correctly, it does not
3 require Board action on this particular item. It is just
4 for our edification and knowledge, correct? Great.

5 MS. TAYLOR: Okay. Good morning, Chairman
6 Dietz and Board Members. Welcome, Mr. Richards. I am
7 Janie Taylor, Executive Vice President.

8 This morning, staff will present their fiscal
9 year 2024 strategic plan outcomes, as well as the fiscal
10 2025 strategic plan. So, the current one.

11 As we have done in the last few years, we are
12 splitting up the presentations between two Board meetings,
13 this one and the next one, to give staff more time to
14 present. Today, you will hear from staff who lead the
15 Homeownership, Single Family Compliance, MCC, Marketing,
16 Fundraising, and External Relations teams. The staff will
17 each take five to ten minutes to highlight a few tactics
18 and outcomes for fiscal year 2024, and a few new tactics
19 for fiscal year 2025.

20 In the very back of your Board book, you should
21 each have a copy of each strategic plans, both the 2024
22 and the 2025, and they are paper-clipped by group that
23 will be presenting.

24 And so, during the presentation, please feel
25 free to ask any questions of the staff. As most of you

1 know, we worked with the organization Mission Capital this
2 last year to read through our strategic plans.

3 The fiscal year 2024 plans in front of you have
4 been in place for over a decade with staff updating
5 tactics yearly, but the goal sort of staying the same.
6 The strategic plans we developed as a result of our work
7 with Mission Capital this year will be used starting this
8 current fiscal year 2025.

9 And as you can tell, they look a little bit
10 different from the previous plans. And some plans include
11 goals that will take a couple of years to achieve. So,
12 these new plans are multi-year plans, but they will also
13 be able to update them yearly as they need to.

14 So, with that, I am going to get started with
15 Katie Claflin. She will come up here to present the
16 Marketing, Fundraising, and External Relations plans. And
17 then she will be followed by Joniel LeVecque and her team
18 who will review the plans for Homeownership and Compliance
19 Departments.

20 MS. CLAFLIN: Good morning, everyone. My name
21 is Katie Claflin, Senior Director of Communications and
22 Development. And I am presenting our team's strategic
23 plan outcomes for fiscal year 2024, as well as our plans
24 for fiscal years 2025 to 2027.

25 I will go over our 2024 outcomes first, before

1 turning to our plans for the next few years. In the
2 interest of time, like Janie mentioned, I am only going to
3 hit a few of the highlights in each section. But if you
4 have any questions, just feel free to stop me. I am happy
5 to answer anything that is on the plans.

6 So, in 2024, our Department goals remained
7 consistent with prior years. So, we had one goal related
8 to the marketing of our programs, one goal related to the
9 fundraising for our programs, one related to our External
10 Relations activities, which is really the maintaining and
11 the strengthening of relationships with partners. And
12 then, our final goal related to the administration of our
13 grant and our training programs for local non-profits.

14 So, in fiscal year 2024, our marketing
15 highlights included conducting a homeownership month
16 campaign in June 2024, which focused specifically on our
17 educational resources for homebuyers and homeowners. We
18 also released six podcast segments, up from four in the
19 prior year. We participated in five events to promote
20 both properties that either we financed through our
21 Development Finance programs or that participated in our
22 Permanent Supportive Housing Institute.

23 We redesigned our homeownership brochures that
24 we distribute at events and to our partners. We took our
25 annual report fully digital and mailed postcards to our

1 stakeholders that included a QR code to our report.

2 And then, finally, we contracted with the
3 Medina Group, which is a multicultural marketing agency in
4 Houston, to do a better job of promoting our programs to
5 diverse audiences in Houston. And we did some campaigns
6 with them, including a campaign for Black History Month, a
7 campaign for Women's History Month, and then a campaign
8 for our Hispanic Heritage Month, which David just
9 referenced in his President's Report.

10 So, any questions on our marketing activities?

11

12 (No response.)

13 MS. CLAFLIN: Great. So, moving on to our
14 fundraising successes. So, our goal for fiscal year 2024
15 was to raise \$250,000. We did meet that goal. It
16 included raising about \$39,000 through our Housing
17 Connection trainings, which took place a few weeks ago, as
18 well as \$200,000 for our 2024 Permanent Supportive Housing
19 Institute, which just kicked off last week.

20 And then, we also received about \$50,000 from
21 LIISC in Houston, to support our participation in the
22 Harris County Homeownership Collaborative, which we
23 utilized primarily to support the marketing work that we
24 have been doing with the Medina Group.

