

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
January 20, 2026
10:30 a.m.

BOARD MEMBERS:

LEMUEL WILLIAMS, Chair
VALERIE V. CARDENAS, Vice Chair
DAVID RASSIN, Member
ERNEST RICHARDS, Member

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

(10:32 a.m.)

MR. WILLIAMS: Good morning, ladies and gentlemen. I'd like to call this meeting to order.

Today is January 20. The time is 10:32 for the Texas State Affordable Housing Corporation Board meeting. I will go ahead and start with roll call.

Vice Chair Valerie Cardenas?

MS. CARDENAS: Present.

MR. WILLIAMS: David Rassin?

MR. RASSIN: Good morning. Present.

MR. WILLIAMS: Ernest Richards?

MR. RICHARDS: Here.

MR. WILLIAMS: And Chair Lemuel Williams. And I'd like to recognize our newest member, David Lewis.

At this particular moment in time, David, if you can just tell us a little bit about yourself, who you are or what you do, the who, what, where, when, how, and why. And also note that, since you haven't went through the trainings and required paperwork, you can't vote, but still, please, tell us a little bit about yourself.

MR. LEWIS: Thank you. Thank you for having me.

Again, my name is David Lewis. I've been a

1 resident of Austin for about three years now. I moved
2 down from Dallas, where I spent most of my adult life. I
3 was -- I'm a native Texan, and my roots go back to the
4 early 1800s on both sides.

5 Was raised in San Angelo, Texas, went through
6 high school there. Came to Austin to go to The University
7 of Texas, then I went to SMU for grad school and stayed up
8 there through most of my career. Moved down here about
9 three years ago.

10 My wife is with CBRE, and they brought us down
11 here for her to help run the markets of San Antonio and
12 Austin. So as for me, I'm an investment manager. I have
13 a small RIA, and I've been doing this for a little over 25
14 years. And before that, I was in corporate finance with
15 three different S&P 500 companies.

16 MR. WILLIAMS: Thank you, David. And for roll
17 call?

18 MR. LEWIS: Yes, I'm here.

19 MR. WILLIAMS: Okay. All right. All right.
20 We have a quorum.

21 So what we're going to do, from here, we're
22 going to have the Pledge of Allegiance and the Pledge of
23 the Texas Flag.

24 (Pledges were recited.)

1 MR. WILLIAMS: Before we begin, has there been
2 any public comment posted?

3 MR. LONG: No, sir.

4 MR. WILLIAMS: Okay. All right. We're good.
5 And moving on to the President's Report.

6 Mr. Long?

7 MR. LONG: Good morning, Mr. Chairman, members.
8 As always the quarterly reports are included in your board
9 book. Those are the program and financial reports under
10 Tabs A through D.

11 Before I present the President's Report, I did
12 want to recognize Mr. Williams as our new Board Chair.
13 Thank you, Mr. Williams, for your continued service, and
14 your service as Chair now.

15 I had the opportunity to have lunch with Mr.
16 Dietz right after I got the announcement, and he wished
17 you all well, and said thank you for the opportunity to
18 serve with you guys. But he also said he was happy to be
19 stepping off after 16 years.

20 So I also wanted to recognize that Ms. Cardenas
21 was reappointed, so congratulations to you on that
22 reappointment. That's outstanding. We're very happy to
23 have you continue to serve with us.

24 And then also, as Mr. Lewis joining us for the

1 first time, I want to recognize and just note the fact
2 that we're very excited to have you on board.

3 Our previous --

4 MR. LEWIS: Thank you.

5 MR. LONG: -- Chair was a financial individual,
6 investment finance. And so we're very excited to have you
7 replace his expertise. So thank you.

8 MR. LEWIS: Thank you.

9 MR. LONG: With that, I'll move on.

10 The Loan Committee met last Tuesday, on the
11 13th. We didn't have any new loans to review or consider.
12 However, we did take the time to go through all of the
13 loans that are on our loan report. None of those showed
14 any issues or exceptions.

15 And we just want to thank Mr. Williams for his
16 participation, for his Board representation of the
17 Committee. And thank you, Mr. Williams, for guidance and
18 leadership on that.

19 On Single-Family Program areas, we continue to
20 have lender and realtor trainings that we are doing. I
21 appreciate the staff that go out and do those, plus the
22 online capacity of that. I also would recognize that we
23 added three new mortgage lenders to our portfolio under
24 our lending partners.

1 One thing I wanted to note on that is, one of
2 the companies that was added was United Wholesale
3 Mortgage, and they consistently remain as one of the top
4 mortgage -- wholesale mortgage lenders nationwide. So
5 we're very excited to have them join us.

6 I want to thank Joniel and her team in
7 coordinating and making sure that that lender got what
8 they needed. We had to run some stuff through legal
9 counsel, being as large of a firm they were. Some
10 questions were asked, and some things needed to be checked
11 and I's dotted and T's crossed.

