

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
December 17, 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 (absent)

ON THE RECORD REPORTING
(512) 450-0342

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CLOSED MEETING: none

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ACTION ITEMS IN OPEN MEETING: none

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P R O C E E D I N G S

(10:47 a.m.)

1
2
3 MR. DIETZ: It is 10:47, and the Texas State
4 Affordable Housing Corporation Board meeting is called to
5 order.

6 I apologize. I was a little behind schedule
7 this morning; it is my fault. It has happened before.

8 In the Uber app, the Texas State Affordable
9 Housing Corporation is still on MLK. And so, if you just
10 type in Texas State Affordable Housing Corporation, you
11 end up at the wrong place. Maybe we can fix that in the
12 Uber app somehow.

13 MR. LONG: Now we know that it is 15 minutes
14 away from our old building.

15 MR. DIETZ: Yes. Exactly.

16 Let's start with the roll call. William Dietz,
17 I am present.

18 Valerie Cardenas, Vice Chair.

19 MS. CARDENAS: Present.

20 MR. DIETZ: Ernest Richards?

21 MR. RICHARDS: Here.

22 MR. DIETZ: Lemuel Williams is absent.

23 And David Rassin.

24 MR. RASSIN: Present.

25 MR. DIETZ: Great. So, we do indeed have a

1 quorum.

2 So, before we begin, please join me in the
3 Pledge of Allegiance.

4 (Whereupon, the Pledge of Allegiance was
5 recited.)

6 MR. DIETZ: And to the Texas flag.

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

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

11 (No response.)

12 MR. DIETZ: Hearing none, we'll go to Mr. Long
13 for the President's report.

14 MR. LONG: Thank you. Good morning, Chairman,
15 Members. I just wanted to make a quick note.

16 I had a chance to introduce Ms. Ball to the
17 other Board members. Mr. Chairman, Natalee Ball is here
18 with Coats Rose General Counsel firm. And she will be
19 representing the Board at the meeting today.

20 The Board book includes Tab Items A through C,
21 which are your program reports and financial updates. If
22 there is any questions on those, we can certainly go over
23 that.

24 The Texas -- our Loan Committee, TSAHC's Loan
25 Committee met on Tuesday, the 10th. And while we didn't

1 have any new loans to review, we did go through our
2 housing THIF report and looked at all of those loans. And
3 had an opportunity to discuss those with the Committee
4 members.

5 And I didn't have any major comments on that,
6 updates, or anything to report. But I always like to
7 thank Mr. Williams for his participation as the Board
8 member representing the Loan Committee.

9 Under the Single Family Program areas, we
10 continue to have continued outreach for our lenders and
11 realtors, training our lenders on our LoanDoc system that
12 we converted from Emphasys. And lender participations
13 continue to grow. We've added two new lenders to our
14 eligible lending program -- eligible lender staff pool.
15 That continues to be a good opportunity for us to just
16 have more visibility in the market.

17 I would also like to note that with these new
18 lenders, we have a renewed participation from 250 lenders
19 that we are working with. So, it is a pretty large
20 number.

21 And I wanted to compliment the staff for their
22 ability to not only engage, but also perform trainings,
23 and making sure that lenders' questions are answered.
24 There is a lot that goes on behind the scenes, and they do
25 a phenomenal job. So, Joniel and her team do a really

1 good job making sure that the lenders are there.

2 As part of that outreach, Frank Duplechain
3 completed the 2024 West Texas Road Show, visiting both
4 Odessa and Midland. During that process, we instruct
5 realtors through the CE course and attend the homebuyer
6 fair in each of those two cities.

7 And as a result, over 100 homebuyers were able
8 to be contacted and discussed with us at those homebuyer
9 fairs. And we met several of our top lenders in the area.

10 And in doing so, we were able to continue to provide them
11 updated resources and materials so that they continue to
12 do outreach for us.

13 On Development Finance, Burleson Studios
14 closed, and has begun construction on a 104-unit
15 supportive housing project in Austin, Texas. The project
16 is located at Phase 3 of Community First Housing
17 Development in the Austin area, part of the Mobile Loaves
18 and Fishes Community. And that community focuses on
19 permanent supportive housing for folks facing
20 homelessness. We are the bond finance provider in that
21 transaction.

22 On December 12th, the City of Austin's Housing
23 Finance Corporation approved a \$2 million funding to the
24 Corporation's redevelopment of our 1910 condominium
25 project. For those of you that don't remember, we are

1 taking one of our existing office buildings that we own at
2 1910, and we are converting that to for-sale condominiums.

3 And we are in the process of just kind of
4 getting things laid out, and working with architecture to
5 try and figure out what we can put down and work through
6 that. But it looks like it will be 23 units of
7 condominiums. As a result, the 23 units of affordable
8 condominiums will be targeting houses of 80 percent and
9 below AMI.

10 Under our fundraising, the Corporation received
11 a \$40,000 grant from Mortgage Grant Fund. The grant will
12 support our Housing Connection Program. And more
13 specifically, the weeklong training there -- a training
14 course focusing on homebuyer education.

15 Again, this is something we have been doing for
16 a while. It allows us to really have a strong outreach to
17 make sure that we have homebuying counselors who are
18 trained and understand what they need to be doing in order
19 to assist borrowers that want to apply for our program for
20 home ownership.

21 The Corporation received nearly \$3,000 in
22 individual donations and sponsorships from our lenders and
23 realtors. I think this is really important, to show that
24 they are giving back to us. They are not only out there
25 marketing our program, but feel appropriate for us to

1 receive some of their funding back. And so, they made
2 donations to us, almost \$3,000 during Giving Tuesday in
3 early December.

4 So, we want to thank all of them that
5 participated. And those donations will also go towards
6 our 2025 Housing Connection program and training.

7 The Texas Supportive Housing Institute -- as
8 you all know, we held the initial meeting here in our
9 offices. The Institute being under way, the Corporation
10 and CSH continue to conduct our virtual trainings
11 throughout the month of December and January.

12 The Institute, as you recall, is an intense
13 four-month training for a technical assistance program to
14 assist developers building permanent supportive housing.
15 We selected six teams this year. And those teams are all
16 participating, and hopefully will be able to provide us
17 some supportive housing at the end. That is the goal,
18 that they end up putting supportive housing on the ground
19 to support those in most need.

20 Finally, then, for the 2024 Institute, we
21 hosted in the DFW area on March 6th. And similar to the
22 kick-off event, we will invite our Institute funders to
23 participate and learn more about each team's development,
24 and the progress that they made during the actual
25 Institute, over the several months that we are training

1 them.

2 The Texas Foundations Fund -- the Corporation's
3 guidelines are approved at the November meeting for going
4 out for public comment. Those are currently out. And we
5 anticipate bringing those back to the Board in January for
6 final approval. And then, shortly thereafter, we will
7 open up the 2025 Foundations Fund application process.

8 The Corporation, as we have done in the past,
9 has had the opportunity most recently to go out and make a
10 check presentation to one of our awardees from the 2024
11 round, and we did that. Michael, Shelby, Anna, and myself
12 were able to make a check presentation to Jeremiah House
13 here in Austin.

14 And I just want to tell you that every time we
15 go, it really reminds me of why this is one of my favorite
16 programs that we offer. They are always so grateful for
17 the funding. And they are -- you get a chance to see
18 firsthand what these programs offer, and the facilities
19 that they work from. And this was just another
20 opportunity to be really reminded why we do what we do.

21 Under the Disaster Recovery Fund that the Board
22 approved for 2024, 2025, to date the Corporation has
23 funded two grants: one to Fort Bend Habitat for Humanity,
24 and one to Community Outreach Housing. Both of those were
25 \$30,000 grants. So, \$60,000 has gone out to assist.

1 And with disaster recovery, we currently have
2 also had two new applications that are under review. And
3 once we know whether those are going to be eligible, we
4 will get back with the Board and let you know the updates
5 on those.

6 Under Government Relations, governmental
7 updates, as you all know, 2025 is a new legislative
8 session, legislative session number 89. We are in the
9 process of beginning to monitor the potential legislation
10 that will impact TSAHC, our programs and our services.
11 And as a result, we will continue to just kind of map that
12 out.

13 And as we move forward, we will start giving
14 the Board updates in January, when it kicks off. The
15 legislative session is scheduled to kick off on January
16 14th and end on June 2nd, absent any special sessions that
17 the Governor may call. So, we will give the Board updates
18 throughout the session and let you know what is going on,
19 as often as you might need them or as information comes
20 up, trying to get that out to the Board.

21 Under TxDOT, as the Board knows, the
22 Corporation was in partnership with TxDOT for IH-45
23 improvement project. The Corporation received an award
24 from them in support of those four communities that were
25 most impacted by the expansion of IH-45 in Houston.

1 We went out for an RFP for consulting, which is
2 phase 1 of our process that we are going to go through to
3 identify the needs of those communities. We have
4 completed that RFP process, made a selection, and
5 submitted it to TxDOT. TxDOT is in review of that, and we
6 are waiting for their confirmation and approval.

7 Their approval is something that is part of the
8 agreement that we have with them. So, pending their
9 review and approval, we will get started with the
10 consultant and moving forward with that.

11 Mr. Chairman, that concludes my remarks, other
12 than to tell you that the next scheduled Board meeting is
13 January 21st at 10:30. If there is any questions or
14 comments, I am happy to answer them.

15 MR. RASSIN: Do you know offhand what the
16 disaster relief funds were used for?

17 MR. LONG: I would have to ask one of the staff
18 members to come and tell you exactly what the applications
19 were for. But typically, they are related to either
20 housing repair or services to tenants in rental.

21 MR. RASSIN: Is it always retrospective, or do
22 they ever receive grants preparing for the next disaster?

23 MR. LONG: Right now, they are retrospective.
24 They are basically telling us that they have need for
25 repair and maintenance or services that need to be

1 provided.

2 MR. RASSIN: Thank you.

3 MR. DIETZ: Any other questions or comments?

4 (No response.)

5 MR. DIETZ: I have one question. And this may
6 be something that is going to be addressed later, but was
7 there a gingerbread contest?

8 (General laughter.)

9 MR. LONG: I wasn't going to say anything. But
10 yes, we -- Janie Taylor has put together this competition
11 that we do every year. And we have done that -- I think
12 it is the third year, is that right? What is the laugh?