25 And then finally, I wanted to mention that we

1 did apply for a \$2 million grant from the Capital Magnet
2 Fund, which is a program of the U.S. Treasury, to support
3 the redevelopment of 1910 East MLK, as well as the
4 construction of the Mesquite Woods Phase II Subdivision.
5 We have not heard yet on that grant. We are hoping to
6 hear in the next month or so whether or not that grant
7 application was successful.

8 And in terms of donor stewardship, we conducted
9 two check presentations with funders at Board meetings,
10 two funder presentations during our Housing Connection
11 trainings, and then we recognized funders at our 2023
12 Permanent Supportive Housing Symposium, which was last
13 November.

14 And then, moving on to External Relations, 2024
15 was an interim year. So, that means no session. So, we
16 continue to meet with industry groups, including the
17 Texas Mortgage Bankers' Association, and Texas Association
18 of Realtors. And continue to participate in workgroups
19 and councils, including a new workgroup that was focused
20 on veterans, headed by TDHCA.

21 And then, we are also tracking interim charges
22 related to housing, and have responded to inquiries from
23 Representatives Goodwin and Senator Miles' offices
24 regarding potential legislation that they are considering
25 that might impact our Homes for Texas Heroes program.

1 And then, moving on to the outcomes for our
2 trainings and grants programs, we did award and distribute
3 about \$1.3 million in grant funding through our Texas
4 Foundations Fund. And that includes both the annual grant
5 cycle as well as the disaster recovery grant cycle. We
6 offered three NeighborWorks courses, as part of our
7 Housing Connection training in September 2023. And then,
8 began planning and fundraising for our 2024 Housing
9 Connection trainings.

10 And then we also conducted our first ever
11 Permanent Supportive Housing Symposium in November of
12 2023, which brought together more than 200 developers,
13 property managers, service providers, homeless response
14 organizations, and funders.

15 And so, that kind of covers our outcomes from
16 2024. Does anybody have any questions before I move on to
17 what is coming up?

18 (No response.)

19 MS. CLAFLIN: All right. So, moving on to
20 2025, our overarching goals are essentially the same, but
21 we have reworded them a little bit to better align with
22 TSAHC's overarching goals.

23 And it is also important to note, like Janie
24 mentioned, that this is a three-year plan. So, you know,
25 some of these goals and tactics and strategies will be

1 accomplished this year, but some will take multiple years
2 to accomplish.

3 So, the first goal is still related to
4 marketing. But we now have two strategies. The first is
5 focused on the marketing campaigns and events, and then
6 the second is actually focused on the materials that we
7 create to support the promotion of our programs.

8 So, within these strategies, there is three new
9 tactics that I would like to call out. The first is that
10 we are implementing a social media plan to grow our
11 followers and increase our engagement in social media.
12 This is something that we actually drafted this summer,
13 and so we just started to implement it.

14 And I wanted to say that we have already seen
15 about a 25 percent increase in our website traffic from
16 social media. So, we really think that being really
17 intentional about, you know, what we are posting on social
18 media and how we are reaching people on social media is
19 really starting to have an effect. And we are really
20 looking forward to, you know, how that progresses going
21 forward.

22 The second tactic I wanted to call out is we
23 are being a lot more intentional about securing earned
24 media. So, we are doing more press releases related to
25 the properties that we finance.

1 We are also -- for example, we did a press
2 release for the Supportive Housing Institute kickoff last
3 week. We have already gotten a little bit of press for
4 that. We got a mention in the *Austin Monitor*.

5 And we have also got an inquiry from the
6 *Houston Chronicle* that Michael will be responding to later
7 this week. So, we are really excited about the
8 opportunities to, you know, spread the message through
9 earned media as well.

10 And then, finally, we are planning to redesign
11 our website. So, our goal is to release an RFP later this
12 fall to select a website company probably in early 2025,
13 and then potentially release a new website in early 2026.
14 So, we know this will be an activity and a goal that will
15 cross across multiple fiscal years.

16 So, moving on to our second goal, still focused
17 on fundraising. But we now have two strategies. The
18 first is focused on actually securing funds, and then the
19 second strategy is focused specifically on our stewardship
20 efforts.

21 And within the first strategy, you will see
22 that we did rearrange these tactics a little bit. In
23 prior strategic plans, we had tactics kind of related to
24 specific programs. In this one, we are actually focusing
25 our tactics on more fundraising strategies, and more like

1 support types.

2 So, we will have a sponsorship tactic and now
3 a grants tactic, and, you know, seeking investment
4 opportunities tactic. And this just allows us to better
5 align, like, the materials that we need to create to
6 support each of these tactics.

7 And then, you will see that the majority of our
8 fundraising over the next few years will again focus on
9 our annual Housing Connection program, our Permanent
10 Supportive Housing Institute, and our PSH Symposium. And
11 then, we also have a tactic that specifically focuses on
12 soliciting new funding partnerships. And this really is
13 to encourage us to go out and seek new partnerships and
14 opportunities, rather than just relying on our established
15 funding partnerships.