12 And Joniel and her team got that across the
13 finish line. So we're very excited because we also think
14 that they will have a very big impact on our portfolio and
15 our ability to make mortgages across the state. So we're
16 very excited to add them.

17 Under the fundraising, the Corporation was
18 approved for a \$250,000 grant from Charles Schwab Bank to
19 support our 2026 Texas Supportive Housing Institute. This
20 is the very intense, four-month training in a technical
21 assistance program that we offer, in partnership with the
22 Corporation for Supportive Housing. We plan to launch the
23 2026 Institute in the fall of 2026, and it will
24 focus -- the Institute specifically will be looking at

1 development teams working the Dallas-Ft. Worth area.

2 We've done some where we focus specifically in
3 Austin. We've done some statewide. In this one, we're
4 going to go back to focusing on an area of the state, and
5 it will be Dallas-Ft. Worth area that we will be working
6 on.

7 The grant from Charles Schwab was large enough
8 that it will fully fund all of the costs of the 2026
9 Institute. And we just want to continue to thank them for
10 their support. In the past, they've offered up their
11 resources for their location. They've offered a lot of
12 in-kind support.

13 And this is a phenomenal grant that we got.
14 And I want to thank Katie and her team and Michael for all
15 of them working to make sure that we get this done.

16 We also received about \$3,500 from individual
17 donations that we got from our lenders and realtor
18 partners on Giving Tuesday and the year-end giving
19 campaigns that we held. Those funds will be in support of
20 our 2026 Housing Connection training that we do for
21 housing counselors. So we're excited to have that
22 fund -- those funds in there to support that.

23 Regarding our marketing, we continue to market
24 the Rebuild Kerr DPA opportunity via social media and

1 digital ads for the -- I think the most recent report I
2 showed that we have now closed four loans, four loans to
3 borrowers that were impacted by that.

4 And for those -- for Mr. Lewis' benefit and for
5 those of you that don't recall kind of what we're doing
6 there, really, the program was something that was brought
7 to us. And what we did is, utilizing our Homebuyer
8 Program, in conjunction with the Community Foundation out
9 of the Hill Country -- Texas Hill Country, in partnership
10 with them.

11 We are receiving \$4 million to provide down
12 payment assistance to those displaced by the July 4
13 floods. We provide that DPA; it's up to \$145,000 per
14 household, based on income, with an additional \$30,000
15 being made available to veterans, active military, and
16 first-time homebuyers.

17 Borrowers must -- they work through one of our
18 four approved lenders for -- but they offer this level of
19 assistance and guidance through the program. And we work
20 with Connective, which is a nonprofit that provides
21 disaster recovery asset case management, and they help us
22 to provide and identify the borrowers, potential
23 borrowers.

24 For the -- excuse me -- for the benefit of the

1 Board and just trying to recall, that's kind of who we're
2 working with right now. So with that in mind, that
3 continues to be something that we working with, and
4 hopefully, we'll be able to dispense the \$4 million in
5 total, sooner than later, to assist those families
6 impacted.

7 MS. CARDENAS: Did you say 145,000 in DPAP, or
8 that was an income limit for --

9 MR. LONG: DPAP.

10 MS. CARDENAS: Okay.

11 MR. LONG: Yeah. So the total amount they can
12 receive if they were -- if they met all the criteria from
13 income as well as the eligibility in terms of veteran,
14 active or -- what was the third one? I can't remember
15 now.

16 But -- first-time homebuyer. They can receive
17 up to \$175,000 in down payment assistance. And that can
18 be bundled with our mortgage product, if they also qualify
19 for that, and/or they do -- we also offer, as you know, a
20 non-DPA product, and they can use that as well.

21 MS. CARDENAS: And is there a sales price
22 limit?

23 MR. LONG: I don't recall. Is there -- what is
24 it? What is it? Is it area-wide? What -- is it based on

1 the area?

2 MS. TAYLOR: (From audience.) Purchase price --

3 MR. LONG: Do we know what it is?

4 MS. CARDENAS: I mean, I'm only asking --

5 MR. LONG: I tell you what --

6 MS. CARDENAS: -- right -- because it's a --

7 MR. LONG: There is a purchase price limit, but
8 I can't remember exactly what it is, but we'll get that
9 information to you, Ms. Cardenas.

10 MS. CARDENAS: Yeah. No. And I'm asking,
11 right, because that's a sizeable down payment. And so you
12 know, in the spirit of the program, right, you don't want
13 somebody going -- and I know they have to meet income
14 limits and all that.