13 MS. CROXDALE: Sorry, I just -- I didn't notice
14 it.

15 MR. LONG: Don't you love those?

16 MS. CROXDALE: Yes. They are great.

17 MR. RASSIN: I saw them on social media. I was
18 happy to see them.

19 MR. LONG: Yes. So, we have a competition.
20 And it is pretty -- let me just tell you, it gets pretty
21 fierce. As you can see, people no longer just take a
22 gingerbread kit and make a gingerbread house. It gets a
23 little engaging.

24 MR. DIETZ: So, is there a winner?

25 MR. LONG: Yes, there were.

1 MR. DIETZ: Who won the contest?

2 MR. LONG: The yellow one on second from the
3 right, and the first one on the left. Most creative on
4 the right, and prettiest on the left, the far left.

5 MR. DIETZ: David, was yours intended to look
6 that way?

7 MR. LONG: What? What'd you say?

8 MR. DIETZ: Was yours intended to look that
9 way, or did it break?

10 MR. LONG: Mine? Well, you know, we are always
11 dealing with foundation repair. And that is what that
12 reflects, does it not?

13 MR. DIETZ: I think it is clever for its own
14 purposes.

15 MR. LONG: No. I wish I could tell you that
16 was on purpose. But I am going to take the blame for
17 that.

18 My partner did a really good job of trying to
19 make it work as best as possible. Obviously, we learned
20 we need to bring better tools to this thing. I mean,
21 people bring in containers of extra supplies. So, there
22 are those who know what they are going to do, and then
23 there are those of us that just kind of wing it.

24 MR. RASSIN: For the record, the front of Mr.
25 Long's gingerbread house is falling off.

1 MR. LONG: For the record. Thank you, Mr.
2 Rassin. I appreciate you bringing that up.

3 But yes, we had a really good time. And I
4 appreciate you recognizing -- it was a lot of fun. We
5 served lunch afterwards. And it is just a great time for
6 team building and an opportunity just to have a little fun
7 over the holidays.

8 MR. DIETZ: Very good.

9 MR. LONG: So, thank you.

10 MR. DIETZ: Glad the staff is getting in the
11 holiday spirit.

12 MR. LONG: And you got to see the results of
13 that team building.

14 MR. DIETZ: Absolutely.

15 MR. LONG: It is pretty fierce.

16 MR. DIETZ: Fantastic. Well, let's move into
17 our action items for the open meeting today.

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

22 (No response.)

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

24 MR. RASSIN: Yes, Mr. Chairman. I move that
25 the minutes be approved as presented.

1 MR. DIETZ: Great. A second?

2 MS. CARDENAS: Second.

3 MR. DIETZ: Okay. It has been moved and
4 seconded that we approve the minutes as presented.

5 Is there any public comment?

6 (No response.)

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

9 (A chorus of ayes.)

10 MR. DIETZ: Any opposed.

11 (No response.)

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

14 Tab Item 2 is the presentation, discussion and
15 possible approval for publication and public comment of
16 the draft of the Texas State Affordable Housing
17 Corporation's 2025 Annual Action Plan.

18 MR. LONG: Okay. I thought Michael was coming
19 up.

20 Michael, there you are.

21 MR. WILT: Good morning, Chairman Dietz and
22 Board members. I am Michael Wilt, Senior Manager of
23 External Relations. And also, on a winning gingerbread
24 team.

25 MR. LONG: I told you it was competitive. I

1 told you it was competitive.

2 MR. WILT: I am here to present the
3 Corporation's draft 2025 Annual Action Plan. This plan
4 was prepared in accordance with Texas Government Code
5 Section 2306.566, which requires us to develop a plan to
6 address the state's housing needs. According to section
7 2306.0721(g), our Annual Action Plan must be included each
8 year in the state's Low Income Housing Plan prepared by
9 the Texas Department of Housing and Community Affairs.

10 I have been creating this plan for the past
11 eight years, maybe nine. But Anna Orendain prepared the
12 draft this year, with direction provided by me and also
13 Katie Claflin. And she used data and information provided
14 by each of the program managers to draft the plan.

15 Thanks to everyone for providing what she
16 needed in a very timely manner. Katie and I reviewed and
17 edited the plan, and Janie took one last look at it before
18 we put it in the Board book. So, it has been fairly
19 reviewed through several rounds of reviews.

20 Briefly, regarding the process, we are just
21 asking you to approve the draft plan for publication and
22 make it available for public comment, beginning tomorrow,
23 Wednesday, December 18th, and concluding on Friday,
24 January 24, 2025. As part of that public comment period,
25 we participate in a public hearing on the State Low Income

1 Housing Plan on January 7th. We participate in that in
2 conjunction with TDHCA.

3 We would like to bring the plan back at the
4 February Board meeting to discuss any comments we
5 received. And at that time, that is when we ask for final
6 approval.

7 I should note that this draft plan only
8 includes program activities through the end of October.
9 We will have the updated view numbers at the end of the
10 year, mainly as they relate to our homebuyer programs.
11 But there could be some program updates within Development
12 Finance as well.

13 When this plan comes back to you in February,
14 all the data will be updated through the end of the year.

15 Also, to advertise the public comment period and share
16 our successes, which are numerous, and included in the
17 plan, we include highlights from the annual action plan
18 that are included in a President's end of year message
19 that will go out as a blog post later today. There is a
20 link to the draft Annual Action Plan within that post, and
21 information on how to comment on it.

22 With that, I will take any questions.

23 MR. DIETZ: Thank you. Questions or comments?

24 MS. CARDENAS: I guess the only question or
25 observation really is under the Homes for Texas Heroes, it

1 says the Legislature, I guess, established who -- you
2 know, who would qualify, or what is defined as a Texas
3 Hero in 2003. And so, you know, we're almost 20 years
4 later. And I am not saying that this isn't sufficient.

5 But is that reviewed to make sure that, you
6 know, a particular population that could potentially
7 qualify under the Hero program is not excluded? Is that
8 reviewed, but it still stands? Just because 2003 kind of
9 stood out.

10 MR. WILT: Yes. So, that is whenever the
11 original Heroes program was established by the
12 Legislature. Subsequent -- that program has been expanded
13 subsequently, most recently veterans, maybe ten years ago.

14 So, we don't mention all of the times and the
15 years that it has been expanded. But we can certainly add
16 that.

17 MR. LONG: Essentially, what is listed in the
18 Annual Action Plan is all of the subsequent professions
19 that are eligible. This is not just the list from 2003.
20 So, it is in the annual -- it just states -- 2003 is just
21 stating when it was established --

22 MS. CARDENAS: Okay.

23 MR. LONG: -- by the Legislature. The list of
24 participating employment is ongoing. We just add to it.

25 MS. CARDENAS: Okay.

1 MR. LONG: As Michael mentioned, the veterans
2 are already listed there as well.

3 MR. WILT: But I will take a look at the 2003
4 language to see if we need to explain that more.

5 MR. LONG: Okay.

6 MR. DIETZ: And that list is defined by the
7 Legislature.

8 MR. LONG: That is correct. It is amended and
9 defined by the Legislature.

10 MR. DIETZ: Okay. Any other questions?

11 MR. RASSIN: Yes. In the past, when the
12 Legislature has expanded the program by adding other
13 eligible categories, have they increased funding to the
14 program?

15 MR. WILT: The one time they did. Well, they
16 set our single family ceiling portion under the
17 predicative bond program at 10 percent. And my
18 understanding -- I wasn't here at the time -- is that was
19 never -- then-Chairwoman Nelson was adding allied health
20 professionals, and in concert with that was establishing
21 our 10-percent allocation under the single family and
22 private activity bond program.

23 I don't know if those are necessarily tied
24 together. My understanding is that they may have been.

25 MR. LONG: The answer is, no, they haven't over

1 the years, as we have seen this grow for almost 20 years.

2 And have -- they made the adjustment. They used to be
3 two separate programs.

4 There was the educators or teachers program.
5 And then there was the firefighter and police officer
6 program. Those were \$25 million each at their original
7 legislative mandate.

8 When Chairman Nelson added and created as one
9 blended program, the Heroes program, the change was from
10 \$50 million if you will -- 25 each -- to 10 percent of the
11 bonding authority for the State of Texas under this
12 housing sub-ceiling. That number has not changed since
13 that first edition. So, we certainly would support any
14 change in the positive to add volume cap to that program,
15 for ability to have a greater percentage of the volume
16 cap.

17 MR. WILT: And to expand on that, professions
18 have been added since that 10-percent allocation was
19 established. So, the program has expanded since they set
20 that funding limit.

21 MR. LONG: Correct.

22 MS. CARDENAS: So, it was \$50 million right, 25
23 and 25. It got collapsed into one. And so now, it is 10
24 percent.

25 So, what does the 10 percent equate to, in

1 relation to the \$50 million?

2 MR. LONG: Around \$118-, \$120 million right
3 now.

4 MS. CARDENAS: Okay. How much?

5 MR. LONG: Is that correct?

6 MS. TAYLOR: Joniel knows.

7 MR. LONG: Joniel?

8 MS. LEVECQUE: Around \$116 million, 118-.

9 MR. LONG: All right. I said 118, 120, \$116
10 million.

11 MS. CARDENAS: Yes. So, the 10 percent has --

12 MR. LONG: It has grown.

13 MS. CARDENAS: Right. But there continues to
14 be --

15 MR. LONG: But our volume is way beyond that.

16 MS. CARDENAS: Right.

17 MR. LONG: As you have heard us tell you in our
18 reports. The volume that we produce is way more than
19 that. And so, access to additional volume cap would be
20 very much appreciated.

21 MR. WILT: And that numerical number rose, as
22 it is tied to population growth. So, that 10 percent was
23 always going to increase as Texas --

24 MR. LONG: Ten percent of per cap. Well, it is
25 the bonding authority that the State of Texas gets in

1 general. And then, they create sub-ceilings within that.

2

3 But to answer Mr. Rassin's question, it has not
4 been amended since the 10 percent original set aside. And
5 we would certainly entertain and appreciate the
6 opportunity to have the conversation for it to be
7 increased.

8 MR. DIETZ: All right. Any further questions,
9 comments?

10 (No response.)

11 MR. DIETZ: Okay. I guess we do need a motion
12 on the Annual Action Plan.

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

15 MR. RASSIN: Second.

16 MR. DIETZ: Okay. It has been moved and
17 seconded that we approve for publication and public
18 comment the draft of the Texas State Affordable Housing
19 Corporation's 2025 Annual Action Plan.

20 Is there any public comment?

21 (No response.)

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

24 (A chorus of ayes.)

25 MR. DIETZ: Any opposed.

1 (No response.)

2 MR. DIETZ: Okay. It is approved as presented.
3 And for clarification, that will come back to the Board
4 later, after the public comment period, correct?

