

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,  
February 18, 2025  
10:30 a.m.

BOARD MEMBERS:

WILLIAM H. DIETZ, JR., Chair  
VALERIE V. CARDENAS, Vice Chair  
DAVID RASSIN, Member  
ERNEST RICHARDS, Member  
LEMUEL WILLIAMS, Member

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

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER	4
ROLL CALL	
CERTIFICATION OF QUORUM	
PUBLIC COMMENT	none
PRESIDENT'S REPORT	5
Tab A: Homeownership Finance Report	
Tab B: Development Finance Report	
Tab C: Monthly Financial Reports	
ACTION ITEMS IN OPEN MEETING:	
Tab 1      Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on January 29, 2025.	12
Tab 2      Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's 2025 Annual Action Plan.	12
Tab 3      Presentation, Discussion and Possible Approval of a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation and Restate the Signature and Approval Authority of Officers of the Corporation.	15
Tab 4      Presentation, Discussion and Possible Approval of the Request for Proposals for Asset Oversight and Compliance Software System.	17
Tab 5      89th Texas Legislative Session Update.	32
CLOSED MEETING:	none
Consultation with legal counsel on legal matters <b>B</b> Texas Government Code § 551.071 Deliberation regarding purchase, exchange, lease, or value of real property <b>B</b> Texas Government Code § 551.072 Deliberation regarding prospective gift or donation to the state or Texas State Affordable Housing Corporation <b>B</b> Texas Government Code § 551.073	

Personnel Matters **B**  
Texas Government Code § 551.074  
Implementation of security personnel or devices **B**  
Texas Government Code § 551.076  
Other matters authorized under the Texas Government  
Code

ACTION ITEMS IN OPEN MEETING:	--
ANNOUNCEMENTS AND CLOSING COMMENTS	49
ADJOURN	50

P R O C E E D I N G S

(10:37 a.m.)

1  
2  
3 MR. DIETZ: It is 10:37 a.m., and the Texas  
4 State Affordable Housing Corporation Board meeting for  
5 February 18 is called to order.

6 We'll do our roll call first.

7 William Dietz, I am present.

8 Valerie Cardenas?

9 MS. CARDENAS: Present.

10 MR. DIETZ: Lemuel Williams?

11 MR. WILLIAMS: Present.

12 MR. DIETZ: David Rassin?

13 MR. RASSIN: Good morning, present.

14 MR. DIETZ: And Ernest Richards is currently  
15 not present, but we do have a quorum.

16 So, let's get started with the pledge of  
17 allegiance.

18 (The United States and Texas pledges were  
19 recited.)

20 MR. DIETZ: Okay. Is there any public comment?

21 (No response.)

22 MR. DIETZ: I'll make a brief announcement. I  
23 want to welcome my wife Elizabeth, who is joining us  
24 today. She wanted to see at least one Board meeting  
25 before my term expires.

1           And I'll also welcome my dog Jake, who is  
2 hoping for an appointment of some sort statewide. He  
3 really was disappointed; he wanted to meet Biscuit and  
4 Peaches -- and what's Governor Abbott's other dog's name?  
5 Pancake.

6           He wanted to meet Peaches and Pancake and  
7 Biscuit, but Jake will have to save that for another day.  
8 Sorry about that.

9           MR. LONG: Next time, next time.

10          MR. DIETZ: On to the president's report.

11          Mr. Long.

12          MR. LONG: Thank you, Mr. Chairman, members.

13          Monthly program reports, as always, are in your  
14 board book under tabs A through C. If there's any  
15 questions, I'd be happy to take those; if not, I'll move  
16 on to program area reports.

17          The Loan Committee met last week on Tuesday.  
18 The committee didn't have any new items, new loans or  
19 renewals that we were considering, but we did review the  
20 monthly Texas Housing Impact Fund outstanding loan report.  
21 There were no issues or exceptions that were noted.

22          As always, I appreciate the committee putting  
23 that information together so that we can review it. And  
24 obviously, Mr. Williams, thank you again for your  
25 participation. You're always a big part of that, making

1 us get through all that stuff.

2 Single Family update. We continue our Realtor  
3 outreach, our Loan Doc training through various trainings  
4 that we offer both online and in person. Lender  
5 participation continues to grow. We added three new  
6 lenders to the portfolio of lenders; that puts us over 200  
7 lenders that participate. And we're very excited to  
8 continue to show the interest and the opportunity having  
9 more lenders offering our programs.

10 Included in our outreach is Frank Duplechain.  
11 He is out doing our road show -- we call it the Texas Road  
12 Show. He completed the East Texas Road Show last month,  
13 and he also has taught some of the Realtor CE courses that  
14 are available to attending twelve loan officers  
15 representing ten different lending organizations. So  
16 again, more and more activity with our lenders showing  
17 that we have an interest in our programs, so we're excited  
18 about that.

19 Fundraising. The Corporation received a \$2,500  
20 from Jerry Scott with Cardinal Financial in support of our  
21 2025 Housing Connection trainings. This is an individual  
22 lender who has supported us, and \$2,500 is a lot. And  
23 usually those are \$2-, \$3-, \$4-, \$500, so to get a \$2,500  
24 individual donation says a lot about their respect and  
25 desire to participate in the program.

1           With that, that total brings our individual  
2 donations for the year to \$5,300, and the total towards  
3 all sources of \$55,300. So again, continue to see strong  
4 support in the area of Housing Connections. So, we're  
5 very pleased to have that, which is the way that we're  
6 able to help train and coordinate with our borrowers as  
7 they become homeowners.

8           Marketing. The Corporation released a podcast  
9 last week featuring Frank Duplechain, our on-staff  
10 teacher, interviewing John Hudson, one of our top mortgage  
11 lenders that we have in our program. The topic was on how  
12 to save money on mortgage interest, and includes a  
13 discussion of our Mortgage Credit Certificate, or MCC  
14 program, as well as our new temporary interest rate buy-  
15 down opportunity on our conventional products.

16           On the Foundations Fund, the Corporation has  
17 approved two additional grants under the 2025 Disaster  
18 Recovery Program: one to Katy Responds and one to Lufkin  
19 Neighborhood Strong. Both organizations are going to  
20 utilize those funds in repair of damaged homes by  
21 Hurricane Beryl.

22           The Corporation has now awarded \$180,000 to six  
23 different organizations. And if you remember, that was  
24 the \$250,000 set-aside annually that the Board approved  
25 early on in our budget. So, we're excited to see those

1 funds not only being utilized but also having the  
2 resources to do so. So, thank you to the Board for  
3 authorizing that.

4 The Corporation released our 2025 Texas  
5 Foundations Fund annual funding round application on  
6 January 31, after receiving Board approval, and hosted an  
7 application webinar on February 6. We've already started  
8 receiving applications and look forward to announcing the  
9 first, if you will, tranche of awards at the April Board  
10 meeting. And again, remember, this is a first-come,  
11 first-served in the varying levels of size for the  
12 nonprofits applying.