15 But you don't want us to hear someone's buying
16 a \$600,000 home and applying that, you know, when we have
17 families that are, you know, just through our regular
18 program, trying to get \$10,000 or 5,000, and they're
19 struggling for affordable housing. So I know this is a
20 certain project, and it was obviously a catastrophic
21 event, but you know, just to align, you know -- to be able
22 to align with our mission.

23 MR. LONG: I would tell you, that was
24 definitely something we considered. We didn't want a

1 family that was overseen -- the maximum purchase price of
2 a home is \$544,232.70.

3 MR. WILLIAMS: Oh.

4 MR. LONG: It's very specific. I'm not sure
5 exactly where we got that number.

6 (General laughter.)

7 MR. LONG: But don't bring in -- don't go past
8 the 70 cents.

9 MS. CARDENAS: Yeah.

10 MR. LONG: But the idea is that there really
11 was consideration about making sure a borrower didn't take
12 advantage of the down payment assistance that was
13 available to them and then end up being --

14 MR. WILLIAMS: Uh-huh.

15 MR. LONG: -- unsuccessful in homeownership.
16 That was something we take into account in our own
17 program, and we certainly made sure that that was
18 something we talked about here. So they still have to be
19 eligible to qualify not only for the assistance that they
20 get, but also to be able to qualify from the mortgage
21 standpoint.

22 Can they make the payment? And can they cover
23 all the costs related to that? So we're trying to make
24 sure that we don't put people in that scenario.

1 In some instances, somebody could actually get
2 enough down payment assistance through the program and
3 sell their property, whatever insurance they got or --

4 MS. CARDENAS: Right.

5 MR. LONG: -- whatever and could end up paying
6 cash for a property that they cannot live in. So it's a
7 big deal, but these people have suffered significantly,
8 and we really wanted to support Community Foundations and
9 their efforts to provide assistance back to these
10 families, and we're grateful to be asked to participate.

11 And Joniel and her team put together a ton of
12 time in coordinating with them about what that program
13 should look like. And then Katie and her team worked
14 really heavily on the marketing of it, and we continue to
15 do that.

16 So we're excited to have four borrowers that
17 have already gone through the process.

18 MR. RICHARDS: Well, along the same line, a
19 question my colleague just asked about price -- is there
20 any income eligibility on it?

21 MR. LONG: Yes, there are income eligibility
22 requirements that go with it, and they align with our
23 program.

24 MR. RICHARDS: Okay. So I guess my question

1 is, if you are earning \$10 million, are you also eligible
2 for this program?

3 MR. LONG: Say that again.

4 MR. RICHARDS: If you are earning \$10 million,
5 are you also eligible for this the down payment
6 assistance?

7 MR. LONG: Yes.

8 FEMALE VOICE: No.

9 MR. RICHARDS: No. It should be no.

10 FEMALE VOICE: Earning \$10 million --

11 MR. LONG: Oh, I'm sorry. I'm -- I thought --

12 (General laughter.)

13 MR. LONG: I'm sorry. No. It's income-
14 eligible based on our program guidelines.

15 MR. RICHARDS: Okay.

16 MR. LONG: So I'm sorry. I misunderstood what
17 you said, Mr. Richards. I apologize. No, you can't make
18 \$10 million.

19 MR. RICHARDS: Well, that's what I'm trying to
20 figure out. What's the range?

21 MR. LONG: If you make \$10 million, you can't
22 qualify for our program. No. But --

23 MR. LEWIS: Do you mind if I ask a question or
24 two?

1 MR. LONG: Sure. Go ahead.

2 MR. LEWIS: I'm pretty familiar with what
3 happened down in Kerrville. Actually, all four of my kids
4 did -- do or did go to camp down there. So they've all
5 been impacted.

6 But really my question is, is there any
7 restriction on how they use the land? So for example, if
8 they buy a larger parcel and decide to break it up into
9 four parts, and they're able to just extract --

10 MR. LONG: It's --

11 MR. LEWIS: -- a certain amount of --

12 MR. LONG: -- primary residence -- is what
13 we're looking for.

14 MR. LEWIS: Right.

15 MR. LONG: So --

16 MR. LEWIS: But if you -- if you get -- I mean,
17 there's a fair number of places down there that have a
18 good amount of just unimproved land. I don't know why
19 you're snickering, but anyway, I didn't -- I just didn't
20 know if there were restrictions on maintaining the current
21 use. So if you have a one-house property --

22 MR. LONG: Joniel, would you come up here?

23 MR. LEWIS: -- does it have to stay a one-house
24 property?

1 MR. LONG: Let me introduce Joniel LeVecque.
2 She's our Senior Director of our Single-Family Programs.

3 MR. LEWIS: Okay.

4 MR. LONG: And she and her team work very
5 closely with Community Foundations to make these
6 discussions. So why don't you answer some of these
7 questions.