5 MR. WILT: Yes. We will ask that you approve
6 it in February. It will get included as a component of
7 the State Low Income Housing Plan that will be approved by
8 the TDHCA Board.

9 They typically do it at a January Board
10 meeting, sometimes February. And then, that combined
11 document will be sent to the Governor, Lieutenant
12 Governor, and the Speaker.

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

14 MR. WILT: Thank you.

15 MR. DIETZ: Okay. Tab Item 3 is the
16 presentation, discussion and possible approval of a
17 resolution regarding the submission of one or more
18 applications for allocation of private activity bonds,
19 Notices of Intention to Issue Bonds, and State bond
20 applications to the Texas Bond Review Board, and
21 Declaration of Expectation to Reimburse Expenditures with
22 proceeds of future debt for The Bloom at Lamar Square.

23 MS. RAMIREZ: Good morning, everyone. My name
24 is Cassandra Ramirez. I am the Development Finance
25 Manager with TSAHC.

1 So, this agenda item is regarding the approval
2 of an inducement resolution for The Bloom at Lamar Square
3 in Austin. Please note this is a preliminary approval in
4 order to enter this bond transaction and begin
5 negotiations. We will bring this back to you all for
6 final approval once the closing date is established and
7 the bond docs are in close to final form.

8 Foundation Communities submitted a 2025 bond
9 application in October for this project. And it is a
10 70-unit, service-enriched community, to be located in the
11 Mary Lee Foundation campus in South Lamar. It is an
12 established community for persons with disabilities. The
13 total bond amount requested is \$16.5 million.

14 This project qualifies under TSAHC's service
15 enriched targeted housing need, because the units serving
16 those at 30 percent AMI or below are more than 10 percent
17 of the total units. And free supportive services are
18 going to be available to tenants onsite.

19 Fifteen of these units are to be reserved for
20 households at 30 percent AMI or below; 50 units will be
21 serving households at 50 percent AMI or below, and the
22 remainder of the units will be serving households at 60
23 percent AMI or below. All units are affordable.

24 This project has a total budget of
25 approximately \$28.4 million. The financing proposed

1 includes tax exempt bonds, 4 percent tax credits, deferred
2 developer fee, and deferred repayable loans. It will not
3 have any permanent debt for the supportive housing.

4 Additional details are included in the staff
5 write-up. If you all have any questions for me on this
6 agenda item, please ask. Tilly Croxdale is available from
7 Foundation Communities, if you have any specific questions
8 on Foundation Communities. But yeah.

9 MS. CARDENAS: Could you just provide some
10 examples of what would be the free supportive services
11 available. You mentioned that it qualifies for free
12 supportive services, based on the fact that 10 percent of
13 the total project is at 30 percent AMI.

14 MS. RAMIREZ: Yes. I think it is probably
15 better to get Tilly to respond, because there is already
16 established supportive services at this community.

17 MS. CROXDALE: Hi. My name is Tillie Croxdale.
18 I work with Foundation Communities.

19 So, we already have a presence onsite. The
20 goal is to redevelop the whole campus, is what we are
21 calling it. So, we already have two case managers onsite
22 that are working with residents. So, we will just
23 continue that.

24 It's, you know, referrals. It is counseling,
25 food -- a food pantry. Help with signing up for benefits,

1 if residents already aren't on SSI or something like that.

2 And we offer classes, financial education classes.

3 But, yes. So, we are just -- I mean,
4 Foundation Communities does this at all of our properties,
5 so it is pretty standard. And the residents that will be
6 moving into the new development are residents that are
7 there right now. So, we are basically just relocating
8 them.

9 MS. CARDENAS: Okay. Thank you.

10 MR. DIETZ: Any other questions?

11 MR. RICHARDS: Yes. I had a question. I think
12 I might have heard you say is that this is a preliminary
13 approval. What does that mean in English?

14 MS. RAMIREZ: It means that we need to submit
15 the bond reservation application and start negotiating the
16 bond docs. This was the result of their application
17 submittal meeting the threshold criteria for acceptance in
18 our program.

19 But now, it is the time to start preparing to
20 submit the bond reservation application, negotiating the
21 docs, and then entering the transaction once sources and
22 uses are better established. Right now, they are still
23 moving.

24 MR. RICHARDS: What happens with that
25 preliminary approval. Are you bringing it back and forth?

1 MS. RAMIREZ: For final approval.

2 MR. RICHARDS: Final approval.

3 MS. RAMIREZ: Right. Everything is still in
4 the application phase, and funds are getting applied for.
5 And it is solidifying as a project.

6 MR. RICHARDS: Thank you.

7 MR. DIETZ: Great. Any other questions or
8 comments?

9 (No response.)

10 MR. DIETZ: Is there a motion?

11 MS. CARDENAS: Motion to approve Tab Item 3 as
12 presented.

13 MR. RICHARDS: I second.

14 MR. DIETZ: Okay. It has been moved and
15 seconded that we approve the resolution regarding the
16 submission of one or more applications for allocation of
17 private activity bonds, Notices of Intention to Issue the
18 Bonds, and State bond applications to the Texas Bond
19 Review Board, and Declaration of Expectation to Reimburse
20 Expenditures with proceeds of future debt for The Bloom at
21 Lamar Square.

22 Is there any public comment?

23 (No response.)

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

1 (A chorus of ayes.)

2 MR. DIETZ: Any opposed.

3 (No response.)

4 MR. DIETZ: Okay. It is approved.

5 MS. RAMIREZ: Thank you all.

6 MR. DIETZ: Tab Item 4 is the presentation,
7 discussion and possible approval of a resolution regarding
8 the submission of one or more applications for allocation
9 of private activity bonds, Notices of Intention to Issue
10 Bonds, and State bond application to the Texas Bond Review
11 Board, and Declaration of Expectation to Reimburse
12 Expenditures with proceeds of future debt for Eden
13 Gardens.

14 MS. RAMIREZ: Very good. Cassandra Ramirez,
15 Development Finance Manager with TSAHC. So, this Agenda
16 Item is regarding the approval of an inducement resolution
17 for the Eden Gardens project in Austin.

18 This project is being developed by Capital A
19 Housing, and like the previous development, this is a
20 preliminary approval in order to enter a bond transaction,
21 and begin negotiating the bond documents. We will bring
22 this back to the Board for final approval once the project
23 is in final form, closer to closing, once the bond docs
24 are close to final form as well.

25 As I mentioned, this project is being developed

1 by Capital A Housing. It is in East Austin, near 12th
2 Street and Airport.

3 Right now, there is some existing senior
4 housing that will be demolished. But the tenants will be
5 relocated, and then relocated back to the units -- the new
6 units, once they are developed, if they choose to -- want
7 to live at the community. They will have the same rent
8 and the same benefits that they previously had.

9 This -- once it is built, this development will
10 create 80 units of affordable rental housing targeted for
11 low income housing seniors. And the total bond amount for
12 this one is \$13 million.

13 This project is qualifying under TSAHC's
14 program, because they are serving seniors. Right now,
15 eight units are being reserved for households earning up
16 to 30 percent AMI, 38 units are serving 50 percent AMI,
17 and 34 units are serving 60 percent AMI households.

18 As I mentioned, the bond request is \$13
19 million. They are projecting a total budget of
20 approximately \$22.8 million. And the proposed financing
21 includes the tax exempt bonds, deferred repayable loans, a
22 permanent loan, and 4 percent housing tax credits.

23 Their direct costs include \$14.3 million for
24 construction. Soft costs are \$1.7 million. And there
25 is -- financing costs are \$3 million, with preserves

1 [phonetic] account at \$1 million, and the developer fee of
2 \$2.8 million.

3 Acquisitions are not included in this project,
4 because they are going to ground lease the land -- a
5 permanent affiliate of Mount Zion Baptist Church. And
6 they will retain ownership.

7 Additional project details are included in the
8 staff writeup. I don't think we have a representative
9 from Capital A Housing available, but we can certainly
10 relay any questions you all have.

11 MR. DIETZ: Questions or comments?

12

13 (No response.)

14 MR. DIETZ: Discussion?

15 (No response.)

16 MR. DIETZ: Or is there a motion?

17 MS. CARDENAS: Motion to approve Tab Item 4 as
18 presented.

19 MR. RICHARDS: Second.

20 MR. DIETZ: It has been moved and seconded that
21 we approve the resolution regarding the submission of one
22 or more applications for allocation of private activity
23 bonds, Notices of Intention to Issue Bonds, and State bond
24 applications to the Texas Bond Review Board, and the
25 Declaration of Expectation to Reimburse Expenditures with

1 proceeds of future debt for Eden Gardens.

2 Is there any public comment?

3 (No response.)

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

6 (A chorus of ayes.)

7 MR. DIETZ: Any opposed?

8 (No response.)

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

10 MS. RAMIREZ: Thank you all.

11 MR. DIETZ: Now, we'll go to Tab Item 5, which
12 is the presentation, discussion and possible approval of a
13 resolution authorizing the issuance of Texas State
14 Affordable Housing Corporation multifamily mortgage
15 revenue notes; the Cairn Point Montopolis Apartments,
16 Series 2025A-1 and 2025A-2, a funding loan agreement, a
17 borrower loan agreement, an Asset Oversight, Compliance
18 and Security agreement, and a regulatory agreement,
19 authorizing the execution of documents and instruments
20 necessary or convenient to carry out the issuance of the
21 notes, and other provisions in connection therewith.

22 MR. DANENFELZER: Good morning. David
23 Danenfelzer, Senior Director of Development and Finance.

24 Unlike the two previous bond transactions which
25 we just discussed, this project has been before the Board

1 before. And this is our final approval, as noted in the
2 agenda item. The bond documents, which are also included
3 in the Board book to the Board as well as to the public
4 are available for review.

5 There are some blanks still in those, like
6 closing dates, final pricing of the bonds. But we do need
7 to bring this transaction for your approval at this time
8 in order to continue the process, which -- the next formal
9 step on a statewide basis is to bring this to the Texas
10 Bond Review Board, which we would do in January. They are
11 required to approve our transactions.

12 So, more about the project itself, though.
13 This is a 150-unit project. It is located in the East
14 side of Austin, the Montopolis neighborhood.

15 TSAHC will also be participating in the
16 ownership entity. This is part of a joint venture
17 transaction, and we have previously authorized that action
18 by the Board. But we will bring that next month for final
19 approval of the joint venture.