16 You know, we always want to be able to expand
17 what we do. And then, we don't want to be caught off
18 guard if we have a funder who maybe doesn't align with our
19 goals or, you know, our activities anymore.

20 And then, within the stewardship strategy, you
21 will see that we have tactics related both to keeping our
22 donors informed, as well as how we recognize them for
23 their support.

24 And then, moving on to our third goal, which is
25 focused on our External Relations activities. I would say

1 this is the one that is probably the most different from
2 the prior goals that we have had. In the years past, we
3 have focused this goal primarily on our legislative
4 activities, as well as our participation in housing and
5 work groups. But this year, we really expanded it to
6 include everything that we consider to be external
7 relations work.

8 And so, we now have three strategies within
9 this. The first, focused on remaining responsive and
10 transparent. The second, focused on how we tell our
11 stories and the stories of our partners. And then, the
12 third, focused on positioning TSAHC as a resource and an
13 industry leader.

14 And so, within this, I wanted to call
15 attention, specifically, to that second strategy focused
16 on telling our story. Because you will see this tactic
17 overlaps with a lot of the tactics in the marketing
18 section. But we really see the tactics like gathering and
19 releasing spotlights on our partners -- we see that as a
20 real critical external relations activity as well. So, we
21 wanted to create a good tactic in this section.

22 And then finally, moving on to goal four, which
23 is once again focused on our non-profit capacity building
24 efforts within the training and technical assistance
25 strategy. You will see that we are planning to do another

1 Permanent Supportive Housing Symposium likely in November
2 of 2025, and then another Supportive Housing Institute in
3 the fall of 2026. And we do see that we'll continue to
4 alternate those going forward.

5 Also, we plan to continue to offer our Housing
6 Connection trainings on an annual basis. And starting
7 this year, we will also start offering online webinars to
8 supplement those in-person trainings.

9 And then, within the grants funding strategy,
10 we plan to administer the \$1.25 million annually, as part
11 of our annual Foundations Fund grants. And this is the
12 amount that the Board approved as part of the budget.

13 And then, I don't have a separate tactic for
14 it, but I also wanted to confirm that we do plan to
15 administer the \$250,000 in the disaster recovery funds for
16 the guidelines that the Board just approved. And then, we
17 also plan to make some tweaks to the annual grants cycle
18 for the Foundations Fund.

19 You know, in the past, we have had applications
20 were all due at the same time in June. This year, I think
21 we are going to be moving to more of a rolling basis,
22 likely opening applications in January. And that will
23 allow us to better align staff resources, and also make
24 sure that we don't put ourselves in a position where we
25 are diluting the program by accepting too many applicants.

1 So, we do anticipate that we will bring the
2 draft guidelines for your approval coming up in November,
3 within, hopefully, approving the final guidelines in
4 January. So, more information to come on that.

5 But I think that covers my presentation. I
6 would be happy to take any questions.

7 MR. RICHARDS: I don't have any questions. I
8 do have comments.

9 MS. CLAFLIN: Sure.

10 MR. RICHARDS: First of all, I like the
11 presentation. I like the layout. The [inaudible] is very
12 colorful.

13 It is very articulate. You can read it at
14 right before going to bed. You know, it's very
15 understandable and very well presented.

16 MS. CLAFLIN: Thank you very much. I
17 appreciate that.

18 (Applause.)

19 MR. DIETZ: Thank you very much.

20 MS. CLAFLIN: All right. Thank you all.

21 (Pause.)

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

25 And I would like to personally welcome our new

1 Board member, Mr. Richards. So glad to have you.

2 MR. RICHARDS: Thank you.

3 MS. LeVECQUE: I have invited the managers of
4 the three departments that make up the Single Family
5 Programs to present their 2024 strategic plan outcomes and
6 the 2025 goals.

7 First up, we have a very, very great pleasure
8 to introduce Sarah Ellinor, our Senior Manager of
9 Homeownership Programs.

10 MS. ELLINOR: Thank you. This always gets my
11 heart going, talking in front of you guys. So, you might
12 see some shakes in my hand, but I will get through it.

13 So, I am Sarah Ellinor. As Joniel mentioned, I
14 am the Senior Manager of Homeownership Programs. Been
15 here for coming up on twelve years in December.

16 I would like to recognize a couple of people in
17 the audience that worked closely with me on my team, on my
18 side of the business development side of things. So, I
19 have Frank Duplechain. He is our Senior Business
20 Development Specialist in the audience. You can stand and
21 wave.