8 MS. LeVECQUE: Joniel LeVecque. Nice to meet
9 you, Mr. Lewis.

10 MR. LEWIS: Thank you.

11 MS. LeVECQUE: In answer to your question, so
12 once the property has been secured by a mortgage loan,
13 first of all, it does need to be a primary residence. It
14 cannot be for investment --

15 MR. LEWIS: Ah.

16 MS. LeVECQUE: -- property. So it has to be
17 their primary residence.

18 And whatever land is associated with that
19 residence is a part of that primary resident mortgage
20 loan. So they can't take it and break it up and sell it
21 off.

22 MR. LEWIS: Okay. All right. Thank you.

23 MR. LONG: Thank you.

24 MS. CARDENAS: Okay. So again, just to clarify

1 something, I'm just floored with 130,000 or 140-. And
2 then if they're a vet, they get \$170,000 in down payment
3 assistance.

4 MS. LeVECQUE: Yes, ma'am.

5 MR. LONG: That's correct.

6 MS. LeVECQUE: One of the goals of the Rebuild
7 Kerr program is, they really wanted to cater to the lower
8 income borrowers. So I spent many, many days -- first of
9 all, I looked up properties in Kerr County to see what
10 sales prices were even available in Kerr County.

11 And there were only, like, 20 homes available
12 for sale less than, like, 300 and something thousand. So
13 they wanted to really cater to, like, that 60 percent AMI
14 borrower.

15 MS. CARDENAS: Okay.

16 MS. LeVECQUE: And so what they did is, they
17 said, okay, how much DPA would we need to give that person
18 to purchase a \$300,000 home?

19 MS. CARDENAS: And right there --

20 MR. WILLIAMS: For their --

21 MS. CARDENAS: -- with the 60 percent, that --

22 MS. LeVECQUE: Yeah.

23 MS. CARDENAS: -- that clarifies it.

24 MS. LeVECQUE: Yes.

1 MS. CARDENAS: Because I know the need.
2 Because my mind was over here on the 80 to 120 percent,
3 with higher income limits, you know, which -- because
4 somebody -- the reality is, somebody at 60 percent AMFI,
5 there's no way they're going to qualify, even for a
6 \$300,000 home?

7 MS. LeVECQUE: Correct.

8 MS. CARDENAS: They're struggling just on about
9 175-, 200-. So they do need all of that down payment
10 assistance just to bring the --

11 MS. LeVECQUE: Correct.

12 MS. CARDENAS: -- debt-to-income ratio down.
13 So if you're saying they're focusing on the lower to
14 moderate income borrower, absolutely.

15 MS. LeVECQUE: Yeah.

16 MS. CARDENAS: And I can see where you need to
17 plow down as much DPAP as possible --

18 MS. LeVECQUE: So for a 60 percent AMFI
19 borrower, they would qualify for up to \$145,000 --

20 MS. CARDENAS: Okay.

21 MS. LeVECQUE: -- in assistance. And if they
22 are a first-time homebuyer or a veteran, they could get an
23 additional --

24 MS. CARDENAS: Additional.

1 MS. LeVECQUE: -- 30,000.

2 MS. CARDENAS: Okay.

3 MS. LeVECQUE: But when you get up to our
4 125 percent AMI borrower, they're only getting about
5 10,000 to --

6 MS. CARDENAS: There you go. Okay.

7 MR. WILLIAMS: That's right. That's right.

8 MR. LONG: It's stratified. It's --

9 MS. CARDENAS: That's the only clarification --

10 MR. LONG: -- stratified based on income.

11 MS. CARDENAS: -- I needed. I feel better
12 already.

13 MS. LeVECQUE: Yeah.

14 MS. CARDENAS: No. And again, you know,
15 we're -- you -- we're trying, obviously, and the
16 organization is trying to do something good, and I wasn't
17 trying to shed any light, but that's the clarification --

18 MS. LeVECQUE: Yeah.

19 MS. CARDENAS: -- that I needed, and I'm glad.
20 And I have no doubt y'all had vetted. And I just needed
21 it for my peace of mind and clarification.

22 MS. LeVECQUE: Yes.

23 MS. CARDENAS: Because to hear 130,000, up to
24 \$500,000 sales price, I'm -- like they say, the math

1 wasn't mathing for me there, you know.