20 The reason they are not done in conjunction is
21 that for the joint venture portion, we do need some
22 additional approvals on the financing to make sure that we
23 can bring that to you and get that finally approved. So,
24 that should happen in January.

25 The project does have a significant number of

1 extremely low income units, 23 of the 150. And it does
2 meet our housing need for targeting of extremely low
3 income families, under our targeted housing needs. My
4 apologies for stumbling.

5 The project also does involve Family Eldercare
6 as a special limited partner in the project. They will
7 help coordinate the majority of tenant services and
8 provide -- are bringing in housing vouchers for extremely
9 low income persons and their families, to assist them with
10 the rental payments. The budget is pretty much -- well,
11 the details of the budget of the total \$46.2 million is
12 there in front of you.

13 I think at this point, I'd basically open it up
14 for your questions.

15 MR. RICHARDS: I have some questions.

16 MR. DIETZ: Sure.

17 MR. RICHARDS: I was just running so many
18 numbers -- you say that 23 out of the 150 is for low
19 income. Is that correct?

20 MR. DANENFELZER: Correct.

21 MR. RICHARDS: That's about 15 percent?

22 MR. DANENFELZER: About 15 percent, yes.

23 MR. RICHARDS: Is that normal threshold for low
24 income? Because, you know, we were not here when the
25 approval was made, so just wondering if you --

1 MR. DANENFELZER: Yes. So, the breakout is
2 actually a little bit later in the presentation in the
3 underwriting. I believe it is page 6 of 7 of this part.
4 There is the written part, but there is also percentages.

5 So, for our persons under our targeted housing
6 needs, which -- we set four of those each year. We talk
7 about them when we set the policies. And I know you
8 weren't here when we set this last -- this particular
9 policy.

10 But we require that at least 10 percent or more
11 of the units are for extremely low income households to
12 meet our permanent supportive housing or service-enriched
13 housing threshold. So, this project does, because it has
14 15 percent or more.

15 From another standpoint on your question
16 though, I do want to be clear that there is a federal
17 requirement of at least 20 percent of the units are
18 affordable to 50 percent AMI households, or 40 percent at
19 60 percent AMI households.

20 In this case, 100 percent of the total units
21 are affordable to households at 60 percent or below of
22 median income. There is a portion reserved for 50 percent
23 median income, which is 33 percent of them. And 51
24 percent are 60 percent AMI.

25 Oftentimes, there is a gradation of those

1 affordabilities. But we do look at what both the federal
2 rules require, and then our policies, which in some cases,
3 can be more restrictive.

4 But for the purposes of this transaction, we
5 are not necessarily more restrictive than the federal law,
6 but this is a special set aside, so we do require that
7 they have that 30 percent area median income households.

8 MR. RICHARDS: Thank you very much.

9 MS. CARDENAS: David, and just for additional,
10 I guess, knowledge. I noticed in these that are, I guess,
11 geared towards the Texas Supportive Housing, you don't see
12 that 80 percent gap, or 80 percent bracket. Is there a
13 particular reason? Because of the designation of the
14 project?

15 You know, because usually, you just hear the 80
16 percent, right. And I understand very low, extremely
17 low --

18 MR. DANENFELZER: Yes.

19 MS. CARDENAS: -- but I didn't know if the 80
20 percent were not allowed because this is a certain
21 designated project?

22 MR. DANENFELZER: There is no disallowance.
23 So, we can look at projects that have a much broader range
24 of affordability.

25 What we find, however, is that the projects

1 that are targeting particularly 30 percent area median
2 income, because that rent level is so low, they often have
3 to seek additional subsidies: rental vouchers or grants,
4 extremely low cost financing, like zero percent or non-
5 deferred repayable loans. Those programs, through federal
6 and state agencies, often require a higher level of
7 affordability so it is harder to get that mix, but not
8 impossible.

9 There is a project we did a couple of years
10 ago, that did have some 80 percent units, and 30 percent
11 units in order to mix. So, again, it is possible; there
12 is not a restriction. But it is not common.

13 MS. CARDENAS: It was just for me to
14 understand, because I know again, there are some that are
15 at 80 percent. And then you also have a small portion
16 that are also allowed for market rents, right. And so, I
17 was just trying to understand when the 80 in market rents
18 came into play, versus here, it seems these last two are
19 capped at 60 percent of AMI. So, I was just --

20 MR. DANENFELZER: Yes. That is just a choice
21 of the developer --

22 MS. CARDENAS: Okay.

23 MR. DANENFELZER: -- because again, the
24 financing they seek that is most favorable to their
25 project is limiting them to those levels.

1 MS. CARDENAS: Okay.

2 MR. DIETZ: Very good. Any other questions or
3 comments?

4 (No response.)

5 MR. DIETZ: Any discussion?

6 (No response.)

7 MR. DIETZ: Or a motion.

8 MR. RICHARDS: I make the motion that Tab 5 be
9 approved as presented.

10 MS. CARDENAS: Second.

11 MR. DIETZ: It has been moved and seconded that
12 we approve a resolution authorizing the issuance of Texas
13 State Affordable Housing Corporation multifamily mortgage
14 revenue notes for Cairn Point Montopolis Apartments,
15 Series 2025A-1 and 2025A-2, a funding loan agreement, a
16 borrower loan agreement, an Asset Oversight, Compliance
17 and Security agreement, and a regulatory agreement,
18 authorizing the execution of documents and instruments
19 necessary or convenient to carry out the issuance of the
20 notes, and other provisions in connection therewith.

21 Is there any public comment?

22 (No response.)

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

25 (A chorus of ayes.)

1 MR. DIETZ: Any opposed?

2 (No response.)

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

4 Tab Item 6 is the presentation, discussion and
5 possible approval of a resolution authorizing and
6 approving a First Supplement to Trust Indenture relating
7 to the Texas State Affordable Housing Corporation
8 Multifamily Housing Revenue Bonds, the Juniper Creek
9 Apartments Project, Series 2023, authorizing the execution
10 of documents and instruments necessary or convenient in
11 connection therewith, and other matters incident and
12 related thereto.

13 MR. DANENFELZER: Thank you. David
14 Danenfelzer, Director of Development and Finance.

15 I want to be clear that there are two agenda
16 items related to this property and project. This is the
17 first of the two that we will be discussing today. The
18 project in question is Juniper Creek Apartments.

19 The financing closed back in July of 2023. The
20 Board approved this transaction -- I believe it was in
21 January or February of that year. This transaction is
22 well underway. In fact, we do anticipate that it will
23 begin opening for leasing in probably March of 2025.

24 The reason we are bringing it back is that the
25 development partner -- and I say partner because TSAHC is

1 in the ownership entity of this project. Foundation
2 Communities is the development partner in driving the
3 process. They were able to negotiate an additional \$3
4 million in deferred forgivable capital for the project,
5 from Travis County.

6 That additional money changes the balance, and
7 does change some of the bond documents, which are
8 produced. In this case, what you are approving with this
9 agenda item is that the amounts of certain funding, the
10 Travis County loan, the sponsor loan, which is a loan from
11 Foundation Communities to the project during the
12 construction period, as well as the amount of deferred
13 forgivable or deferred developer fees -- it needs to be
14 re-balanced because of this additional capital.

15 So, it is a fairly easy amendment. But because
16 the bond documents are recorded and produced, the Attorney
17 General has approved the form of the bond, and the
18 transaction. We do need to get your approval on this sort
19 of rearranging of the numbers, you know.

20 So, I don't know if I need to provide any
21 additional information about the project, but --

22 MR. RICHARDS: David, I am sorry. I didn't
23 hear. Did you say there was additional funding of \$1
24 million?

25 MR. DANENFELZER: Yes. So, \$3 million in

1 additional funding was made available from Travis County,
2 Texas.

3 MR. RICHARDS: Okay. All right.

4 MR. DANENFELZER: And so, the County wanted to
5 shift this from another project, which could not use it,
6 to this project.

7 MR. RICHARDS: I see.

8 MR. DANENFELZER: It is beneficial to the
9 project, because it does free up additional capital. And
10 it reduces other debts. So, that is what we are doing.
11 But because the bond documents are recorded, approved by
12 the Attorney General, and published --

13 MR. RICHARDS: Sure.

14 MR. DANENFELZER: -- those are things that we
15 need to make sure that the Board approves any adjustment
16 in those documents.

17 MR. RICHARDS: Sure. Sure. Makes sense.

18 MR. DANENFELZER: So, we are not changing any
19 business terms or legal terms under this transaction,
20 simply the rearranging of three different numbers.

21 MR. RICHARDS: Just rearranging the capital
22 structure because of the infusion of that 3 million that
23 came from Travis County?

24 MR. DANENFELZER: Right.

25 MR. RICHARDS: Okay.

1 MR. DANENFELZER: Yes.

2 MR. RASSIN: What do you mean by rearranging?

3 MR. DANENFELZER: Well, what I mean is that
4 there is -- because we are adding \$3 million to the money
5 that Travis County already provided the project, the
6 sponsor loan will be reduced. And that number was in the
7 bond documents. And the deferred developer fee amount
8 that was in the bond documents will also be reduced.

9 In part of my -- in the presentation, I believe
10 I put that at the end of this section, that the sponsor
11 loan will now be reduced to \$1.5 million, from an initial
12 approximately \$3 million. And the developer fee is
13 reduced to \$1 million. And it was almost \$2 million.

14 So, the \$3 million is being distributed to
15 reduce those other numbers.

16 MR. RASSIN: So, it doesn't change the
17 priority. It just changes --

18 MR. DANENFELZER: It doesn't change the
19 priority. It just -- Travis County money is deferred
20 forgivable money that we don't have to repay for 40 years,
21 or it may be forgiven. The sponsor loan needed to be
22 repaid. So, that will reduce the debt load of the
23 project.

24 The deferred developer fee is funding that
25 would be eventually paid out to the developer over a

1 ten-year period. By lowering it, it means we can pay it
2 out faster, the developer fee, and lower that risk of
3 repayment later.

4 MR. RASSIN: I would also expect an improvement
5 in cash flow. That [inaudible] is reduced, right?

6 MR. DANENFELZER: Yes. It should -- well, let
7 me say that there is other repayable services that are
8 based on the cash flow amount. So, even though the total
9 amount of cash flow may increase, 50 percent of the cash
10 flow goes to the remaining sponsor note that will be in
11 place, and 50 percent goes to the City of Austin, which
12 provided another loan to the project. So, it is kind of a
13 break even.

14 We will -- ultimately, yes, after debt service,
15 after formal debt service, there will be more cash flow.
16 But it is all going to be repaid to the City of Austin.
17 Particularly once the sponsor loan is repaid, then the
18 City of Austin gets the rest of it.