22 MS. LeVECQUE: We know he is not bashful. Just
23 pretending.

24 MS. ELLINOR: Road Show Frank. And then, we
25 also have Kayla Gillaspy, our Homeownership Coordinator.

1 So, she joined our team in May of last year. So, she is
2 our newest team member.

3 So, I would like to recognize them. They were
4 huge contributors in our successes this year.

5 So, with that, I will move into our
6 presentation this morning. I would like to share a few
7 highlights from our 2024 strategic plan outcomes, along
8 with our new FY '25 goals.

9 But first to tell you a little bit about the
10 Homeownership Programs Department. We promote TSAHC's
11 Down Payment Assistance and Mortgage Credit Certificate
12 Programs. Across the state, we offer continuing education
13 classes for realtors. We schedule speaking engagements,
14 for example, at local realtor associations and
15 conferences.

16 We hold lender trainings. We host podcasts.
17 We create Facebook and social media video content. We are
18 rising stars, I might add.

19 MS. LeVECQUE: Coach Frank.

20 MS. ELLINOR: We have webinars. We attend
21 local homebuyer fairs across the state, realtor
22 conventions across the state. We also answer calls and
23 emails from homebuyers and lenders and realtors about our
24 programs every day. The Homeownership Team collaborates
25 with the Marketing Department to strategize and implement

1 awareness campaigns, to continually promote our programs
2 to Texas homebuyers as well.

3 So, as we all know, especially Valerie, the
4 past couple of years have been very challenging in the
5 mortgage and real estate industry. The low housing
6 inventory, high interest rates, high home prices have been
7 difficult to navigate. Another challenge more recently,
8 according to Freddie Mac, is that more than six out of ten
9 mortgages have interest rates below 4 percent. So, this
10 makes it challenging for new homebuyers trying to enter
11 the market, when current homeowners are disincentivized to
12 move because of today's higher interest rate environment.

13
14 But despite these obstacles and challenges, we
15 have taken the opportunity in this slower market to
16 increase awareness of our programs. Especially while
17 lenders and realtors are more ready and willing to listen,
18 because they need our programs more than ever.

19 So, our team continued to follow the marketing
20 strategy we developed in FY '23, where we focused our
21 efforts on the areas of Texas where we have historically
22 served less homebuyers in comparison to other regions of
23 Texas. Those regions are El Paso, West Texas, East Texas,
24 the Panhandle, the Rio Grande Valley, and San Antonio.

25 Our marketing strategy included social media

1 videos, boosted Facebook posts, and live events. Realtor
2 CE classes, taught both virtually, and in person.
3 Numerous meetings with loan officers and live webinars all
4 to raise awareness of our DPA and FCC programs in each
5 region.

6 Through these outreach efforts, TSAHC helped
7 almost 9,000 households purchase a home in FY '24. We do
8 believe this is in part to the fact that we continue to
9 build on our awareness efforts by training more lenders
10 and realtors every year. And our hope is that even though
11 fewer people are buying homes because of the market
12 conditions and supply issue, that our market share,
13 TSAHC's market share, will remain steady, if not grow.

14 So, this year, I am happy to present that we
15 taught a record number of CE classes to realtors at 110
16 classes total. We also attended three realtor expos. And
17 between these two things, the classes and the expos, that
18 allowed us to reach a record number of almost 2,700
19 realtors in over 150 counties in Texas.

20 The most classes we have ever taught in the
21 previous years was 51. So, we went from 51 to 110. And
22 the most realtors we have taught in previous years was
23 1,500, and we made it to 2,700 this year.

24 So, in addition, we continue to empower our top
25 loan officers to teach our realtor CE courses. And this

1 year, they taught 51 classes. This not only allows us to
2 expand our reach, but it also allows the loan officers to
3 create and build relationships with realtors, which we
4 feel is a win-win for increasing the number of households
5 we are able to serve overall.

6 Finally, we also participated in a record
7 number of 17 homebuyer fairs across the state this year.
8 So, adding Kayla, our third person, to our department
9 really clearly allowed us to accomplish much more this
10 year than we ever have been able to in the past. So, we
11 are pretty excited about that.

12 My final highlight of the year is our
13 successful transition to our new lender portal, which you
14 have heard about, LoanDoc -- hosted by our master
15 servicer, Lakeview Loan Servicing.

16 I wanted to highlight the amazing work of our
17 team, as we were able to accomplish a record setting year
18 for our business development efforts, all while also
19 transitioning to this new lender portal. Learning
20 ourselves, while training others along the way.

21 In fact, we had over 7,500 users complete our
22 Module One and Module Two lender training courses, since
23 January of this year. And I feel like this shows how much
24 our lender community is actively engaged in staying up to
25 date with what we have going on, in these changes. I

1 think it also demonstrates the stellar efforts of the team
2 to support such a high number of active users during this
3 transition.