2 MS. LeVECQUE: Yeah.

3 MS. CARDENAS: So -- but with this
4 clarification, now it makes sense.

5 MS. LeVECQUE: And we've just had a borrower
6 who was a 60 percent AMI borrower who received \$175,000,
7 and he was able to purchase a \$200,000 home --

8 MS. CARDENAS: Yeah.

9 MS. LeVECQUE: -- with the \$25,000 mortgage.

10 MS. CARDENAS: Yes. Thank you for that.

11 MR. LEWIS: And there are no restrictions as
12 far as where they're coming in from to buy. So if they
13 want to come in from Vermont, California, Colorado, or --

14 MS. LeVECQUE: There are restrictions.

15 MR. LEWIS: -- across the state.

16 MR. LONG: There are restrictions.

17 MR. LEWIS: There are? Okay.

18 MS. LeVECQUE: They must have been impacted by
19 the flood --

20 MR. LEWIS: Okay.

21 MS. LeVECQUE: -- and the home that either they
22 were renting or owned -- so they could have --

23 MR. LEWIS: Got it.

24 MS. LeVECQUE: -- been a renter -- must have

1 had at least 50 percent or more damage to the property, so
2 it's uninhabitable. And Connective, who is our partner in
3 this, are -- they are determining the flood impact --

4 MR. LEWIS: Got it.

5 MS. LeVECQUE: -- qualification requirements.
6 They're going out and inspecting the property. But the
7 nice thing is that they've opened it up to renters that
8 were impacted. So they must have been impacted by the
9 flood.

10 MR. LEWIS: Got it. All right.

11 MS. LeVECQUE: The other nice thing is that
12 they have allowed for anyone who was impacted by the flood
13 in Kerr County or Comfort, Texas, to purchase a new home
14 outside of the area if they want to. So they can purchase
15 a home anywhere in Texas, but they must have been impacted
16 by the flood.

17 MR. LEWIS: Got it. Thank you. Sorry about
18 that.

19 MR. WILLIAMS: No, no. It's okay.

20 MR. LONG: Any other questions?

21 MR. WILLIAMS: Any other questions?

22 (No response.)

23 MR. WILLIAMS: David, real fast. That
24 4 million, what's the expiration on that?

1 MR. LONG: I think there --

2 MS. LeVECQUE: Eighteen months.

3 MR. LONG: Is it 18 months?

4 MS. LeVECQUE: So we actually have 18 months.
5 They've given it to us in tranches. We -- first, it's a
6 million.

7 MR. WILLIAMS: Yeah.

8 MS. LeVECQUE: And we have 18 months to utilize
9 that million, with the additional 3 million coming after
10 that. But we've already committed, as of last week, 900
11 and something thousand.

12 MR. WILLIAMS: Okay.

13 MS. LeVECQUE: So we are already working toward
14 getting our second tranche.

15 MR. WILLIAMS: Second tranche. Okay. Okay.

16 MR. LONG: Thank you very much.

17 MR. WILLIAMS: Any other questions?

18 MR. LEWIS: No.

19 MR. WILLIAMS: Okay. David?

20 MR. LONG: Okay. Continuing on.

21 MR. WILLIAMS: Yeah.

22 MR. LONG: Our new website. As we mentioned
23 before, we're continuing to make progress on that. The
24 design is nearly complete.

1 And we've started on the content, and we'll
2 populate each of the sections. Our goal would be to have
3 that on track to be launched in early summer of 2026. So
4 the staff has continued to work and get feedback, and
5 we're very happy to see that that's moving forward.

6 On Friday, January 16, we released our Part 1
7 of a podcast segment focusing on what to expect in home
8 buying market in 2026. We released Part 2 on Friday the
9 23rd. So I would encourage you to watch those.

10 Those were actually very, very well done.
11 Michael does a good job of interviewing the people who
12 attend those with us and participate.

13 And on the specific podcast that we just
14 released, Part 1, it included experts that were from
15 Lakeview Loan Servicing, John Hudson with H & M Mortgage,
16 Christy Gessler with the Texas Realtor Association. So we
17 appreciate Jed and John and Christy for their
18 participation.

19 And I really want to thank Michael for his role
20 in managing the interview process and making sure that
21 those are done really well.

22 So I encourage you to go listen to those. I
23 think they're very well done. And again, as I said, one
24 just was released on the 16th and Part 2 will be released

1 on the 23rd.

2 The TFF -- TX Foundations Fund Guidelines for
3 annual grant round are on the agenda under Tab Item 3
4 today. If approved, the Corporation plans to release the
5 application for open application on Friday, January 23,
6 and then we'll hold a webinar for potential applicants on
7 Tuesday, January 27, so that they can better understand
8 how to work and apply into that program.

9 TxDOT -- the project that we've had with TxDOT,
10 the program where we are assisting with the IH-45
11 Improvement Program. We delivered the community needs
12 assessment that was created by our consultant AB Land
13 Planning to TxDOT on the 16th.

14 The assessment includes an in-depth analysis of
15 four neighborhoods impacted by the I-45 Expansion Project,
16 and those include Independence Heights, near North Side,
17 Fifth Ward, and Third Ward. AB Land Planning will use
18 that needs assessment that they put together to create a
19 revitalization plan that will guide us on how we utilize
20 and disperse the \$28.5 million in funding that's coming
21 from TxDOT. The revitalization plan will be completed by
22 late spring 2026 and TSAHC, AB Land Planning, and TxDOT
23 will all look to have that put out for public comment
24 prior to releasing it in final form.