13 Under our TxDOT I-45 North Houston Highway  
14 Improvement Project, with the approval of TxDOT, the  
15 Corporation has selected a consultant to help us create  
16 the revitalization plan to expend the \$28.5 million the  
17 Corporation will be overseeing in support of that project.  
18 The Corporation selected a consulting firm which is a  
19 group consulting firm consisting of AB Land Planning,  
20 Roberta Burroughs and Algenita Scott Davis. The  
21 Corporation's general counsel is currently reviewing the  
22 draft agreement between TSAHC and the selected  
23 consultants, and we hope to have that contract finalized  
24 by the end of February.

25 So again, that's moving forward. If you

1 remember, we had kind of a stall on that for about a  
2 couple of years after we first got engaged. So, it's nice  
3 to see that moving forward and having the consultants  
4 onboard to help us with the revitalization plan. They'll  
5 really give us direction and guidance on how we deploy  
6 those funds.

7           The last thing I wanted to bring up is the 1910  
8 East MLK redevelopment. If you remember, we have a  
9 building over there. We have three buildings: this one,  
10 the old building we officed in, and then the other one  
11 that we had down the street that we were using initially  
12 as overflow, and then it became a place for us to rent to  
13 nonprofits.

14           In discussions with Chairman Dietz, as well as  
15 others, it kind of felt like we had too many buildings.  
16 So, we thought we'd figure out if there was a way to  
17 utilize that for affordable housing.

18           David Danenfelzer has been the lead on this and  
19 his team, and we've been coordinating to come up with a  
20 development plan for that site. And we are making good  
21 progress. It will end up being -- the design currently is  
22 a 23-unit for-sale condominium development.

23           We are working with our design team, which  
24 includes our architects, Urban Foundry, our consultant  
25 which is through Structure Development, and the

1 engineering group, which is Civilitude, all out of Austin.  
2 And we're very pleased with the work we're doing with them  
3 and will continue to work to finalize our site plan and  
4 our designs.

5 Last week, we selected Lott Brothers as our  
6 builder-contractor for the project. They're a Central  
7 Texas builder-developer, and we are very pleased to have  
8 them onboard serving as our contractor. We interviewed  
9 through the RFP process the Board approved.

10 We interviewed a couple of applicants -- I  
11 think we had four or five total applicants. We  
12 interviewed two of those and made a selection. And we're  
13 very excited with the group that we have.

14 The staff has adopted the name Moontower Flats.  
15 For those of you that aren't familiar with moontowers --  
16 Mr. Williams, you may be -- moontowers are 165 feet tall  
17 and provided lighting similar to a full moon. Austin's  
18 first towers began operating in 1895, with the one at MLK  
19 and Chicon, which is just about 200 feet from where our  
20 building site is. It's one of thirteen that were in  
21 existence, and moontowers were recognized officially as a  
22 state landmark in 1970.

23 So, I just read you stuff I didn't know. David  
24 Danenfelzer just gave me that this morning to kind of add  
25 a little color to what we're doing and where we came up

1 with our name.

2 So again, we're excited to have that project  
3 moving forward. We're looking forward to having it in a  
4 much more aggressive approach going forward now that we've  
5 got some things lined up. And we're still working on  
6 finalizing some details, but once we are, we hope to have  
7 that kind of breaking ground and moving forward.

8 The next scheduled Board meeting is Tuesday,  
9 March 18 at 10:30.

10 And that's the end of my report. I do want to  
11 say one more thing and that is before y'all leave today,  
12 hopefully right after the Board meeting, we would like to  
13 take a Board/staff group photo out in the lobby. We'd  
14 like to do that.

15 Obviously, Mr. Dietz, you may want one of  
16 those. But we would like to have one going forward for  
17 our reports and stuff that we do as well.

18 So, with that, Mr. Chairman, I'll conclude. If  
19 you have any thoughts or comments, I'm happy to answer any  
20 questions.

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

23 (No response.)

24 MR. DIETZ: We'll move into our action items.

25 Thank you, Mr. Long, for that report.

1 MR. LONG: You bet.

2 MR. DIETZ: Our action items today, the tab 1  
3 will be the presentation, discussion and possible approval  
4 of the minutes of the Board meeting that was held on  
5 January 29, 2025.

6 Is there any correction or discussion or  
7 additions or motion regarding the minutes?

8 MR. RASSIN: I move that the minutes be  
9 approved as presented.

10 MR. WILLIAMS: Chair, I'll second that.

11 MR. DIETZ: It's been moved and seconded that  
12 we approve the minutes as presented. Is there any public  
13 comment?

14 (No response.)

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

17 (A chorus of ayes.)

18 MR. DIETZ: Any opposed?

19 (No response.)

20 MR. DIETZ: Okay. The minutes are approved as  
21 presented.

22 Tab item 2 is the presentation, discussion and  
23 possible approval of the Texas State Affordable Housing  
24 Corporation's 2025 Annual Action Plan.

25 MS. ORENDAIN: Good morning. My name is Anna

1 Orendain. I serve as the External Relations Specialist  
2 here at TSAHC.

3 This past December, we brought the draft of our  
4 2025 Annual Action Plan to the Board for approval to post  
5 for public comment. That draft document contained data  
6 from the beginning of January 2024 through the end of  
7 October 2024. We updated this annual version that is in  
8 front of you today so that the program data reflects  
9 numbers through the end of December 2024.

10 If adopted by the Board today, this final  
11 version of our 2025 Annual Action Plan will be sent to the  
12 Texas Department of Housing and Community Affairs to be  
13 included in their 2025 State of Texas Low Income Housing  
14 Plan and Annual Report.

15 I do want to note that we do plan on expanding  
16 the language in next year's annual action plan surrounding  
17 our Homes for Texas Heroes Program in response to public  
18 comment that we received. There is a bill this  
19 legislative session that if passed may make changes to the  
20 Heroes program, so we believe it makes most sense to build  
21 out that section of the annual action plan after the end  
22 of the legislative session.

23 But with that, I will go ahead and open it up  
24 for questions.

25 MR. DIETZ: That's interesting. So, did we

1 leave that section out?

2 MS. ORENDAIN: It remains the same as we  
3 presented it to you in December.

4 MR. DIETZ: Okay, okay. But you're saying that  
5 we might come back and modify that or change it after the  
6 legislature passes that bill?

7 MS. ORENDAIN: For the 2026 Annual Action Plan.

8 MR. DIETZ: Oh, for 2026. Gotcha.

9 MS. CARDENAS: Can you shed some light -- I  
10 mean, I know it's very preliminary, but what a potential  
11 change would look like based on the legislative bill  
12 that's being proposed?

13 MR. LONG: If I might? We have an agenda item  
14 where Mr. Wilt is going to come up and give you kind of a  
15 summary. And so rather than taking from his presentation,  
16 piecemealing it, if you don't mind, Mr. Wilt will give the  
17 update and it will include all that discussion, Ms.  
18 Cardenas.