4 So, kudos to the Compliance and Homeownership
5 teams on this continued effort to provide such a high
6 level of customer service. So, we are very proud of what
7 we were able to accomplish. And we'd love to thank the
8 Marketing Department, the Compliance Department, and our
9 continued collaborative efforts to successfully help so
10 many homebuyers this year.

11 So, for upcoming FY '25, our goal will be to
12 increase our market share, as I mentioned before, in
13 Texas. And to do that, we will continue to use our
14 current marketing strategy, only slightly tweaking the
15 cities visited in each of the same regions.

16 And we'll continue to train realtors, lenders,
17 and housing counselors in those areas. We want to work to
18 build strong relationships with these stakeholders, as we
19 realize it is those key partners that will be ready and
20 willing to spread the word to any eligible buyer, even
21 when the market makes a comeback. Because I think they
22 understand that it is programs like ours that help them
23 reach more buyers.

24 So, in addition to our marketing efforts, we
25 will also be revamping our CE training course to realtors

1 to implement more virtual learning strategies for adult
2 learners. We are always looking for ways to improve our
3 training to ensure more knowledge retention among
4 participants.

5 And then finally, we will also continue to work
6 with our marketing department to create new campaigns,
7 podcasts, and social media content. Be on the lookout for
8 our beautiful faces and digital content to help spread the
9 word as quickly and efficiently as possible.

10 So, thanks for your time and I look forward to
11 reporting our successes next year. I am also happy to
12 answer any questions you might have at this time.

13 MR. DIETZ: Thanks. Appreciate the
14 presentation.

15 MS. ELLINOR: Yes.

16 MR. RICHARDS: I was just going to make the
17 same comments. I thank you for the presentation. It was
18 very well put together -- information, challenges,
19 suppliers, high interest rate, cost of housing and all
20 that. And I thought it was very well put together.

21 You also mentioned regions. Maybe I have one
22 question. You mention regions; what regions are you
23 covering for your marketing?

24 MS. ELLINOR: So, our programs can cover the
25 entire state of Texas. The approach that we have chosen

1 to take over the last couple of years is to focus on some
2 of those regions where we feel like we could expand our
3 footprint a little bit and serve more homebuyers in that
4 area.

5 Our main areas where we serve the most
6 homebuyers are Dallas and Houston. Those are our two top
7 two markets. We do have Hidalgo County, which is making
8 its way up there.

9 But we, you know -- so we try to focus our
10 efforts on some of the areas where we feel like more
11 awareness could be had about our program. So, that is the
12 focus.

13 MR. RICHARDS: Thank you very much. It was
14 good.

15 MS. ELLINOR: All right. Well, thank you.

16 MR. DIETZ: I have one more question.

17 MS. ELLINOR: Yes.

18 MR. DIETZ: So, were the moonwalk dance moves
19 developed specifically for the video, or were they --

20 MS. ELLINOR: Did you like my moonwalk? I have
21 been working on that for a very long time.

22 MR. DIETZ: It is like something that we
23 learned back in college.

24 MS. LeVECQUE: Out of all Board members, we
25 knew you would appreciate this.

1 MR. DIETZ: Yes.

2 MS. ELLINOR: Thanks, Bill. Thanks for calling
3 that out. It is on public record.

4 MR. DIETZ: Absolutely.

5 MS. ELLINOR: I can do a moonwalk.

6 MS. LeVECQUE: Social media is not enough.

7 MS. ELLINOR: Yes. Well, thank you.

8 MR. DIETZ: Yes. Thank you.

9 (Applause.)

10 MS. LeVECQUE: Joniel LeVecque again, and now I
11 have the pleasure of introducing Delia Davila. She is our
12 Senior Manager for the Single Family Compliance
13 Department. And then, I also have Donnetta Francis, who
14 is our MCC program Compliance Manager.

15 MS. DAVILA: Good morning. My name is Delia
16 Davila. And I am the Senior Manager for the Single Family
17 Compliance Department. I will be presenting the down
18 payment assistance, Compliance Department's highlights,
19 and outcomes for our previous years, fiscal year strategic
20 plan, and our new plans -- our new goals for the new year.

21 Our biggest goal last year, which you probably
22 heard Sarah mention, in the Single Family Department was
23 to find a new software provider to create a personalized
24 software system that would improve our organizational
25 efficiency. We also wanted a software that was easier for

1 our lenders to use. We accomplished this goal by
2 launching a brand new TSAHC lender portal within LoanDoc,
3 which is a new loan registration system that is run by our
4 current master servicer, Lakeview Loan Servicing.