19 So, it doesn't -- it is not like the owner will
20 be getting a lot of extra cash. It will just be repaying
21 another loan faster.

22 MR. RICHARDS: Did you say final approval?

23 MR. DANENFELZER: This is, because we are
24 just -- we are amending this transaction. This project
25 was already approved by the Board and close to -- we are

1 close to operating.

2 We need to bring it to your approval today,
3 though. Because we do need that approval before the
4 County can close on that additional funding.

5 MR. DIETZ: Any other questions? Comments?
6 Discussion?

7 (No response.)

8 MR. DIETZ: Or a motion.

9 MR. RASSIN: I move that Tab 6 be approved as
10 presented.

11 MS. CARDENAS: Second.

12 MR. DIETZ: It has been moved and seconded that
13 we approve the resolution authorizing and approving a
14 First Supplement to Trust Indenture, relating to the Texas
15 State Affordable Housing Corporation Multifamily Housing
16 Revenue Bonds for Juniper Creek Apartments Project, Series
17 2023, authorizing the execution of documents and
18 instruments necessary or convenient in connection
19 therewith, and other matters incident and related thereto.

20 Is there any public comment?

21 (No response.)

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

24 (A chorus of ayes.)

25 MR. DIETZ: Any opposed?

1 (No response.)

2 MR. DIETZ: It is approved.

3 Tab Item 7 is the presentation, discussion and
4 possible approval of a resolution authorizing the Texas
5 State Affordable Housing Corporation to take action to
6 amend the financing of Juniper Creek, located in Austin,
7 Texas, including negotiating finance documents, and
8 obtaining and modifying debt financing in the project.

9 MR. DANENFELZER: David Danenfelzer, Senior
10 Director of Development Finance. As I noted before, this
11 is the exact same transaction we just discussed.

12 This action, however, because we are part of
13 the ownership entity, TSAHC and Foundation Communities,
14 there is a company agreement, operating agreement, and
15 other documents which sort of formalize our relationship.

16 Some of the terms in there related to the sponsor loan
17 that Foundation Communities provided the transaction, as
18 well as the splits of the deferred developer fee. Because
19 those two amounts changed, the rate of repayment and the
20 benefits that the company recognizes for those changes a
21 little bit.

22 So, we did have Counsel review this. They have
23 provided some amendments to those agreements, but we need
24 your authorization to amend those agreements. And so,
25 there is a resolution before you, allowing us.

1 And there is still some negotiation. We have
2 got to make sure we can still talk about that. But once
3 we get the final, final numbers, and how that is all going
4 to get balanced, we will -- you are authorizing the
5 President and the Executive Vice President of the
6 Corporation to sign off on those final changes. So, that
7 is good.

8 If there is any questions, I am here.

9 MR. DIETZ: Questions? Comments? Discussion?

10
11 (No response.)

12 MR. DIETZ: Is there a motion?

13 MR. RASSIN: I move that the Tab 7 be approved
14 as presented.

15 MS. CARDENAS: Second.

16 MR. DIETZ: Okay. It is moved and seconded
17 that we approve the resolution authorizing the Texas State
18 Affordable Housing Corporation to take action to amend the
19 financing of Juniper Creek, located in Austin, Texas,
20 including negotiating finance documents, and obtaining and
21 modifying the debt financing in the project.

22 Is there any public comment?

23 (No response.)

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

1 (A chorus of ayes.)

2 MR. DIETZ: Any opposed?

3 (No response.)

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

5 MR. DANENFELZER: Thank you very much.

6 MR. DIETZ: And that brings us to Tab Item 8,
7 which I think is the longest tab item. Presentation,
8 discussion and possible approval of a resolution
9 authorizing and approving an amendment to the regulatory
10 agreement relating to the Texas State Affordable Housing
11 Corporation Multifamily Housing Revenue Bonds for the
12 Rainbow Apartment Projects, Series 2007, authorizing and
13 approving a supplemental agreement to the Asset Oversight
14 Agreement, and Compliance and Security Agreement relating
15 to such bonds, authorizing the defeasance and redemption
16 of the bonds, authorizing the execution of documents and
17 instruments necessary or convenient in connection
18 therewith, and other matters incident and related thereto.

19 MS. STUBBS: Any questions? I'm kidding.

20 Good morning, Board Chair and Board members.

21 Nice to meet you, Mr. Richards. Good morning. My name is
22 Celia Stubbs. I am the Director of Asset Oversight and
23 Compliance.

24 So, this agenda item was previously approved by
25 the Board in May of 2023. Today, we bring the agenda item

1 back to inform you of a couple of changes, and ask for
2 your approval.

3 The proposed sale of this Rainbow portfolio
4 back in May 2023 did not go through. However, in October
5 of this year, the owner informed us that they had new
6 buyers, which prompted new amendment effective dates, and
7 also produced a new compliance fee amount for this
8 amendment.

9 So, as a reminder, TSAHC issued tax exempt
10 bonds for this acquisition and rehabilitation of the
11 Rainbow Apartments in 2007. Rainbow is a pooled
12 transaction of 13 affordable communities. In November of
13 '22, the owner contacted TSAHC to let us know of their
14 intent to sell the projects, defease the bonds, and to
15 amend the regulatory agreement, which would trigger three
16 specific actions.

17 So, the first action would be that on the date
18 of the sale or transfer of ownership, which is now
19 anticipated for January or February of 2025, the new buyer
20 will assume the bond agreements and will be responsible
21 for maintaining program compliance. While it is their
22 intent to redeem the bonds at the time of sale, the bonds
23 will not be callable on that date.

24 Which creates a second trigger. So, because of
25 this, the buyer will enter into a defeasance. This is

1 where the buyer deposits funds sufficient to cover the
2 repayment of the bonds, plus ongoing interests and other
3 costs at the time of closing. Then the bonds will be
4 redeemed, and the bond holders will be paid in full.

5 The third action that it triggers is that when
6 these bonds are redeemed and no longer outstanding, the
7 original indenture and the Asset Oversight agreement
8 automatically terminate. We are mutually agreeing to
9 terminate the compliance agreement for a fee -- a lump sum
10 fee of \$92,736. That is its current compliance fee of \$23
11 per door, for a four-year period, which is our IRS
12 lookback period.

13 The regulatory agreement, however, will
14 continue throughout the project's qualified project
15 period, due to the presence of Section 8 rental assistance
16 contracts on each of these 13 properties. Because of
17 this, the regulatory agreement is being amended to state
18 that the new owners will provide TSAHC and not the
19 trustee, as it automatically terminates, with annual
20 reports throughout the qualified project period.

21 So, today, I ask the Board to approve the
22 resolution that allows for these amendments of these
23 agreements, as discussed, and to approve authorization of
24 executing such documents.

25 Do you have any questions?

1 MR. RICHARDS: I just have a couple of
2 questions about the numbers --

3 MS. STUBBS: Sure.

4 MR. RICHARDS: Is that okay?

5 MR. LONG: Yes.

6 MS. STUBBS: Sure.

7 MR. RICHARDS: Is there penalties on a
8 defeasance?

9 MS. STUBBS: I am not going to have the answer
10 to that question.

11 MR. RICHARDS: I guess what I am saying, is if
12 you are pre-paying a bond, then there would be some --

13 MS. STUBBS: No.

14 MR. RICHARDS: In some instances you would have
15 to make a fee risk, investment risk.

16 But David, you are shaking your head --

17 MR. LONG: There is none.

18 MR. RICHARDS: There is none? Thank you.

19 MS. STUBBS: No. There is not.

20 MR. RICHARDS: And when the bonds are defeased,
21 does that completely let off the hook the original owners
22 of the bond?

23 MS. STUBBS: Will it -- the original?

24 MR. RICHARDS: Right, the owner --

25 MS. STUBBS: Owner.

1 MR. RICHARDS: -- you said that when the bonds
2 are defeased -- is the current setup going to be
3 completely off?

4 MS. STUBBS: That is correct. The new buyer,
5 the new owner will be responsible.

6 MR. RICHARDS: Responsible.

7 MS. STUBBS: Uh-huh.

8 MR. RICHARDS: Those are the only questions I
9 had.

10 MS. STUBBS: Any other questions?

11 (No response.)

12 MR. DIETZ: Any other questions or comments?
13 Discussion?

14 (No response.)

15 MR. DIETZ: Is there a motion?

16 MR. RICHARDS: I move that Tab Item 8 be
17 approved as presented.

18 MS. CARDENAS: Second.

19 MR. DIETZ: It has been moved and seconded that
20 we approve a resolution authorizing and approving an
21 amendment to the regulatory agreement relating to the
22 Texas State Affordable Housing Corporation Multifamily
23 Housing Revenue Bonds for the Rainbow Apartment Projects,
24 Series 2007, authorizing and approving a supplemental
25 agreement to the Asset Oversight Agreement, and Compliance

1 and Security Agreement relating to such bonds, authorizing
2 the defeasance and redemption of the bonds, authorizing
3 the execution of documents and instruments necessary or
4 convenient in connection therewith, and other matters
5 incident and related thereto.

6 Is there any public comment?

7 (No response.)

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

10 (A chorus of ayes.)

11 MR. DIETZ: Any opposed?

12 (No response.)

13 MR. DIETZ: Okay. That is approved.

14 MS. STUBBS: Thank you.

15 MR. DIETZ: Tab Item 9 is the presentation,
16 discussion and possible approval of the reappointment of
17 Roy Nash and David Danenfelzer to the Board of Texas
18 Community Capital, LLC.

19 MR. LONG: Thank you, Mr. Chairman.

20 For the newer members, the Corporation, in
21 partnership with the Texas Association of CDCs, reinvented
22 a non-profit, Texas Community Capital or TCC, back in
23 2011. And that partnership -- the original structure
24 was -- is that the Corporation and TACDC would appoint
25 Board members to serve as the Governing Board for TCC.

1 In 2018, TCC became a certified development
2 financial institution, which allowed us to further its
3 capacity for leveraging capital and other resources for
4 community development, housing, and charitable activities.

5 I will give you a little background on it.

6 Since 2014, TCC has been a public face of the
7 Community Loan Centers of Texas and the Community Loan
8 Centers of America, which is a network of non-profits
9 providing extremely low-cost lending services as an
10 alternative to payday loans. The network includes more
11 than 15 lenders in ten states, and today providing more
12 than 120,000 loans to low income families.