19 MS. CARDENAS: Okay.

20 MR. RASSIN: I read this action plan and  
21 thought it was really very good. Thank you.

22 MR. LONG: Thank you.

23 MR. DIETZ: Any other questions or comments?

24 (No response.)

25 MR. DIETZ: And before we have a motion, let

1 the record reflect that Mr. Ernest Richards is now present  
2 with us for the next vote.

3 MR. RICHARDS: Thank you.

4 MS. CARDENAS: I motion to approve tab item 2  
5 as presented.

6 MR. WILLIAMS: Chair, I'll go ahead and second  
7 that.

8 MR. DIETZ: It's been moved and seconded that  
9 we approve the Texas State Affordable Housing  
10 Corporation's 2025 Annual Action Plan as presented. Is  
11 there any public comment?

12 (No response.)

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

15 (A chorus of ayes.)

16 MR. DIETZ: Any opposed?

17 (No response.)

18 MR. DIETZ: It is approved as presented.

19 Tab item 3 is the presentation, discussion and  
20 possible approval of a resolution to restate, ratify and  
21 affirm the officers of the Corporation, and restate the  
22 signature approval authority of the officers of the  
23 Corporation.

24 MS. SMITH: Good morning. My name is Melinda  
25 Smith, I'm the CFO.

1           The Corporation's bylaws require that we affirm  
2 and ratify the officers every year, and so that's what  
3 we're requesting with this resolution. Our officers are:  
4 David Long, our president; Janie Taylor, our Executive  
5 Vice President; myself as CFO; and Rebecca DeLeon as our  
6 Secretary; and Cynthia Gonzales is our Assistant  
7 Secretary.

8           So, we're asking the Board to approve those  
9 officers for this year.

10           MR. DIETZ: Any questions or comments?

11           (No response.)

12           MR. DIETZ: Is there a motion?

13           MR. WILLIAMS: Chair, I'll make a motion to  
14 restate, ratify and affirm the officers of the Corporation  
15 which are the following: David Long, president; Janie  
16 Taylor, Executive VP; Melinda Smith, CFO; Rebecca DeLeon,  
17 Secretary; and Cynthia Gonzales as Assistant Secretary,  
18 for the signature and approval authority of the  
19 Corporation.

20           MS. CARDENAS: Second.

21           MR. DIETZ: It's been moved and seconded that  
22 we approve the officers of the Corporation as referenced  
23 in the motion. Is there any public comment?

24           (No response.)

25           MR. DIETZ: Hearing none, all in favor please

1 say aye.

2 (A chorus of ayes.)

3 MR. DIETZ: Any opposed?

4 (No response.)

5 MR. DIETZ: The officers are approved.

6 MS. SMITH: Thank you.

7 MR. DIETZ: Tab item 4 is the presentation,  
8 discussion and possible approval of the request for  
9 proposals for asset oversight and compliance software  
10 systems.

11 MS. TAYLOR: Good morning, Chairman Dietz and  
12 Board members. I am Janie Taylor, Executive Vice  
13 President.

14 The agenda item that I am presenting today  
15 requests your approval of a request for proposals for  
16 replacement of our current asset oversight and compliance  
17 system.

18 The current system that we use was developed  
19 well over ten years ago. And as you heard from Katie  
20 Claflin last month when she presented an RFP for our  
21 website, this system was also developed using the same  
22 content management system that will no longer be supported  
23 by our current provider.

24 So, I'm going to tell you a little bit about  
25 what the system does. After we issue bonds, multifamily

1 bonds, or a loan through the THIF for development of  
2 multifamily housing, our asset oversight and compliance  
3 staff are responsible for ensuring the developer is  
4 providing the housing and services that they agreed to  
5 provide when we issued the financing. For most of these  
6 developments, the oversight is our obligation for ten to  
7 fifteen years, and sometimes even longer, depending on the  
8 funding.

9           The staff at each development are required to  
10 submit reports every month to us, as well as specific  
11 annual reports. The current system checks the information  
12 inputted by the property staff against the parameters that  
13 apply to each property to ensure they are compliant. So,  
14 for example, they choose if they are serving people at a  
15 certain income, certain percentage of the people that are  
16 going to be living there are going to be a certain income  
17 level, and so they have to submit that information every  
18 month. And then there's also annual reports that they  
19 submit for Fair Housing, income qualifications for  
20 tenants, and so those are all reports that are submitted  
21 and we keep tabs of them through the current system.

22           So, we are looking for an experienced company  
23 that will recreate many of the features that we currently  
24 have in our system and add additional automation features  
25 that will create efficiencies for our staff. Because this

1 is a very specific system, it was hard to find an off-the-  
2 shelf product to replace it, so we expect that the  
3 development of this new system will take about twelve  
4 months to build out and test once we select a vendor.

5 That concludes my presentation for this agenda  
6 item, and I'm happy to answer any questions you might  
7 have.

8 MR. DIETZ: Any questions?

9 MS. CARDENAS: You mentioned that the software  
10 system itself, you know, that there's not variety of them.  
11 So, I mean, we start needing to provide an RFP or request  
12 for an RFP, but what are you estimating as far as vendors  
13 coming forward that would meet the needs and would allow  
14 for flexibility in developing it and customizing workflow  
15 and all the parameters that it needs?

16 MS. TAYLOR: So, we will certainly send it to  
17 our current provider, which is the company that created  
18 our website, but we have had discussions.

19 Celina Stubbs -- she's out, that's why I'm  
20 presenting this for her -- she and I have met with other  
21 state housing finance agencies, specifically  
22 Massachusetts. They put out an RFP similar to this one,  
23 and they gave us the names of all the companies that  
24 responded to their RFP. So, we plan to send it to those  
25 companies that are based throughout the United States.

1 And then, you know, we'll place it on our website and  
2 social media, and so we'll see who else we get to respond.

3 The ones that we have looked at that are  
4 available, there's about two or three companies that have  
5 kind of the off-the-shelf -- they're like this big. I  
6 mean, we need this. You know, they're for HOME funds,  
7 federal funds, tax credits, you know, various programs  
8 that we don't do the compliance for, so we would be paying  
9 \$150,000 a year for a system that we only need this part.

10

11 So, we think the better option is to go with  
12 having somebody create a specific system for us that can  
13 replicate what we have, but hopefully in a platform that  
14 will be viable for a long period of time.

15 MR. DIETZ: Is the one that we have currently  
16 something that was kind of created similarly for this?

17 MS. TAYLOR: Yeah. It was created on a content  
18 management system. It's a tool and the content management  
19 system that was created in is also one that is used for  
20 creating website, so it had its limitations in that  
21 regard.

22 And then as you heard from Katie last month,  
23 that content management system, called ExpressionEngine,  
24 is an old system that is no longer being supported. So,  
25 if anything happens, anything goes wrong, you're kind of

1 rolling the dice, so to speak, because it might not be  
2 able to be fixed.