5 This was not an easy challenge, as the
6 Compliance team had to learn a new system, update our
7 internal training materials, change some of our program
8 documents, and process hundreds of files in two different
9 registration systems between the launch of the new LoanDoc
10 portal on April 1st, until the end of our contract with
11 our previous software provider at the end of June, June
12 30th. We only had a few months to clear and sell all the
13 loans registered in our old lender portal, prior to our
14 contract deadline.

15 Between May and the end of June of 2024, the
16 DPA Compliance Team contacted all loan officers with
17 active files that needed to be approved or cancelled. We
18 tracked these files closely, week by week. And the team
19 was able to clear 489 loans to make this transition a
20 success.

21 So, right now, I would like to recognize my
22 team members who helped make this happen. We have Lori
23 Baumgarten, Barbara Shelton-Handy, and we have Heather
24 Whittier. Thank you, ladies.

25 In addition to learning a whole new

1 registration system and working on a new process and
2 procedures, the Compliance Team did a great job in
3 maintaining the level of customer service that our lender
4 and realtor partners have come to expect from TSAHC. My
5 team focused on creating templates for our most common
6 questions, and then updated all of those templates to
7 include all the new language and links for the new LoanDoc
8 portal.

9 For the new fiscal year 2025, TSAHC worked with
10 Mission Capital. And you will see that our strategic plan
11 looks a little different. We have a new mission and new
12 strategic plan goals.

13 Our main priority will remain to provide
14 industry leading customer service for all customers and
15 business partners. We would also like to use our new
16 software system to help us maintain and improve accuracy,
17 and in general, enhance our organizational efficiencies.

18 Thank you for your time. And I will be happy
19 to answer any questions, if you have any at this time.

20 MR. RASSIN: Thank you.

21 MR. RICHARDS: Thank you.

22 MS. DAVILA: Yes. Mine was easy.

23 MS. FRANCIS: Good morning. My name is
24 Donnetta Francis, and I serve as the MCC Program Manager
25 for the Single Family Compliance Department. Today, I am

1 excited to present the highlights of our 2024 strategic
2 plan or the outcomes, I am sorry, as well as our current
3 goals for 2025.

4 When I first joined TSAHC six years ago, I was
5 solely responsible for managing the mortgage credit
6 certificate program. As the program has expanded, I had
7 the opportunity to build a team, and bring on two talented
8 specialists.

9 So, my team is Kirstie Brazil. She just joined
10 six months ago, almost. And we have Susan Parker, who has
11 been here for almost four years. So, with that, together,
12 they support the efforts.

13 And together, our team is dedicated to ensuring
14 timely reviews of the MCC loan files. In addition to
15 conducting daily compliance reviews, my team manages all
16 MCC related calls and emails from borrowers, and over 200
17 participating lenders. We assist them with a variety of
18 needs, including navigating our pre-closing application
19 process, understanding the current software changes that
20 Delia and Sarah has mentioned, answering questions about
21 refinancing with an MCC, and providing guidance on how to
22 use the mortgage credit certificate program when filing
23 their taxes.

24 To ensure the continued efficiency and
25 effectiveness of our program, I work closely with Lakeview

1 Loan Servicing on several key initiatives. These include
2 purchasing loans, processing MCCs for loans that Lakeview
3 was not able to purchase, and supporting the launch of our
4 new LoanDoc software and assisting in programming updates
5 as needed.

6 I am excited to present to you the outcomes of
7 the MCC team strategic plan from last year, and our new
8 goals for 2025.

9 In the preceding fiscal year, we focused on
10 providing industry leading customer service for all
11 consumers and business partners. To achieve this
12 objective, we developed email templates with embedded
13 links that address frequently asked questions from both
14 lenders and borrowers. Common inquiries include topics
15 such as MCC availability, how to complete the
16 registration, and requests for a copy of their MCC.

17 These templates ensure consistent and accurate
18 information is provided while offering direct links to
19 additional resources, improving efficiency and enhancing
20 the overall customer service experience. Additionally,
21 this approach facilitated a smoother transition during our
22 software change, guiding lenders step by step through the
23 new process.

24 We also partnered with Lakeview to introduce
25 proactive measures, by notifying lenders when a compliance

1 file is approaching expiration. These cancellation alerts
2 give lenders the opportunity to resolve any outstanding
3 conditions quickly, reducing the risk of file
4 cancellations, and preventing delays in the process. This
5 approach not only streamlines operations, but also helps
6 maintain accurate MCC allocation numbers, ensuring that we
7 can extend our services to more individuals.

8 To strengthen our programs compliance and
9 operational efficiencies, I run weekly reports to identify
10 files that have not yet been approved. My team then pro-
11 actively contacts the lenders to help clear any
12 outstanding conditions and address any questions that they
13 have. This gives the lenders the opportunity to resolve
14 issues before receiving the cancellation notice.