13 The board of directors currently consists of
14 nine Board appointees. TSAHC and TACDC have both Board
15 appointment authority for three, and there is three
16 members at large that are appointed by the Board members,
17 once they are appointed by TSAHC and TACDC.

18 As an appointing agency for TCC, the
19 Corporation has three Board members seats that it appoints
20 on a staggered, every four-year period. Currently, the
21 Corporation's appointment members are Bea Farrias, Roy
22 Nash, and David Danenfelzer. Mr. Nash and Mr. Danenfelzer
23 was last confirmed by the Board in 2020 -- TSAHC's Board
24 in 2020. So, their four year terms are up and need to be
25 re-approved.

1 In conversations with both Mr. Danenfelzer, who
2 currently serves as the Chair of TCC, and Mr. Nash, they
3 are both interested and willing to continue to serve on
4 the Board of TCC as the appointees from TSAHC. There is
5 no limits to the number of reappointments. So, we are not
6 in violation of any bylaws, or anything of that nature,
7 under TCC's guidance.

8 Mr. Nash is the President and COO of
9 NeighborWorks Waco and has more than 42 years of
10 experience in housing and building industry. Mr.
11 Danenfelzer, as you know, serves as Senior Director of
12 Development and Finance for the Corporation, and has been
13 with us for many years. And you get to see his lovely
14 face almost every Board meeting.

15 MR. RICHARDS: That is right.

16 MR. LONG: As a result, the staff are
17 recommending to the Board the reappointments of both Mr.
18 Nash and Mr. Danenfelzer to the Board, so they can
19 continue to serve as representatives for the Corporation.

20 MR. DIETZ: As to the third?

21 MR. LONG: Bea Farrias is her name.

22
23 MR. DIETZ: Okay.

24 MR. LONG: She is from the Valley.

25 MR. DIETZ: Okay. And her -- she is on a

1 different cycle?

2 MR. LONG: That is correct. Her appointment
3 was in June of 2022, and she serves until June of 2026.
4 And she is currently serving her first four-year term.

5 So, if you make these appointments effective
6 today, Mr. Danenfelzer and Mr. Nash will start another
7 four-year term.

8 MR. RICHARDS: So, is Mr. Roy Nash here today?

9 MR. LONG: He is not.

10 MR. RICHARDS: He is not. But this is David
11 we're talking about?

12 MR. LONG: David Danenfelzer, yes.

13 And Mr. Nash has been a partner with us on many
14 projects over the years. NeighborWorks Waco is in Mr.
15 Dietz' hometown. They are a very prominent provider of
16 affordable housing, and trainings across -- with their
17 relationship with NeighborWorks America.

18 And I highly recommend Mr. Nash. I have known
19 him personally for over 30 years.

20 MR. RICHARDS: This appointment is for four
21 years. Is that correct?

22 MR. LONG: Four years. That is correct.

23 MR. RICHARDS: Okay.

24 MR. DIETZ: Yes. Mr. Nash is well known and
25 well regarded in the Waco community as well.

1 MR. RICHARDS: Do you have his picture here, by
2 any chance? Just so I --

3 MR. LONG: I can give you his. Anyway, for
4 purposes of the Board, the request today is to reappoint
5 Mr. Nash and Mr. Danenfelzer to serve as Board members, so
6 that we can continue to work with TCC and give guidance
7 and leadership.

8 MR. DIETZ: Any further questions, comments,
9 discussion? Or a related motion?

10 MR. RASSIN: I move that Tab 9 be approved as
11 presented.

12 MR. RICHARDS: I second.

13 MR. DIETZ: It has been moved and seconded that
14 we approve the reappointment of Roy Nash and David
15 Danenfelzer to the Board of Texas Community Capital, LLC.

16

17 Is there any public comment?

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

20 (A chorus of ayes.)

21 MR. DIETZ: Any opposed?

22 (No response.)

23 MR. DIETZ: Okay.

24 Congratulations on your reappointment, Mr.
25 Danenfelzer.

1 MR. LONG: Thank you.

2 Before we move on, Mr. Chairman, I want to
3 thank David. He has continued to be -- not only as I
4 mentioned earlier -- serves as Chair. And this will allow
5 him to continue in that position for a period of time,
6 until other arrangements are made for the officers.

7 But he gives us a direct insight into TCC's
8 daily activities, as well as just gives us guidance as to
9 what is going on. And I think his leadership has been
10 really well addressing -- done a really good job of
11 addressing the transition that has gone in TCC over the
12 years. So, thank David for his continued working
13 relationship.

14 MR. DIETZ: It sounds like a very good
15 relationship and a good congruence to have.

16 MR. LONG: Agreed.

17 MR. DIETZ: Tab Item 10 is the presentation,
18 discussion and possible approval of a resolution
19 authorizing the President and Executive Vice President of
20 the Corporation to take action to develop plans,
21 specifications and a budget for the construction of the
22 project located at 1910 MLK, Austin, Texas, and to
23 negotiate and execute construction contracts for the
24 construction and completion of said project.

25 MR. LONG: You haven't seen him enough. Here

1 is David Danenfelzer.

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

4 I apologize. I didn't realize this was the
5 next agenda item.

6 So, we have talked about this before. But for
7 those of you who -- and I know we don't come to you every
8 month on this project, but 1910 is a project we own -- a
9 property that we own here in Austin, Texas. It was
10 originally purchased to create office space for the
11 Corporation.

12 And we ended up remodeling that property, and
13 leasing it to other non-profits for the last ten years or
14 so. And it has worked well. But the property was old.
15 It had some structural issues.

16 And ultimately, our mission is not to just have
17 office space. It is to create affordable housing. And
18 this particular property is in a desirable location,
19 surrounded by residential and some smaller scale retail
20 and restaurants. We think it is an excellent location for
21 an affordable condominium project.

22 Staff has been working on this. We did get
23 authorization a year or so ago from the Board to go ahead
24 and begin the process of hiring architects and engineers
25 to look at the project, to begin applying for financing

1 and funding.

2 We are at the stage, though, where we have
3 drawings that are about 50 percent -- what they call 50
4 percent drawings, meaning they are halfway there. But
5 we're starting to need guidance from general contractor,
6 as well.

7 And so, the Agenda Item today is essentially
8 giving us that authority to go ahead and finalize our
9 search for a general contractor, to execute contracts with
10 them, but also to finalize the plans, specs, and the
11 budget for the construction of those 23 condominium units.

12 I will go ahead and open it up for questions.

13 MR. DIETZ: Questions? Comments?

14 MR. RICHARDS: I don't have any questions. It
15 is just that I noticed that the introduction says
16 presentation, discussion, and possible approval. I don't
17 know, is this preliminary approval? Final approval?

18 Maybe we can indicate that in the
19 future presentation, just so we can get a sense of what
20 level of approval we're doing --

21 MR. DANENFELZER: Yes. Okay.

22 MR. RICHARDS: Final approval, is it
23 preliminary approval? I think that would help us get a
24 better sense of --

25 MR. DANENFELZER: Yes.

1 MR. RICHARDS: -- the level of [inaudible] we
2 are delivering.

3 MR. DANENFELZER: And I will definitely bring
4 that up both with --

5 MR. RICHARDS: And your Counsel.

6 MR. DANENFELZER: -- Mr. Long and Ms. Taylor,
7 the Executive VP. I know in this case, we are just
8 looking at the resolution that you have before you. On
9 these types of projects, we generally don't have a "final
10 approval." You are giving us authority to do certain
11 things, and to agree to certain things.

12 It is not impossible on this project that we
13 will have to come back for additional approvals and
14 resolutions. It really does depend on what types of
15 financing we do eventually have in place.

16 But I think that is a really good question for
17 us. To make sure in the writeup it is clear whether or
18 not this is sort of preliminary, intermediate, or final
19 resolution.

20 MR. RICHARDS: Yes. It is just that I have
21 looked at some of the ones we looked at with similar
22 language. And it says, this is a final approval. And
23 then, I know that previous -- also in this binder, it says
24 preliminary, so --

25 MR. DANENFELZER: Right.

1 MR. RICHARDS: I just kind of wanted to get a
2 sense of what level that I'm --

3 MR. DANENFELZER: Yes. No, I appreciate that
4 comment. I think we will work to make that more clear.
5 Thank you.

6 MR. RASSIN: I also have some questions, two
7 different questioning streams. One, I see that you are
8 requesting approval in two different directions. One --
9 I., to develop plans, et cetera, and ii., to negotiate and
10 enter into construction contracts.

11 I can't recall other times in my year here that
12 similar requests for approval have been sought from the
13 Board. Maybe I am just missing them. Is this the kind of
14 thing for which you typically need approval?

15 MR. DANENFELZER: You know, it does vary.
16 Partly, it is the dollar amount. And it does depend on
17 what our internal SOPs or --

18 MR. LONG: Authorities.

19 MR. DANENFELZER: I can't remember what the
20 acronym is -- standard operating procedures.

21 In this case, staff wanted to kind of be on the
22 cautious side. Because we don't know the final number of
23 the construction budget, but it is likely to be
24 approximately \$8 million. And because of that, we wanted
25 to make sure that for a number that large, we do bring

1 that to the Board and we get authority to sign a contract
2 that would be that size.

3 To your question, there are projects -- and
4 generally, under our standard operating procedures and the
5 Board's authority -- or really, I should say the authority
6 of the President and Executive Vice President, if a
7 project is less than half a million dollars, and we don't
8 normally have them that close, but we don't bring that to
9 the Board.

10 So, an example is under our Affordable
11 Communities of Texas land banking program, we are
12 developing a single family home in San Antonio, total
13 budget around \$200,000. And we did not bring that to the
14 Board for authority, because that kind of falls under that
15 half a million mark, and it is part of the general
16 resolution of the ACT program.

17 In this case, however, because it does exceed
18 the half million dollar mark, we do feel that it was
19 necessary to bring to you. There may be a more similar
20 project in the past -- is when we have a specific
21 allocation of funding that may incur more money.

22 Recently, we did bring the acquisition of ten
23 single family lots in the Valley, in association with the
24 Valley CDC. And that we did bring, because we were kind
25 of purchasing the number of lots. It is a very large --

1 it will eventually become a very large budget project.

2 And so, we want to make sure the Board is aware of that.

3 So, we do talk to Counsel on every project and
4 make sure that they agree. And in this case, they did
5 agree that this was probably the best thing to do, based
6 on our SOPs and the budget that is planned for this
7 project.

8 MR. RASSIN: Thank you. My second line of
9 questioning on this -- unless anyone wants to tag onto my
10 previous question and follow ups.