3 And as our website is incredibly important to  
4 how we do business, this is as well. And so, the current  
5 provider has told us we have about a couple of years left  
6 where they might see that there's things that happen that  
7 they might not be able to fix. So, we're just trying to  
8 be proactive and get this out the door and to start  
9 working with somebody to replace the system, and migrate  
10 all of the documentation as well, migrating all the  
11 information that is currently in the system. A lot of it  
12 is historical as well.

13 MR. RICHARDS: So, the current system, we've  
14 used it for ten years, you said.

15 MS. TAYLOR: Over ten years.

16 MR. RICHARDS: Over ten years.

17 Can you enlighten us a little bit about some of  
18 the shortfalls that you're experiencing now with the  
19 current system?

20 MS. TAYLOR: What our experience is with the  
21 current system?

22 MR. RICHARDS: No, no. What are some of the  
23 shortfalls?

24 MS. TAYLOR: Oh, okay.

25 MR. RICHARDS: Yeah.

1 MS. TAYLOR: Yeah. So, some of it is  
2 automation that is not available in the current system.  
3 Things that would help our staff whenever they have  
4 letters, emails that they have to send out to developers  
5 or to their property staff; the current system doesn't  
6 allow for that kind of documentation.

7 It's harder to store a lot of the documents  
8 that we have in that system, so we're looking for  
9 something that, you know, will maybe have more AI features  
10 that will allow for some efficiencies for our staff  
11 especially.

12 MR. RICHARDS: The reason I'm asking is so when  
13 drafting the RFP -- so I assume you're going to have to  
14 include some of these shortfalls that you want fixed in  
15 the new system.

16 MS. TAYLOR: Yes.

17 MR. RICHARDS: You want a more robust system,  
18 but at the same time small enough to do what it's supposed  
19 to do for you.

20 MS. TAYLOR: Right. We did try to include the  
21 things that we would like to see, the things that the  
22 current system has and the things that we would like to  
23 add. In addition, we do plan to do a webinar in the next  
24 month for those that are interested in applying so they  
25 can see. Unlike our website that you could just go to

1 www.TSAHC.org, you can't access this system unless you  
2 have a log-in and a password. So, it's limited to the  
3 folks that need to use the system at the properties that  
4 we oversee.

5 So, we want to show those that are interested  
6 in applying kind of what the system does right now that we  
7 like and then that way they can have an idea of what we're  
8 looking for.

9 MR. RICHARDS: One thing that I like that you  
10 just mentioned is incorporation of AI into it. I think  
11 that would be very useful if you can get that working.

12 MS. TAYLOR: Right

13 MR. WILLIAMS: Janie, I just want to ask with  
14 this potential, I guess, upgrade of the software, there's  
15 not going to be any issue with the current data that staff  
16 is working with where this third party would access --  
17 what I'm getting to is that, I guess, the sensitive data  
18 or content, it's going to be contained somewhere where  
19 nobody has access or somebody has access to it?

20 MS. TAYLOR: Are you referring to the current  
21 data that exists?

22 MR. WILLIAMS: Yeah, yeah. I guess, you know,  
23 the data that you're using to send out, communicate, just  
24 want to make sure that this new vendor doesn't -- there's  
25 not a potential for a breach or any type of thing.

1 MS. TAYLOR: That's a good point. Yes, and I  
2 think that once we select somebody and we work to creating  
3 a contract with them, that's certainly something that we  
4 will ask our counsel, our general counsel to make sure  
5 that those protections are in there as well.

6 MR. RICHARDS: Just one last question. This  
7 program is going to be proprietary, it's not something  
8 you'll bring in off the shelf.

9 MS. TAYLOR: It is.

10 MR. RICHARDS: So new coding, new  
11 programming -- is it made in India or here in the U.S.?  
12 And you know, the confidentiality -- and alluding to what  
13 you just said, you know, self guiding, confidential data,  
14 making sure that existing data is not compromised based on  
15 where it's been programmed and all that.

16 MS. TAYLOR: That's a good point, and we  
17 actually had this question come up maybe a couple of weeks  
18 ago after the RFP for our website. While I don't know  
19 that there's anything in law that prevents us from going  
20 outside, it is my opinion and David's opinion that for the  
21 security of our systems and the data that we collect,  
22 especially in this system because we are collecting  
23 income, you know, individual paychecks, personal data for  
24 the individuals that live on these properties, we'd prefer  
25 to be working with a vendor that is based in the United

1 States.

2 And we would have to know who else they're  
3 working with -- that's included in the RFP -- what other  
4 parties, third parties they're working with to develop  
5 this.

6 MR. RICHARDS: One last comment. So when I did  
7 something similar, the issue came up who owns it, is it us  
8 or is it the programmer. So, this -- you have to get your  
9 IT lawyer to really get involved in negotiating, making  
10 sure that you keep your ownership and the confidentiality.

11 MS. TAYLOR: That's correct. That is something  
12 that we will have to work with them on.

13 We had something kind of similar come up many,  
14 many years ago. We have an eligibility tool on our  
15 website, our current website for homebuyers. That was a  
16 tool that we had the website company create for us, and we  
17 do own that code for that, that is something that we own.

18 So, I think we would look at something similar,  
19 to a certain extent. I mean, obviously, I think if they  
20 want to try to figure out how to provide something like  
21 this for another agency that is similar -- but in terms of  
22 something that we feel that is really proprietary for us,  
23 we'll work with our counsel to make sure that's the case.

24 MR. DIETZ: And did you say that the preference  
25 or requirement that it's developed in the United States is

1 in this RFP?

2 MS. TAYLOR: It is not, and I probably need to  
3 check with counsel after this, but it is our preference  
4 that we work with a company that's U.S. based. I don't  
5 know if there's anything in state law that requires that,  
6 I need to look that up. And if there is, then we'll make  
7 sure that that's included in an FAQ.

8 But I need to look that up to see if that's  
9 required by law, but it is our preference that we work  
10 with somebody that is based in the United States. I mean,  
11 for me it is more availability, people not being in a  
12 different time zone and trying to, you know, figure that  
13 out. I think that's what's important to us.

14 MR. DIETZ: Should that be included in the RFP,  
15 or is that not something that should be?

16 MS. TAYLOR: I don't know.

17 MR. LONG: I think that would have to be a  
18 question for counsel to make sure that the RFP, before  
19 it's released, that question is answered and implemented  
20 accordingly.

21 MR. DIETZ: And I don't even mean necessarily  
22 that state law would require us to include it in the RFP,  
23 but would we, just of our own accord, want to include it  
24 in the RFP since that's our preference and just go ahead  
25 and make that part of it.

1 MS. TAYLOR: We can do that. I think if you  
2 want to approve it with us making that modification, and  
3 then I'll get counsel to review it once again before we  
4 put it out, we can do that.