15 Additionally, we have automated our MCC
16 issuance process with the new software. When Lakeview
17 purchases a loan with an MCC, the certificate is
18 automatically generated and uploaded into LoanDoc, our new
19 software platform for the lenders to review. This
20 automation allows my team to mail out physical MCC
21 certificates weekly, saving significant time by
22 eliminating the need to manually upload them.

23 These initiatives represent our dedication to
24 program excellence and efficiencies. We are embracing
25 automation, refining our procedures, and prioritizing

1 client-centric solutions.

2 And now I am pleased to present the new fiscal
3 year of goals for the MCC team. Our primary objective for
4 the fiscal year is centered in enhancing the quality of
5 customer service we provide to our valued lenders and
6 borrowers.

7 In alignment with this mission, we have a
8 multifaceted approach. We will obtain clients' feedback
9 through surveys. We will include a survey in a
10 congratulatory email, sent to the borrower after the loan
11 closes.

12 This survey serves as an important tool for
13 understanding and improving the borrowers' experience with
14 our services. We will also send a reminder email at the
15 end of the year to allow borrowers who closed with an MCC,
16 reminding them to use it when they file their taxes.

17 To maintain file accuracy, we are partnering
18 with Lakeview to implement a thorough quality control
19 process. This will help identify and resolve any errors
20 or conditions, ensuring files move efficiently through the
21 process without any unnecessary delays.

22 We will also continue to improve organizational
23 efficiencies by updating as necessary our standard
24 operating procedures and documents, as well as training
25 staff to ensure we understand the new software in process

1 so that we can assist our lenders and borrowers with the
2 same level of customer service that they are used to from
3 TSAHC.

4 I hope these strategic initiatives underscore
5 our dedication to providing outstanding customer service
6 experience. Thank you for your time, and I am happy to
7 answer any questions.

8 MR. DIETZ: Thank you. Any questions?

9 (No response.)

10 MR. DIETZ: Okay. Thank you for the
11 presentation.

12 MS. FRANCIS: Thank you.

13 MS. DAVILA: Thank you.

14 MS. LeVECQUE: We appreciate the opportunity to
15 tell you what we do.

16 (Applause.)

17 MR. DIETZ: Thank you. I think that is helpful
18 for staff to make those presentations to us. And it helps
19 us, reminds us about all the good stuff that is happening
20 on a daily basis, in between the Board meetings.

21 MR. LONG: Right.

22 MS. TAYLOR: Yes. Thank you very much. And I
23 want to thank the staff. Because not only do they -- they
24 worked on their presentations to deliver to you today, but
25 they also work on updating those throughout the year.

1 I meet quarterly with each of the department
2 heads. And we make sure that we are on track to meet the
3 goals and the tactics that they have set out.

4 So, that was Part One. Part Two will be,
5 hopefully, next month. And you will be hearing from
6 Development and Finance. That is David Danenfelzer's
7 team.

8 And then, you will be hearing from Celina
9 Stubbs, who is not here today, because she is at a
10 conference. But she oversees our rental program, and our
11 multifamily compliance asset oversight and compliance
12 program.

13 And then you will also get information on the
14 Executive and Accounting goals for the year, and the
15 incoming year. So, that is the end of that agenda item,
16 and it is not a voting agenda item. So that is the end of
17 the presentations. Thank you very much.

18 MR. DIETZ: Great. Thank you. Thank you very
19 much.

20 Is there any reason to go into closed meeting
21 today?

22 MR. LONG: We do not have any reason for closed
23 meeting. I would add a couple of things.

24 I erred and didn't tell you that the next Board
25 meeting, we also have Audit Committee, which is part of

1 that. It starts at 9:30, 9:00 or 9:30. As a result of
2 that being the case, I don't know if the Board would like
3 to take action now, or would like to -- I don't know that
4 is not even more than that.

5 But Ms. Johnson-Rose was one of the other Audit
6 Committee members. In the past, other members had set in
7 for her. I know Ms. Cardenas serves as the Chair of the
8 Audit Committee.

9 But since we are having the Audit Committee, I
10 didn't know if you wanted to decide today whether or not
11 someone would join Ms. Cardenas for that, or if you would
12 like to wait until next month and I can just ask someone
13 to join. It is up to the Board.

14 MR. DIETZ: Yes. So, we need a second Board
15 member to replace Ms. Courtney Johnson-Rose.

16 MR. LONG: Right.

17 MR. DIETZ: Is that something that is
18 decided -- does that need to be a Board vote or is that
19 something that can be decided informally?