1 The next scheduled Board meeting, Mr. Chairman,
2 is scheduled for Tuesday, the 17th, at 10:30. And we'll
3 leave that open-ended, as we always do, until we confirm
4 need for the meeting as well as quorum for the meeting.

5 And with that, I'll conclude my remarks, unless
6 there's any other comments.

7 MR. WILLIAMS: Members --

8 MR. LONG: Questions?

9 MR. WILLIAMS: -- any other questions?

10 (No response.)

11 MR. LEWIS: No, thank you.

12 MR. WILLIAMS: Okay. All right. Dave, thank
13 you.

14 Moving on to our open action items, Tab Item
15 No. 1 is the Presentation, Discussion and Possible
16 Approval of Minutes of the Board Meeting held on December
17 16, 2025. If you have a chance to review, is there a
18 motion to approve?

19 MR. RASSIN: Mr. Chairman, I move that the
20 minutes be approved as presented.

21 MR. WILLIAMS: There's been a motion by Mr.
22 Rassin. Is there a second?

23 MS. CARDENAS: Second.

24 MR. RICHARDS: Mr. Chairman, I second. I defer

1 to the lady.

2 MR. WILLIAMS: Okay.

3 MS. CARDENAS: Second.

4 MR. WILLIAMS: Okay. Second has been made by
5 Vice Chair Cardenas. Is there any discussion?

6 (No response.)

7 MR. WILLIAMS: Okay. Moving on to a vote, all
8 in favor, say aye.

9 (A chorus of ayes.)

10 MR. WILLIAMS: All opposed? Any abstentions?

11 (No response.)

12 MR. WILLIAMS: Okay. The ayes have it.

13 MR. RASSIN: Mr. Chair, I noticed a moment too
14 late that Mr. Dransfield's name is spelled wrong.

15 MR. WILLIAMS: Where?

16 MR. RASSIN: On the front page, under guests
17 present.

18 MR. WILLIAMS: And I guess, how do we spell his
19 name?

20 MR. RASSIN: Spelled like a field, like a
21 meadow.

22 MR. WILLIAMS: Ah. I guess the I and the E?

23 MR. RASSIN: Yeah.

24 MR. WILLIAMS: Okay.

1 MR. RASSIN: I before --

2 MR. WILLIAMS: Except after C?

3 MR. RASSIN: Yeah.

4 MR. WILLIAMS: Okay. Let's do this. Give me a
5 second here. Thank you for that.

6 Making note on the record that, on page 27 of
7 the December 16, 2025 minutes, a guest present, Bob
8 Dransfield, the I and the E needs to be switched,
9 representing Norton Rose Fulbright.

10 So that for formalities, we'll go through the
11 approval process again. Mr. Rassin made a motion. There
12 was a second by Vice Chair Cardenas. Any other reviews?
13 Any other discussions?

14 (No response.)

15 MR. WILLIAMS: Check. Moving on to the vote
16 again, all in favor, say aye.

17 (A chorus of ayes.)

18 MR. WILLIAMS: All opposed? Any abstentions?

19 (No response.)

20 MR. WILLIAMS: Okay. The ayes have it.

21 (Pause.)

22 MR. WILLIAMS: For the record, one more time,
23 hopefully for the last time, I accidentally forgot to ask
24 for public comment before the vote. Is there any public

1 comment?

2 (No response.)

3 MR. WILLIAMS: Okay. All right. One more time
4 on this vote, and hopefully, it will be the last time.

5 (General laughter.)

6 MR. WILLIAMS: Okay. So we are going to voting
7 on the presentation, discussion and possible approval of
8 the minutes of the Board meeting held on December 16,
9 2025. Once again, just want to make sure. There was a
10 motion made by Board member David Rassin, second by Vice
11 Chair Cardenas.

12 Any public comment?

13 (No response.)

14 MR. WILLIAMS: Okay. We have none. Okay.
15 Moving on to a vote, all in favor, say aye.

16 (A chorus of ayes.)

17 MR. WILLIAMS: All opposed? Any abstentions?

18 (No response.)

19 MR. WILLIAMS: Okay. The ayes have it. I
20 think we're good. Okay. Got the flow. Got the flow.
21 Okay. Moving on --

22 MR. RASSIN: Hazing the new Chair.

23 MR. WILLIAMS: Yeah, yeah, yeah, exactly. No,
24 no. I appreciate that. I appreciate that. I appreciate

1 that.

2 We'll get it out the way. We'll get it out the
3 way. Moving on to Tab Item No. 2, Discussion and Possible
4 Appointment of Board Members to the Loan Committee and
5 Audit Committee.