5 MR. LONG: Absent it being a violation of any  
6 state law or anything, obviously without question, but if  
7 that's what the Board would like to approve it as  
8 contingent upon confirmation with counsel that that is not  
9 in violation of anything, we would happily do that,  
10 because she and I both agree that that's where we want to  
11 go.

12 MS. TAYLOR: Right.

13 MR. DIETZ: The ownership question, is that  
14 something that should be addressed in the RFP.

15 MS. TAYLOR: You mean the ownership of the  
16 company?

17 MR. DIETZ: Who owns the code.

18 MR. LONG: The data?

19 MS. TAYLOR: Don't know. I'm looking at Mr.  
20 Williams because this is more of his area, and if that is  
21 something that you're familiar with, don't know.

22 MR. WILLIAMS: I mean, I'm okay with having  
23 that as an FAQ versus just putting it strictly into the  
24 document. I was just kind of going through this here, and  
25 my brain just tells me not to over-complicate a request

1 for proposal that could potentially be answered through  
2 counsel and kind of seen through the selection process.  
3 But I'm just one of five.

4 MR. DIETZ: And to clarify, you're talking  
5 about per your recommendation, it sounds like it would be  
6 not to include the ownership issue but you wouldn't have  
7 any problem with including the United States domicile?

8 MR. WILLIAMS: Yeah. I mean, as long as that's  
9 the thing just for staff to go back to general counsel to  
10 ensure that the corporation is abiding by state law and  
11 state governance. If governance says it needs to be in  
12 there, not a fight.

13 MR. RICHARDS: I think the issue of ownership  
14 becomes important because what happens is if there's a  
15 breach of information, that somebody's tax information or  
16 income is leaked out, then you have to sue. So,  
17 litigation comes into people having to sue the owner or  
18 TSAHC or the programmer, so ownership is important.  
19 Again, this is an issue that you have to resolve with your  
20 outside counsel.

21 MS. TAYLOR: Right. I think for sure we will  
22 make clear that we own the data, the data that's inputted,  
23 the reports that are inputted. And in regards to the  
24 code, that's, I think, a little bit different.

25 None of us here are software engineers so we

1 wouldn't be able to do anything with it without the help  
2 of a software engineer, but the data for sure is  
3 something. And we have this agreement, for example, our  
4 loan reservations and stuff, that we own the data. They  
5 run the system but the data is ours, and so it would be  
6 the same.

7 But I am going to make a point of adding that,  
8 that the vendor must be a U.S. based company.

9 MR. RICHARDS: You know, it's -- at least for  
10 us whenever, for example -- I'm sure you've had -- when  
11 hacking takes place at a bank or with very important  
12 agencies there is hacking and there's breach of personal  
13 information, we generally sue and it becomes messy. And  
14 so, I think this is something, especially with  
15 cybersecurity and all that, for sure, not to deliberate.

16 MR. DIETZ: Any other questions or comments or  
17 discussion?

18 MS. CARDENAS: I just think one of the things  
19 that you highlighted which I think is good is, you know,  
20 since you're going to put a lot of time and effort into  
21 this, to really, you know, use those other housing  
22 authorities as a reference, you know, really see what's  
23 going to interface within the system. You know, whether  
24 it is producing letters, like you said, that it's all  
25 interfaced, you know, everything is kind of auto

1     populating, you don't have to do that.

2             And so, I think it's a great thing that you are  
3     reaching out because obviously there's going to be a lot  
4     of similarities. Especially if they've already adopted a  
5     certain vendor, you know, to ask for a demo, you know,  
6     because, like I said, this is going to be a big project.  
7     You haven't touched this in over ten years, and so it's  
8     going to take a lot of time and effort and a huge  
9     investment.

10            So yes, make it to what you want it to be  
11     because it is going to create efficiencies as a whole for  
12     the organization. So, you know, that will be interesting  
13     to see kind of what vendors kind of come up with that and  
14     how to customize that whole software to meet their needs.

15            MS. TAYLOR: Exactly.

16            MR. RASSIN: I suspect I'm telling you  
17     something you already know but U.S. owned isn't the end of  
18     the inquiry from time zone standpoints. Of course, there  
19     are other countries that are on the same time zone as we  
20     are. You could have a company that's U.S. owned but does  
21     its work in another U.S. time zone or outsources its  
22     actual coding work to a country.

23            Even though, yes, we're Austin-based but our  
24     work is done abroad, for example. So, there are follow up  
25     questions to be asked beyond just U.S. based, which I'm

1 sure you already know.

2 MS. TAYLOR: Right, and that's a good point.  
3 We're not opposed to other time zones in the U.S., so  
4 somebody on the West Coast, I mean, that's doable.

5 But you're right. We have worked with other  
6 companies in a much smaller capacity, not in this program,  
7 that they're U.S. based but, you know, the people you're  
8 talking to on the phone are in another country, in Europe  
9 or somewhere else. And so, we do ask that they let us  
10 know what third parties they're going to be working with  
11 and we'll take that into consideration when we're  
12 reviewing their responses for sure.

13 MR. DIETZ: Any other questions or comments?

14 (No response.)

15 MR. DIETZ: Is there a motion? And when you  
16 make a motion, if the intent is to include an alteration  
17 to the currently worded RFP to reference a United States  
18 based requirement in that RFP, please indicate so.

19 MR. RASSIN: I move that the motion be approved  
20 as presented, not amended.

21 MR. DIETZ: Is there a second?

22 MS. CARDENAS: I second.

23 MR. DIETZ: It's been moved and seconded that  
24 we approve the request for proposal for asset oversight  
25 and compliance software system as presented.

1           Is there any public comment?

2           And I'll just clarify, I assume that the reason  
3 for that is that we want that requirement included but not  
4 necessarily in the RFP, and that's just going to be  
5 something that's addressed post-RFP.

6           MR. RASSIN: My reason for it would be to leave  
7 that to the judgment of the staff. What may be best for  
8 Texans may not necessarily be to hire an American company.  
9           If it's required, it's required; if it's not required,  
10 I'll leave it to their judgment.

11          MR. DIETZ: Or on the contrary, if they decide  
12 to hire an American company.

13          MR. RASSIN: Exactly.

14          MR. DIETZ: Again, it's been moved and  
15 seconded, and I hear no public comment. So, all in favor  
16 please say aye.

17          (A chorus of ayes.)

18          MR. DIETZ: Any opposed?

19          (No response.)

20          MR. DIETZ: Okay. The RFP is approved as  
21 presented.

22          Thanks for that, and thanks for your answers to  
23 all our questions.

24          Tab item 5 is the 89th Texas Legislative  
25 Session update. If I understand correctly, this requires

1 no vote or action item on our part but this is for our  
2 edification. Is that correct?

3 MR. LONG: That's correct.

4 MR. DIETZ: Great.

5 MR. WILT: Good morning, Chairman Dietz and  
6 your beautiful dog, Board members. My name is Michael  
7 Wilt, I'm senior manager of external relations. And I'm  
8 here to provide an update on the 89th Legislative Session,  
9 which gaveled in in January and will gavel out at the very  
10 beginning of June.