11 MR. RICHARDS: No, I don't have questions.

12 MR. RASSIN: Seeing none, I will switch to my
13 second line of questioning.

14 In the past, I have seen projects brought to us
15 by developers. This one seems to be us initiating it from
16 the start. What steps do we take -- and so we would be
17 changing the use of that land from office to housing.
18 What steps do we take to assess whether -- the impact of
19 that housing on the community and whether it is a suitable
20 location for housing?

21 MR. DANENFELZER: Yes. I would say there is
22 both sort of a soft side and a hard side to that analysis.

23 The soft side is really communicating with
24 local non-profits, other people in the community, to see
25 what they think is suitable for that site. Maybe outreach

1 to the neighborhood groups even, in discussing our
2 thoughts and plans for that project site.

3 The more hard side of it is actually doing sort
4 of preliminary underwriting, looking at funding sources.
5 Looking at sort of -- we did do sort of a preliminary
6 density analysis on this site.

7 We did -- it cost a couple of thousand dollars.
8 We had an architect help us with massing, based on zoning
9 limits, and building standard limits for that site. So we
10 could understand what was the most we could put there, and
11 that we could also kind of look at what is the least we
12 could put there, and make it a feasible project.

13 So, we do look at all those things, just like
14 our development partners do. And you know, we have
15 developed those skills over the last couple of decades,
16 doing projects like Rollins Martin, which is an apartment
17 complex we have. We have done other single family
18 projects, just one-offs here and there like San Antonio I
19 mentioned a little bit ago.

20 So, staff has that skill. But we do also reach
21 out to consultants and the community for those inputs,
22 when needed.

23 MR. RASSIN: Have we assessed whether the local
24 businesses and existing residences would be in favor of
25 the development. Or do we not consider them

1 stakeholder --

2 MR. DANENFELZER: Yes. That is part of the
3 sort of community outreach.

4 I know we did speak with the executive director
5 of one of the non-profits that serves this community. And
6 they have other single family rental projects in the
7 neighborhood. They invited us, because they felt that any
8 new housing development in the neighborhood was positive,
9 particularly affordable.

10 This is a historically very low income area.
11 It has seen an enormous amount of gentrification, a lot of
12 much more high cost homes coming in. Older homes being
13 purchased and rehabbed or torn down. So, preserving the
14 affordability is real critical.

15 And with this project, we are targeting 80
16 percent or below median income. So, we do hope that a lot
17 of, you know, folks like teachers, firefighters, EMS will
18 be able to afford to live in this neighborhood, where many
19 of them have been pushed out because of the high cost of
20 housing.

21 MR. RASSIN: Thank you. That answers my
22 question. You led into the last thing I was going to ask.

23 When you look at median income, the area for
24 the AMI, which area do you consider?

25 MR. DANENFELZER: Legally, we are required to

1 look at what is published by HUD for the county or the
2 metropolitan area. That is where we set those limits.

3 We do look at the census tract level data.
4 This census tract is actually just above right now the
5 median income, because of the gentrification that has
6 happened. We do know that there is pockets, though,
7 nearby in one of the census tracts directly north of us is
8 actually well below the median income.

9 So, that is where we are really hopeful that we
10 can kind of re-balance, and stop that trend of higher
11 higher incomes pushing out low income folk from this
12 community.

13 It's a great community. There is a lot of
14 great community services. There is community gardens and
15 parks and service centers. So, we want to make sure that
16 people can still be served by those, and this is a good
17 location.

18 MR. RASSIN: So, we believe this will be
19 welcomed.

20 MR. DANENFELZER: Yes. Yes, I mean, all of the
21 non-profits we have spoken to in the area, including ones
22 that are not directly serving this really are hopeful for
23 this project.

24 And as Mr. Long noted, beginning -- we did get
25 approval from the City of Austin for funding for this

1 site, which -- it gives their blessing. But it is also
2 really telling, because it is a home ownership project.
3 And generally speaking the last couple of years, about 95
4 percent of their funding has gone to multifamily rental.

5 So, their commitment to this project as a home
6 ownership was kind of a big win for us. We really
7 didn't -- I won't say we were not -- we weren't confident,
8 I will say, in that application. But we are extremely
9 pleased that they awarded it.

10 MR. LONG: A very competitive application
11 process from the City.

12 The other thing I might add, Mr. Rassin, is
13 that we have a project not far down the street that we
14 participate in -- the Chicon, which was very successful.
15 A similar type of a setup, where it was condominiums for
16 sale.

17 The only difference was that one had some
18 retail on the first floor, and the upper floors were for
19 sale. And we were part of that transaction as well. And
20 the success of it has led us to believe that this was
21 going to be another good opportunity. It is not far down
22 the street.

23 MR. RASSIN: Thank you. I am in favor of this.
24 My concern, I understand who are -- that our primary
25 mission -- I just want to make sure that we consider all

1 the stakeholders.

2 MR. LONG: Right.

3 MR. DIETZ: Any other questions or comments or
4 discussion?

5 (No response.)

6 MR. DIETZ: Is there a motion?

7 MR. RASSIN: I move that Tab 10 be approved as
8 presented.

9 MR. RICHARDS: Second.

10 MR. DIETZ: It has been moved and seconded that
11 we approve a resolution authorizing the President and the
12 Executive Vice President of the Corporation to take action
13 to develop plans, specifications, and a budget for the
14 construction of the project located at 1910 MLK, Austin,
15 Texas, and negotiate and execute construction contracts
16 for the construction and completion of said project.

17 Any public comment?

18 (No response.)

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

21 (A chorus of ayes.)

22 MR. DIETZ: Any opposed?

23 (No response.)

24 MR. DIETZ: Okay. It is approved.

25 MR. DANENFELZER: Thank you.

1 MR. DIETZ: Tab 11 is the presentation and
2 discussion of the Texas State Affordable Housing
3 Corporation's fiscal year 2024 and 2025 strategic plans.

4 So that requires no Board actions. It is just
5 for our edification and knowledge. Correct?

6 MS. TAYLOR: That is correct. And it is now
7 good afternoon.

8 Good afternoon, Chairman Dietz and Board
9 members. I am Janie Taylor, Executive Vice President.
10 And with me is Melinda Smith, our CFO. And she and I will
11 be presenting the strategic plans for the administration
12 areas.

13 The administration and accounting plans cover
14 big picture items, such as budget, management, corporate
15 governance goals, strategies, and tactics.

16 This is Part 3 of the strategic plan
17 presentations we've been doing this fall. And this will
18 be the last presentation for the fiscal year on our
19 strategic plan.

20 So, Melinda will get started. She is going to
21 review a few tactics for fiscal year 2024 under goals 1, 2
22 and 3.

23 MS. SMITH: Thank you. Good afternoon. My
24 name is Melinda Smith, and I am the CFO.

25 And I am going to go over goals 1, 2, and 3, as

1 Janie said, of the administrative portion of the 2024
2 strategic plan.

3 Goal 1 was to maximize earned revenue and to
4 diversify our program areas to accomplish this by
5 preparing up-to-date monthly financial reports for the
6 managers and directors to review. And we have done a
7 pretty good job of diversifying the revenue over the last
8 many years.

9 Single family comprises about 32 percent of our
10 income. But now, our lending program and the land bank
11 together for this year's budget are 36 percent of our
12 revenue. So, we have got several different sources of
13 income.

14 Goal 2 was to create program budgets managing
15 expenses appropriately, and we have done that. We have
16 prepared financials monthly and reviewed them with
17 management and staff. We have prepared departmental
18 budgets for all the program areas so that they can see the
19 profitability of their programs. And the Executive staff
20 can also review that.

21 We also have prepared -- we have an RFP SOP.
22 We have to issue an RFP for anything over \$100,000. And
23 then, anything over \$10,000, we get three bids before we
24 purchase. So, those are the ways that we keep a handle on
25 our expenditures, other than just going over and reviewing

1 them monthly.

2 And the third goal was to establish and adhere
3 to good corporate governance practices. We have an annual
4 audit. We present program reports, financial reports to
5 the Board and to management.

6 And on an annual basis, we asked the staff to
7 review and sign an ethics and conflict of interest
8 statement. And that about wraps it up.

9 MS. TAYLOR: And I am going to wrap up last
10 year with department Goal 4, which is to establish and
11 adhere to good management practices.

12 I am going to review Tactic 5 on Goal 4. And
13 we have been doing a better job of reviewing and updating
14 our salary ranges, based on market studies. This past
15 year, we obtained market salary information for non-profit
16 organizations and we used that information to update
17 salary ranges as necessary. This is a practice that we
18 will continue to do regularly in the future.

19 And the last tactic that I will touch on for
20 fiscal year 2024 is number 7. Some departments handle
21 sensitive information regarding tenants, borrowers, or
22 employees. And so, we want to make sure that we are
23 taking all the correct precautions to keep sensitive
24 information safe.

25 As part of our policy, each department director

1 must inventory the personal or sensitive information that
2 their department handles, and let us know how it is kept
3 safe. This is a process Melinda manages for TSAHC.
4 Actually, currently we have that inventory out for request
5 from our department heads.

6 MS. SMITH: We are able to receive most of
7 them, too.

8 MS. TAYLOR: And we have received most of them.

9 So, before I move on to fiscal year 2025, do
10 you all have any questions?

11 MR. DIETZ: I guess this would be an
12 appropriate place to ask this question. So, as you have
13 updated the employee handbook, et cetera. Right now, or
14 since COVID, everybody is on kind of a hybrid status.

15 Is that right? What is the current requirement
16 or status of that?

17 MS. TAYLOR: So, the requirement is that you
18 must be in the office Tuesdays and Wednesdays. That is
19 the minimum requirement.

20 There are some staff that come in every day,
21 and that works better for them. For one reason or
22 another, some folks, you know, just -- I've heard they
23 have other family members that work from home, and they
24 might not want to be in the home as well, so they might
25 come in -- or they just have better access to internet

1 here.

2 But the minimum is Tuesday and Wednesdays every
3 week.

4 MR. DIETZ: Yes. Is that working well?

5 MS. TAYLOR: It is working incredibly well.

6 Yes. I think a lot of us -- I can tell you, I tend to
7 schedule all of my direct one-on-one meetings on those two
8 days. I like having those meetings face to face.

9 But we certainly have a lot of meetings on the
10 other days that are on Teams. And you know, we have
11 meetings with folks that are not at TSAHC that are
12 off-site, like our mortgage servicer, developers, things
13 like that. Those are always online, regardless of the day
14 that it is.