6 Board members, for this particular tab item
7 here, I know that, currently, right now, myself, I'm
8 serving on the Loan and Vice Chair Cardenas is serving on
9 Audit. And for formality's sake and also kind of interest
10 and just having a conversation with several of you, I know
11 that each of you are kind of thinking about it, and right
12 now, it's still up in the air on timing, decision, and
13 what that can look like schedule-wise.

14 So what I would like to propose and do is, move
15 Tab Item No. 2 to next month, kind of give everybody
16 enough time and opportunity to think about scheduling and
17 just kind of where they can serve in this capacity. But
18 in the meantime, myself, I will be on the Loan Committee.
19 Vice Chair Cardenas will on Audit.

20 But also, from an optics standpoint and to be
21 very transparent, being the Chair, I should not be serving
22 either/or committees. So I just want to make that very
23 clear.

24 But for the meantime, certainly want to suggest

1 we move that to next month. Any questions? Any comments?

2 MR. RICHARDS: Yeah. I do have a question.

3 MR. WILLIAMS: Yes, sir?

4 MR. RICHARDS: On the committee, do you have to
5 live in Austin or do you come from out of town?

6 MR. WILLIAMS: Yeah.

7 MR. RICHARDS: Okay. Is it by proxy, by phone,
8 or you have to be present in the meeting?

9 MR. WILLIAMS: So for Audit --

10 MR. RICHARDS: For the committee, yeah.

11 MR. WILLIAMS: -- certainly, there's going to
12 be -- and Vice Chair, I'll let you --

13 MS. CARDENAS: Yeah. So for Audit, I chair
14 Audit Committee. So those happen twice a year. And so
15 those are in-person and those are typically, you know, an
16 hour before our scheduled -- our regularly scheduled Board
17 meeting.

18 MR. RICHARDS: Oh, I see.

19 MS. CARDENAS: For Loan Committee, I know -- I
20 sat on that one prior to Audit Committee. And those, I
21 was forwarded the opportunity to just dial in every month,
22 you know, and the team does a great job of already having
23 the loan presentation set. And so it's just, you know,
24 any additional guidance from the Board of Directors, to

1 sit on that Committee, you know, provide any input, you
2 know, or any other guidance, as I mentioned.

3 MR. RICHARDS: And how long do those meetings
4 typically last?

5 MS. CARDENAS: For Loan Committee, it's -- I
6 mean, it's usually as many presentations are lined up, but
7 I would say, from past experience, they've never lasted
8 more than an hour, like I said, unless there's, you know,
9 extenuating circumstances or a lengthy agenda of loan
10 presentations.

11 And then for Audit Committee, it's -- again,
12 it's usually not more than an hour. They usually have the
13 guest, you know, our vendor or our firm that comes in and
14 does the presentation alongside -- with the support of our
15 Accounting Team, which they always do a very great job, a
16 very good job. And so that usually doesn't last more than
17 an hour. It never runs over into our scheduled Board
18 meeting.

19 MR. RASSIN: I would emphasize that the Audit
20 Committee happens in the same place, right before the
21 Board meeting starts.

22 MS. CARDENAS: Right.

23 MR. RICHARDS: Oh, I see.

24 MR. RASSIN: So if you're -- it's just a matter

1 of arriving an hour or so earlier.

2 MS. CARDENAS: Yeah.

3 MR. WILLIAMS: And since -- for Loan, we would
4 just -- we would meet via Zoom, and like Vice Chair said,
5 I mean, no more than hour, depending upon what the agenda
6 schedule looks like. So certainly, you know --

7 MR. RICHARDS: Thank you.

8 MR. WILLIAMS: -- yeah. And just to
9 acknowledge staff for all the work that they do. I mean,
10 it runs flawlessly. I mean, they do an amazing job when
11 it comes to the reports and just updates.

12 If there's anything they need to bring back to
13 the Board or present to other leadership, which is going
14 to present to us, I mean, like I said, it just -- I mean,
15 we're very fortunate. So it just runs smooth.

16 MR. RICHARDS: Okay. Thank you.

17 MR. WILLIAMS: Yeah.

18 MR. LEWIS: And the last audit was completed
19 when?

20 MS. CARDENAS: November.

21 MR. LEWIS: Okay. So we just finished?

22 MR. WILLIAMS: Yeah.

23 MR. LEWIS: All right.

24 MS. CARDENAS: Yes. Usually, in August, if I

1 have my dates correct, the month -- in August and in
2 November, Audit Committee.

3 MR. LONG: For the record, our fiscal year is
4 September 1 through Aug. 31, following the State
5 guideline.

6 MR. LEWIS: Okay.

7 MS. CARDENAS: And Loan Committee is monthly.

8 MR. WILLIAMS: Monthly.

9 MS. CARDENAS: Or again, you know, if there's
10 no presentations, well, then, they'd notify the respective
11 Board member that there's no need for Loan Committee that
12 particular month.