11 The first matter of business that the  
12 legislature took up was electing a speaker of the House  
13 and they elected Representative Dustin Burrows out of  
14 Lubbock.

15 The next matter of business was on the Senate  
16 side. The committee assignments came out in January;  
17 Governor Patrick has been really good about releasing  
18 committee assignments fairly early in the session. The  
19 committee that we care about most where all the housing  
20 bills go is Senate Local Government.

21 It's chaired by Paul Bettencourt out of  
22 Houston, vice chair, Mayes Middleton. And the remaining  
23 members are: Molly Cook out of Houston; Gutierrez out of  
24 San Antonio; Nichols, Paxton and West. Nichols is East  
25 Texas, Paxton is Plano, and West is Dallas as well.

1 David and I routinely start visiting the  
2 Capitol in February to make the rounds of these offices.  
3 We started doing that last week and we met with three of  
4 those offices: Gutierrez, Cook and Paxton. We've  
5 requested meetings with every office, just haven't heard  
6 back from some.

7 And then the House committee assignments came  
8 out last week under Speaker Burrows. And the one that we  
9 care about the most, which used to be Urban Affairs, is  
10 now Intergovernmental Affairs, which is chaired by Cecil  
11 Bell out of Magnolia, and Erin Zwiener out of the Hill  
12 Country is the vice chair. The remaining members are:  
13 Cole out of Austin; Cortez, San Antonio; Garcia Hernandez,  
14 Dallas; Leo-Wilson out of Galveston; Lowe out of Fort  
15 Worth; Luther out of North Texas; Rosenthal from Houston;  
16 Spiller from Central Texas; and Tepper from Lubbock.

17 There are also a couple of subcommittees within  
18 this committee for the first time. There's one on county  
19 and regional government and one on state and federal  
20 relations.

21 We'll be scheduling meetings for these offices  
22 in the first week of March. I'm out for about a week so  
23 we won't be able to meet until then with those offices,  
24 and we'll also try and complete the Senate committee  
25 offices at that time as well.

1           Last week, David, Janie and I also had a chance  
2 to meet with the new governor's liaison. His name is  
3 Danny Mittnacht. He started in mid January and replaced  
4 Gabe De Ochoa, who took another job. And it was a really  
5 productive meeting, just familiarizing him with our  
6 programs and who we are and bringing him up to date on  
7 some of the issues that are surrounding housing as it  
8 stands.

9           Now to the important part, some of the bills  
10 that have been filed that directly impact us. I should  
11 preface this by saying that this is going to be a very  
12 busy session for housing in general, including for us, and  
13 it's a positive. But there have been a flurry of bills  
14 surrounding housing, including our programs, so I'm going  
15 to go over some of them.

16           Don't remember these bill numbers. I'll  
17 complete my remarks by telling you kind of what we're  
18 going to do throughout the session to keep y'all updated  
19 and I look forward to input from you all on what you would  
20 prefer. But let me just run through these bills, I'll  
21 tell you what they do. Don't worry about the bill  
22 numbers; you'll get all of this in an email at some point.

23           HB 1262, by Representative Goodwin out of  
24 Austin, would expand our Homes for Texas Heroes Program.  
25 It will expand the income eligibility up to 140 percent of

1 median family income, up from 115 percent. This bill  
2 seeks to address a problem -- not a problem -- a  
3 limitation that we have for our Heroes program and that  
4 limitation being that many of these heroes, even if  
5 they're early on in their career, let's say it's a first  
6 responder, don't qualify for our programs because their  
7 household makes too much money.

8 So, if you're in a dual-income household, then  
9 even if you're an early police officer or firefighter and  
10 you're married, then your dual incomes will typically put  
11 you above that 115 percent threshold. So, we're finding  
12 that there are a lot of heroes that we can't serve as a  
13 result of that. So, the expansion of the income to 140  
14 percent would certainly allow us to serve more borrowers.

15 HB 2425, also by Goodwin, would not only expand  
16 the Heroes income eligibility to 140 percent, but it would  
17 also expand the professions to some commonly requested  
18 professions that we get, and that would nurses, social  
19 workers, and also municipal employees. The expansion of  
20 this program to include nurses and social workers, that  
21 attempt has been made numerous times and those bills have  
22 typically been largely successful. They've been moving  
23 throughout the process and just tend to get stalled in one  
24 chamber or the other pretty late in the session.

25 The addition to include municipal employees,

1 that's the first time that we've seen this. And it came  
2 at the request of a lobbyist on behalf of the solid waste  
3 municipal employees. And Representative Goodwin just  
4 said, well, instead of just doing solid waste employees, I  
5 would like to include all municipal employees, so that was  
6 the thinking behind that.

7 That HB 2425 Heroes bill is what we're calling  
8 kind of the omnibus bill. If there was a bill to pass  
9 everything impacting the Heroes program included all in  
10 one bill, that bill includes all of that.

11 HB 1630 and HB 1129 have both been filed by a  
12 freshman out of South Texas, Lopez, Janie Lopez. And  
13 these are standalone bills that would expand the Heroes  
14 program to include social workers and then separate mental  
15 health workers. Our feeling is that the mental health  
16 worker bill is not going to advance. It was filed not  
17 necessarily as a mistake, but the social worker bill  
18 should include any of the mental health professionals as  
19 well.

20 And then on the Senate side there are  
21 standalone bills. SB 536, by Borris Miles out of Houston,  
22 that would expand the Heroes program to nurses. It's a  
23 standalone bill for just the nurses.

24 And then SB 845, by Zaffirini out of Laredo and  
25 into Austin, her district is, that would expand it to just

1 social workers -- so again, a standalone bill to address  
2 some of these specific professions independently.

3 That's all the Heroes legislation. I know  
4 that's a lot of them. Again, don't remember bill numbers,  
5 I'll send all of this out.

6 A couple of other bills that have been filed  
7 that would impact us, HB 1608, by Josey Garcia out of San  
8 Antonio -- it would set up a Veterans Land Bank Program.  
9 This is the fourth time this bill has been filed, and it's  
10 the third different member who's filed this same bill.  
11 This is the second time that Garcia has filed it.

12 Last time she got this bill out of the House  
13 and it went to the Senate, which is a huge credit to her  
14 because she was a freshman last session. So, I anticipate  
15 this bill will again move -- it should move through the  
16 process, at least through committee and then we'll see  
17 what happens with the floor.

18 And basically, that would allow us to have the  
19 first right of refusal for properties that are delinquent  
20 on taxes and are so delinquent that they'd move to the  
21 auction process. The county auction typically will have  
22 some properties that they are foreclosing on due to tax  
23 delinquencies. It will allow us to receive those and then  
24 gives us a ten-year period to redevelop them into  
25 affordable housing opportunities for veterans, either on

1 the ownership side or the rental side.