15 And so, yes. It has worked out really well,
16 actually. Yes.

17 And you know, I would say that in addition
18 to -- you know, we have some staff that, you know, don't
19 live in Austin, that live pretty far away. And this is
20 really a way for us to provide some flexibility to our
21 employees, where, you know, it minimizes the times that
22 they have to drive in. And so, we're able to keep some of
23 our fantastic employees.

24 MR. DIETZ: Thanks.

25 MS. TAYLOR: Those are my thoughts. I don't

1 know.

2 Melinda, did you want to add anything?

3 MS. SMITH: No. I think you got it.

4 MR. DIETZ: Thanks.

5 MS. TAYLOR: Anyone else?

6 (No response.)

7 MS. TAYLOR: Okay. So, we are going to move to
8 this second document that you have.

9 So, as you all may remember, we worked with
10 Mission Capital to revise our mission and vision
11 statements, and create value statements, and we do our
12 strategic plan -- and starting with this current fiscal
13 year 2025. So, what you have is the strategic plan for
14 the Administration and Accounting department.

15 And you've seen this from all the other
16 departments in the previous presentations that we have
17 done this fall. So, this is particularly to our area.

18 And so, I am going to go under -- well, I will
19 tell you that we kept a lot of the same tactics, because
20 we feel some of them should be there. But we added some
21 important new tactics. So, I will go over just those.

22 So, under goal 2, which is on page 3 of that
23 document, you will see I highlighted below in red. We
24 added a strategy to evaluate internal policies and
25 procedures, and that one is related to annual evaluations.

1 So, starting in January, we will be
2 implementing a new online employee evaluation system that
3 is called PerformSmart. This is a system that is part of
4 the Insperity suite of products that we already have.
5 Insperity is our benefits and payroll provider.

6 And so, they offer -- this is part of what we
7 are already paying into. And so, Melinda, David, and I
8 have been meeting with the PerformSmart staff to try to
9 create our online system.

10 So, currently, and since I have been here, we
11 have done our annual evaluations through an Excel
12 spreadsheet. And the employee does their self evaluation,
13 and then the manager does the evaluation for each of the
14 goals and in different competencies.

15 And so, this is going online completely. And
16 we will -- the great thing about it is that some folks are
17 better than others at doing their self evaluation. And
18 so, this will actually trigger an email. And it will
19 start a timeline, so the employees have a dedicated number
20 of days to do their self evaluation.

21 And then, once they are done, it will then send
22 an email to their manager, saying they are done. Now it
23 is your turn. And the clock starts for them. So, that
24 way, things get done in a timely fashion.

25 And so, right now, we are still working to kind

1 of implement all the information in there so we can get
2 started in January with that process. But we are very
3 excited about it, because the Excel spreadsheet hasn't
4 always worked well for everyone. So, we think -- we are
5 excited to move it online.

6 MS. CARDENAS: Now, will they still be -- I
7 think as you have it right now, the annual evaluations are
8 done at the time of their anniversary of employment and
9 not at, you know, collectively, say, you know, I don't
10 know, November through December.

11 Is that still going to remain that it is based
12 on the anniversary? And if so, does that work well for
13 you all? I mean, I guess now, the system being automated,
14 it will trigger it? Maybe it was a little bit more
15 difficult through a manual process?

16 MS. TAYLOR: That is correct. We are keeping
17 the anniversary dates, as when staff gets evaluated. It
18 is based on their annual anniversary.

19 And we -- you know, we thought about it.
20 Because those were the two options. Either everybody kind
21 of is under the same schedule -- and I have worked at
22 previous places where that is the way it is handled.

23 And you know, this works well for us. And some
24 staff did have concerns that, you know, they have several
25 employees that they will have to review at the same time.

1 You know, that could be difficult, depending on the time
2 of year. And so, we just decided we'll keep it the same.

3

4 And that was an option. And yes -- because it
5 will provide, you know, reminders. And you will get an
6 email triggering that. And it opens up the portal for
7 you.

8 We think that it will just work better than
9 hoping that the employee remembers to do --

10 MS. SMITH: And you can add things throughout
11 the year. So, if an employee does something you want to
12 remember, you can add it immediately so you don't forget.

13

14 MS. TAYLOR: Yes.

15 MS. SMITH: So can the employee.

16 MS. TAYLOR: Yes. It has a notes section, so
17 you can write in there, like things you did well. Or you
18 know, vice versa, for the employee and the manager to
19 respond. Yes.

20 MR. RICHARDS: So, when you ask them for their
21 evaluation, employees that have interfaced, contact with
22 clients -- do those clients make an input, in terms of the
23 client relationship, communication, and all that? Do they
24 provide --

25 MS. TAYLOR: That is a good question. And so,

1 that is known, as I understand it, as the 360 review.
2 Which, at a previous employer, I did participate in that
3 kind of evaluation, where you do get feedback from your
4 colleagues and then clients, as well.

5 We don't have that system here. And I don't
6 believe that -- as least that I can recall -- that
7 PerformSmart, the system that we are going to has that
8 ability. But of course, we are always open to getting
9 feedback from outside sources regarding our employees.

10 And we frequently do. It is generally in the
11 form of Tiff's Treats --

12 MS. SMITH: Usually very positive.

13 MS. TAYLOR: We get, you know, just different
14 lenders or realtors or others that will send, you know, a
15 gift as a way of saying thank you. Or we will get an
16 email saying, hey. You know, that person did a great job
17 in helping me.

18 So, we do get that feedback. But as part of
19 this system, it is not set up in that manner.

20 MS. SMITH: We never get anything that is very
21 expensive. As Janie pointed out, it is cookies. Cookies,
22 that is the largest thing that I think we have ever
23 received.

24 MS. TAYLOR: Any other question on that one?
25

1 (No response.)

2 MS. TAYLOR: Okay. So, the last one I have is
3 on page 4. And this is new. This is completely new.

4 So, this goal is to attract and maintain our
5 high-performing employees. And I think most of you that
6 have been on the Board long enough know that we are very
7 fortunate to have fantastic staff. And as we continue to
8 grow, we want to ensure that we are attracting the best
9 employees in our field, but also retaining our
10 high-performing employees.

11 So, one of the new tactics that we are adding
12 is conducting an annual employee survey. And we are going
13 to hopefully implement that sometime this summer. And so,
14 what we hope is that we will gain some insight in what --
15 not only what TSAHC can do to improve, but also what we
16 are doing right, so that we continue to do that. So, that
17 is something that we will probably be working with
18 Insperity to also implement that.

19 And that actually concludes our presentation.
20 So, if you have any questions, we are happy to take any
21 questions you have.

22 MR. RICHARDS: So, on page 4, and I am looking
23 at measures of success. You said, [inaudible] survey.
24 That is in red. Who is in the survey?

25 Is this the clients that the employee has

1 interface with or in-house--

2 MS. TAYLOR: Yes. That is a good question.
3 So, this one in particular is just an employee survey. So
4 just asking employees about their experience working here
5 at TSAHC.

6 MR. RICHARDS: Okay.

7 MS. TAYLOR: However, you bring up a good
8 point. We do do other surveys throughout the year.

9 We do a lender survey to all our participating
10 lenders in our home ownership program. We do a survey of
11 how, you know, they -- you know, what is working, what
12 isn't working. We ask -- you know, this year, we
13 implemented a new loan reservation system. So, how do you
14 like that system.

15 So, we do do those surveys throughout the year.

16 We also do surveys of our borrowers, those that use our
17 home ownership program to buy a home. We ask them how
18 their experience went. What was their experience with
19 their realtor, with their lender.

20 We use that information. If they had a bad
21 experience, we look into it. And then, we figure out
22 whether that lender needs to participate in our program or
23 not.

24 So, we do do those kinds of surveys as well.
25 But this one in particular is an internal employee only

1 survey.

2 MR. RICHARDS: Yes. I like this a lot, because
3 this is to attract and retain high-performing employees.
4 The lifeblood of any successful business is the people who
5 operate.

6 So, it is important to have very
7 high-performing employees. Unfortunately, it can't
8 reflect on the balance sheet or account statement. But it
9 is a good idea. I think you guys are on the right path.

10 MS. TAYLOR: Good. Thank you.

11 This is not a voting item. But we will -- if
12 you have any questions.

13 MR. DIETZ: Any other questions or comments or
14 discussion?

15 (No response.)

16 MR. DIETZ: Great. Well, thank you very much
17 for that presentation.

18 MS. SMITH: Thank you very much.

19 MS. TAYLOR: Thank you.

20 MR. DIETZ: There is no necessity of going into
21 closed meeting today, that I am aware of. Correct?

22 MR. LONG: That is correct.

23 MR. DIETZ: Any announcements or closing
24 comments?

25 MR. LONG: No, sir. Just a reminder that we

1 will be looking at January's meeting next month, making
2 sure that we have quorum. Making sure the Board members
3 are aware of what we have on the agenda and then we will
4 make a determination of availability.

5 MR. DIETZ: Great. Anything else from the
6 Board?

7 MR. RICHARDS: No. I just wanted to comment
8 that in the time that I've been here, I have been very
9 impressed with the operations of the organization. I am
10 looking at attracting and retaining high-performing
11 employees. It is just a very -- that's a great thing to
12 do, especially in the days to come and as we are changing.

13 The organization has been on the forefront of
14 bringing new positive people to continue to build on what
15 you guys are doing. So, I am really very impressed.

16 MR. LONG: Well, thank you very much. We
17 appreciate that. And I would agree with you that we are
18 very fortunate to have long term great qualified staffers.

19 So, thank you. But it also starts at the top
20 with you guys giving good direction. So, thank you for
21 that.

22 I would kind of tell you that because of the
23 holidays, trying to make sure that we have -- Rebecca will
24 probably be reaching out to you sooner than later on
25 surveying the Board's availability for the next Board

1 meeting in January. So, just be prepared for that coming
2 a little sooner than later.

3 MR. DIETZ: I hope that everybody has a very
4 merry Christmas, or a happy holidays.

5 MR. LONG: Thank you.

6 MR. RICHARDS: A merry Christmas, or a happy
7 Kwanzaa --

8 MR. LONG: And new year. Happy new year.

9 MR. DIETZ: Happy new year. So, it is 12:27
10 p.m., and we are adjourned.

11 (Whereupon, the meeting was concluded at 12:47
12 p.m.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: December 17, 2024

I do hereby certify that the foregoing pages, numbers 1 through 85, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas State Affordable Housing Corporation.

DATE: December 26, 2024

/s/ Carol Bourgeois
(Transcriber)

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