20 MR. LONG: I am fairly certain the Board
21 members have just decided that in the past, on their own,
22 without there being any recognition of it.

23 MR. DIETZ: Yes. We don't have to do that in
24 the public meeting. Yes. Go ahead.

25 MR. RASSIN: Are there criteria in the Audit

1 Committee charter for determining that it be a Board
2 member?

3 MR. LONG: Other than being a Board member --
4 two Board members are required to make up quorum.

5 MR. RASSIN: No criteria for selection?

6 MR. LONG: No. Other than it being one of the
7 five members that we have available.

8 MS. CARDENAS: So, currently, Lem sits on the
9 Loan Committee.

10 MR. LONG: That is correct. Mr. Williams
11 currently serves as a Loan Committee Board member
12 representative.

13 MR. DIETZ: So, it would be logical to have a
14 different Board member as the Audit Committee -- we can
15 discuss this right now. Or if we like, we can --

16 MS. CARDENAS: I would say we discuss it now,
17 since the meeting is next month.

18 MR. DIETZ: Yes.

19 MR. LONG: And I am sorry to do it with Mr.
20 Richards departing prior, too. I didn't really think it
21 would be something that we needed to spend today. And I
22 forgot that we had an Audit Committee on the 19th.

23 MR. DIETZ: Yes. That's fine. Can we
24 discuss -- can we do this in an open Board meeting? Just
25 asking our counsel.

1 MS. SCOTT: Yes. Do you want to just wait
2 until the next meeting and do this?

3 MR. LONG: Unfortunately, they can't.

4 MR. DIETZ: The Audit Committee meeting is
5 before the next meeting.

6 MR. LONG: We have an Audit Committee at 9:30
7 on the 19th. So, we would have to have someone.

8 In the past, what we have done is we have
9 had -- if someone can't make it for whatever reason, there
10 is an absence or whatever -- one of the other Board
11 members has been eligible and been available to sit in and
12 join the Audit Committee member. So, we could do that
13 again -- but as far as making the appointments today. But
14 we do need to have at least a second member available.

15 MS. SCOTT: Yes. Can we agree for someone to
16 be available. And then, I just want to put it on the
17 agenda.

18 MR. LONG: Oh, you would like it on the agenda.
19 Okay.

20 MS. SCOTT: Yes.

21 MR. LONG: Okay.

22 MS. CARDENAS: My only concern is, I plan to be
23 here. I am the Chair. But you never know what happens.
24 I am getting alerts on my flight right now.

25 MR. LONG: Yes.

1 MS. CARDENAS: And so, then if for whatever
2 reason I am not available, now you have no Board members
3 on Audit Committee.

4 MR. LONG: Right.

5 MS. CARDENAS: I plan to be here, whatever day
6 it is. That is my only concern.

7 MR. LONG: With that said, Mr. Chairman, if one
8 of the other members would like to commit to be available
9 for Audit Committee now for next month. Then, at next
10 month, as Ms. Scott is suggesting, that we put it on the
11 Board agenda for consideration at the meeting. And then
12 it could be just open discussion at that point for you to
13 make the decision.

14 MR. DIETZ: Yes.

15 MR. LONG: I will make sure Ms. DeLeon puts it
16 on the agenda, however the Board would like to proceed.

17 MR. DIETZ: Anybody want to volunteer to be
18 here for the Audit Committee meeting at 9:30 next month?

19 MR. RASSIN: I will be here. I am not
20 volunteering to be on the Committee, but I --

21 (General laughter.)

22 MR. RASSIN: I know that I have a good track
23 record of showing up on time, so --

24 MR. DIETZ: So, we will -- let's do it that
25 way. Let's say we will definitely have a Board member

1 available for the Audit Committee meeting. And then at
2 the Board meeting after the Audit Committee, we will
3 formalize who is actually on that.

4 MR. LONG: That sounds great. Is that okay
5 with you?

6 MS. SCOTT: Yes. Maybe he will be interested.

7 MR. LONG: Maybe Mr. Richards would have -- I
8 was going to say, you could vote now. No.

9 MR. DIETZ: Any other closing comments or
10 announcements that need to be made?

11 MR. LONG: No, sir.

12 MR. DIETZ: Okay.

13 MR. LONG: Lunch is available afterwards.

14 MR. DIETZ: Great. Lunch is available after
15 the Board meeting.

16 It is 12:09, and we are adjourned.

17 MR. LONG: Thank you very much.

18 (Whereupon, at 12:09 p.m., the meeting was
19 concluded.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: October 15, 2024

I do hereby certify that the foregoing pages,
numbers 1 through 83, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas State Affordable Housing Corporation.

DATE: October 21, 2024

/s/ Carol Bourgeois
(Transcriber)

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