2 I want to give Dave Danenfelzer some credit, a  
3 lot of credit for providing input to the office. They've  
4 perfected this bill over the sessions to where it would be  
5 a workable program in terms of the income levels that we  
6 would serve, kind of the length of period for  
7 redeveloping. Very similar to how we run the ACT Land  
8 Trust Program, this would operate very similarly. So,  
9 from an administrative standpoint, how the bill is written  
10 is something we're really comfortable with.

11 And then lastly, HB 1104, by Sheryl Cole out of  
12 Austin, would set up a voucher program for Travis County  
13 EMS employees that we would run a rental voucher program.

14 She filed this last session and just filing it again this  
15 session to provide some relief for local first responders.

16 Now, bigger picture, housing bills in general.

17 For the first time since I've been covering housing --  
18 which, I guess, is fourteen years -- affordable housing  
19 has been tagged as a Senate priority, and as a result, it  
20 received a low bill number, Senate Bill 15.

21 There's currently no text for Senate Bill 15,  
22 there's currently no author for Senate Bill 15, but it has  
23 a giant tag that says "Affordable Housing." And  
24 basically, finding out a way to create more affordable  
25 housing production on the ground in Texas, probably

1 through some deregulation, speeding up the permitting,  
2 some relaxed land use and zoning, all things that people  
3 who build housing love.

4 So, we're looking forward to seeing what's in  
5 SB 15. It will likely be authored by Bettencourt with an  
6 assist from Bryan Hughes. But everybody is very anxious  
7 to see what will be included in this bill because the odds  
8 of it passing out of the Senate are near 100 percent and  
9 the odds of it making its way through the House is pretty  
10 high too, assuming there's no cat-fighting between the  
11 chambers in late April or early May.

12 And then the other big priority -- and this is  
13 a House priority, although it also is a Senate priority,  
14 is some reform of the Public Facilities Corporations  
15 Program. This is a little bit of an extension -- I'm  
16 sorry -- reform of HFCs, not PFCs.

17 Last session the Senate and House tackled the  
18 PFC Program, Public Facilities Corporations. What was  
19 happening is a lot of those corporations were operating  
20 well outside their jurisdictional boundaries. They were  
21 doing a lot of deals that members took issue with and  
22 decided they needed to reform the program to not only  
23 geographically restrict where these PFCs could operate and  
24 where they could build housing but also have some tighter  
25 income restrictions.

1           Because at the end of the day, people who are  
2           developing through the PFC program were getting a tax  
3           break, and so members wanted to make sure that in exchange  
4           for that tax break, they're really delivering some people  
5           with a lot of affordability and also open themselves up to  
6           some monitoring from TDHCA and some other enforcement  
7           mechanisms for the PFC program.

8           Well, now fast forward two years later and some  
9           people that were operating under the PFC program moved  
10          over to the HFC program, Housing Finance Corporations, and  
11          have been doing some of the same things that they were  
12          doing in PFC, but now under the HFC where they were  
13          operating outside of the jurisdictions of a housing  
14          finance corporation, going into a different jurisdiction,  
15          taking a property off the tax rolls through that program,  
16          and without necessarily the consent of that other  
17          jurisdiction. And as you can imagine, when a taxing  
18          jurisdiction loses revenue without any control over that,  
19          they take issue with that.

20          So, this HB 21, very low bill number, it's been  
21          filed by Gary Gates out of Houston. He was instrumental  
22          in reforming the PFC program last session. He will be  
23          instrumental in reforming the HFC program this session and  
24          really reining in those traveling HFCs -- as we're calling  
25          them -- and he will do that in partnership with Chairman

1 Bettencourt on the Senate side as well.

2           So, those are the big housing issues that  
3 everybody is looking out for. I anticipate we have  
4 already seen a lot of property tax relief bills being  
5 filed. That took front and center last session, so we'll  
6 see if they build upon what they did when it comes to  
7 homeownership property tax relief.

8           There might be some -- there will be  
9 legislation filed surrounding insurance, but legislators  
10 largely don't really know what to do and don't necessarily  
11 have the appetite for regulating a private marketplace for  
12 insurance.

13           I think you will probably see the most activity  
14 surrounding housing bills with land use reform and zoning  
15 reform, and any opportunity for policymakers to really  
16 unfurl the power of the market to address our housing --  
17 not necessarily crisis but our housing affordability  
18 challenges. Whether that be expansion of accessory  
19 dwelling units, reducing a minimum lot size, opening up  
20 commercial properties to residential development, opening  
21 up religiously-zoned properties to residential  
22 development, anything they can do to help the land use  
23 reform and also just speeding up the development process.

24           So lastly, in past I've sent out our bill track  
25 on a weekly basis, and I've discovered that that is a

1 little bit overwhelming and also a little bit too  
2 frequent. My suggestion would be that I send out a bill  
3 track that includes the TSAHC related legislation at the  
4 very top so that if you're going to read anything, you're  
5 really only reading the summaries of those first ten bills  
6 or so. And then if there's anything else below that that  
7 piques your interest, then you're free to look at the rest  
8 of the track. And my suggestion would be that I send this  
9 out biweekly instead of weekly.

10           Anyway, I'm going to wrap up my comments and  
11 look forward to suggestions or any questions that you may  
12 have.

13           MR. WILLIAMS: Michael, thank you for that.  
14 Biweekly, yes, that would be good, that first piece,  
15 second piece, the recaps, absolutely. But I guess kind of  
16 from what I've interpreted in hearing from you, this kind  
17 of sounds like this is the first time you're excited about  
18 some of the bills.

19           I mean that in a nice way.

20           (General laughter.)

21           MR. WILT: Yeah.

22           MR. WILLIAMS: I say that because from the last  
23 legislative session there was just a little bit of, I  
24 guess, not unease, it was kind of just confusion of like  
25 not sure where the House or the Senate is even going with

1 some of their bills, but this time it appears there's  
2 direction, there's traction. And like I said, I can hear  
3 the excitement, which is good for all of us here, but just  
4 kind of wanted to get your -- the question I'm getting to,  
5 I want to get your take on where you feel confident on  
6 some of these bills.

7 MR. WILT: Well, first I can say that I'm  
8 excited every session. And I don't give personal opinions  
9 on bills, but I can say that the appetite for what  
10 legislators want to accomplish regarding housing is very  
11 aligned with our mission as an organization, and so that  
12 makes me excited. It would allow us to serve more Texans  
13 and it would allow everybody else to house more Texans if  
14 some of these reforms are passed.

15 And in the spirit of being a houser at heart,  
16 yeah, I'm excited about a lot of this. And what was the  
17 next part of your question?

18 MR. WILLIAMS: I wasn't trying to get into the  
19 50,000 bills that are out there, but like I said, I mean,  
20 I can hear and sense the excitement even though it's  
21 continual every session. But this time it's just there's  
22 more of a passionate excitement because it just looks like  
23 there's direction, there's clarity. There's information  
24 to specific affordable housing bills that people are  
25 actually talking about.

1           MR. WILT: Yeah, and it's because the housing  
2 challenges are indiscriminate. Right? They largely were  
3 confined to urban areas maybe a decade ago; they've been  
4 creeping into the suburbs and now the rural areas.

5           And so, members are hearing that. And whether  
6 you're Republican or Democrat or Independent, you're  
7 hearing from your constituents that housing affordability  
8 is a real challenge.

9           In fact, whenever I meet with industry lobbyist  
10 organizations that go around the state deliver checks to  
11 elected officials, they always sit down and say, you know,  
12 what's on the mind of constituents? And members commonly  
13 say the top two things that we're hearing from our  
14 constituents is one, more border enforcement, and two,  
15 it's too expensive to live here, mainly when it comes to  
16 the cost of rent or my mortgage or my taxes.

17           And so, I think members have really taken that  
18 to heart and realized that if I'm hearing this from all my  
19 constituents, it's something we ought to take seriously.  
20 I think for a long time they were befuddled at what they  
21 could do, how they could intervene.

22           You know, housing can be a complex issue. I  
23 don't think it has to be. But I think members were always  
24 kind of not necessarily throwing their hands up and saying  
25 what can we do, we have limited ability to affect the cost

1 of materials, or we have limited ability to affect the  
2 price of land, we have limited ability to pull on some  
3 levers that could bring down the cost of housing, and they  
4 were thirsty for answers and policy interventions that  
5 they could pursue but they were bereft of answers.

6 And I think now, thanks to what other states  
7 are doing and what other things that are being  
8 accomplished on the local level, there's really a playbook  
9 about how you go about to drive down costs. And it's  
10 really a lot of market-driven solutions which are being  
11 employed here by a state where it tends to increase this.

12 MR. WILLIAMS: Thank you.

13 MR. DIETZ: Are there any significant potential  
14 administrative hurdles or anything? For example, if some  
15 of the expansions expand programs to such a significant  
16 degree, are you going to have to hire five more people?  
17 Is there anything like that that you anticipate at this  
18 point in time?

19 MR. WILT: I don't know. I mean, the one thing  
20 that makes us -- doesn't necessarily give us pause, but  
21 we've seen an expansion of our Heroes program before  
22 numerous times. And we used to serve a lot of heroes  
23 through the issuance of single family bonds through a bond  
24 program which allows us to give a better interest rate to  
25 these heroes, but we've never had more capacity under the

1 cap to do more of that bond activity.

2 So, while the Heroes program continues to  
3 expand, we haven't gotten an expansion on that bonding  
4 authority under the single family programs. So, if the  
5 Heroes program continues to expand in professions,  
6 increased eligibility, there will be a lot higher demand  
7 for that program. We'll have to do it through -- without  
8 any changes to the bond program, we'll be serving those  
9 primarily through the TBA program.

10 So, you know, I'll leave it at that.

11 MR. LONG: I think the conversation, Michael,  
12 is correct. And we did mention this to the Governor's  
13 Office when we met with Mr. Mittnacht that as the  
14 expansion continues, there's not been any increase in the  
15 volume cap available for that program. So, it is a  
16 question of discussion but it's a much bigger change than  
17 us going in and asking for more.

18 There are some other avenues that we can pursue  
19 and we're going to continue to pursue those. I'd love to  
20 see the change, but we don't have that authority right  
21 now.

22 MR. DIETZ: Right, right.

23 Any other questions or comments?

24 MR. RASSIN: The first bill that you mentioned,  
25 is there opposition to it? It does seem like a total

1 change. We have our heroes, which are veterans, teachers,  
2 law enforcement and now the people that work at city hall.  
3 Are we seeing some resistance to what looks like a change  
4 in what's considered a hero?

5 MR. WILT: I haven't heard of any. I mean, I  
6 imagine we'll find out as the session goes.

7 MR. DIETZ: Any other questions or comments?

8 MR. RICHARDS: I just have a question. I think  
9 you mentioned -- was it HB 15?

10 MR. WILT: Yes. SB 15.

11 MR. RICHARDS: Fifteen. You mentioned about  
12 right of first refusal?

13 MR. WILT: Oh, that was for the Veterans Land  
14 Bank Program, HB 1608.

15 MR. RICHARDS: Oh, okay. So how would that  
16 impact this organization? You mentioned that we'd have  
17 the right of first refusal to get buildings and convert  
18 them to affordable housing. Is there any geographical  
19 limitation for that?

20 MR. WILT: No.

21 MR. RICHARDS: Okay.

22 MR. WILT: It's statewide. It would impact us  
23 similarly to how it impacted us post foreclosure crisis. I  
24 was not here, but that's whenever -- it's my understanding  
25 that that was the genesis of our Affordable Communities of

1 Texas Program.

2           There were a lot of properties that banks and  
3 other lending institutions had that were under water,  
4 distressed assets that they were looking to unload. We  
5 became a repository for these assets and were able to  
6 convert them into affordable housing opportunities.

7           I anticipate that this Veterans Land Bank  
8 Program would operate within our ACT program. We used to  
9 have a veterans-specific initiative within that program,  
10 and it would bring that back to life and allow us to be a  
11 repository for distressed assets and convert them into --  
12 and put them back on the tax rolls, quite frankly, and at  
13 the same time provide housing opportunities for low income  
14 veterans.

15           MR. RICHARDS: Thank you.

16           MR. DIETZ: Anything else?

17           (No response.)

18           MR. DIETZ: Well, thank you very much for all  
19 your presentation and for that insight. Your expertise is  
20 appreciated.

21           MR. WILT: Sure. Thanks.

22           MR. DIETZ: We don't have any reason to go into  
23 closed meeting today. Correct?

24           MR. LONG: No, sir.

25           MR. DIETZ: So, are there any announcements or

1 closing comments?

2 MR. LONG: Just a reminder, the next Board  
3 meeting is scheduled for Tuesday, March 18, 10:30, and  
4 that after this meeting we'd like to have a couple of  
5 pictures taken, so before you scurry off. And there's  
6 always lunch.

7 MR. DIETZ: I'll plan to be here on March 18,  
8 unless the governor announces a replacement for me between  
9 now and then. I think both Ms. Cardenas and I -- our  
10 terms officially expire this month, but we serve at the  
11 pleasure of the governor.

12 MR. LONG: That's correct. Thank you.

13 MR. DIETZ: Great. Well, with that, it is  
14 11:40 a.m., and the Texas State Affordable Housing  
15 Corporation Board meeting is adjourned.

16 (Whereupon, at 11:40 a.m., the meeting was  
17 adjourned.)

C E R T I F I C A T E

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

MEETING OF: Texas State Affordable Housing Corporation  
Board

LOCATION: Austin, Texas

DATE: February 18, 2025

I do hereby certify that the foregoing pages,  
numbers 1 through 51, 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 Board.

DATE: February 24, 2025

/s/ Nancy H. King  
(Transcriber)

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