13 MR. WILLIAMS: Okay. Any other questions,
14 comments?

15 (No response.)

16 MR. WILLIAMS: Okay. So we'll do is, again,
17 we'll go ahead and move Tab Item 2 to February so that
18 each of you can think about and just have additional
19 questions, whether it be to myself, Vice Chair, other
20 directors, staff, to kind of understand exactly what
21 you'll be getting yourself into.

22 All right. If nothing else, moving on to Tab
23 Item No. 3, Presentation, Discussion and Possible Approval
24 of the 2026 Texas Foundations Fund Guidelines.

1 MS. ORENDAIN-CHAVEZ: Good morning. My name is
2 Anna Orendain-Chavez. I serve as the External Relations
3 Specialist here at TSAHC. This past November, we brought
4 you the draft of our 2026 Texas Foundations Fund Program
5 Guidelines to ask for approval for those, to post those
6 draft guidelines for public comment.

7 The public comment period has since ended, and
8 we did receive one comment that asked that we expand
9 program eligibility to include programs that provide
10 supportive services to housing beyond just permanent
11 supportive services types. So for example, rapid
12 rehousing or transitional housing or just supportive
13 housing in general.

14 We decided to incorporate this change to the
15 guidelines and we are bringing the document back to the
16 Board for final approval. We have not made any other
17 major changes to the guidelines since November. But to
18 briefly summarize this year's guidelines for the grant
19 program, the guidelines propose that we continue with a
20 noncompetitive grant application process, like we've done
21 for the past several years.

22 The total amount of available funding for this
23 year is \$1.25 million, which matches the amount of funding
24 that we provided last year. And grant applications will

1 again be accepted on a first-come, first-served basis
2 until August 1, 2026, or as long as money is available.

3 Other than the one aforementioned change that
4 expands eligibility to a variety of supportive services
5 programs, the guidelines remain, for the most part, the
6 same as the ones last year and as presented in November.
7 With that said, I'd like to provide an opportunity for
8 questions.

9 MR. RASSIN: Where was the change, please?

10 MS. ORENDAIN-CHAVEZ: It is under Section 2A of
11 the guidelines, under Eligible Programs.

12 MR. LONG: Page 33.

13 MR. RASSIN: I see the page. It's not
14 redlined, so could you please call out what the additional
15 revision is --

16 MS. ORENDAIN-CHAVEZ: Yes.

17 MR. RASSIN: -- or is it an entire lingo?

18 MS. ORENDAIN-CHAVEZ: So where it says -- on
19 line 2A, "Services provided to the residents of supportive
20 housing, including but not limited to" -- but there was a
21 "permanent" there before "supportive housing" that we just
22 took out, to expand it to just general supportive housing.

23 MS. CARDENAS: What you said, would be
24 transitional housing or --

1 MR. LONG: Rapid rehousing.

2 MS. CARDENAS: Okay.

3 MS. ORENDAIN-CHAVEZ: Just -- yeah.

4 MS. CARDENAS: That's encompassed in the
5 definition of supportive housing.

6 MS. ORENDAIN-CHAVEZ: Correct.

7 MS. CARDENAS: And the case management, the
8 other bullets that were outlined were already there?

9 MS. ORENDAIN-CHAVEZ: Yes.

10 MR. RASSIN: Have you, historically or
11 generally, made a distinction between permanent and
12 nonpermanent supportive housing?

13 MR. LONG: And my answer would be that they are
14 distinct in the sense that one is something that we deal
15 with specifically in our Permanent Supportive Housing
16 Institute and the program we offer. There are supportive
17 services that are certainly aligned with certain types of
18 housing, but we just felt like, since this was requested,
19 that we would view that as an expansion of the program.
20 And in my opinion, it is something that gives us a broader
21 scope of housing services and housing types we can serve.

22 I don't know if I answered your question, Mr.
23 Rassin, but I don't know that I could sit here and tell
24 you exactly, if you're looking for a definition of the

1 distinction.

2 MR. RASSIN: No. You have answered my question
3 perfectly. What I'm trying to establish is whether it
4 changes our scope in such a way that it's a significant
5 change of scope through TSAHC?

6 MR. LONG: I personally do not believe so. If
7 Anna or Michael or someone wants to give further feedback
8 on that, I am happy to let them come up and do so. I
9 personally don't believe so. I think we're trying to
10 serve as many borrowers or entities as possible that are
11 eligible to apply under these funds, so we can serve as
12 many households, but at the same time, we have, you know,
13 \$1.5 million.

14 If you're asking if it's going to be -- instead
15 of 80 applicants, we need to get 200, I don't think that's
16 the case. Is your concern, Mr. Rassin, that it would be
17 so big of a change that it would create more of a
18 demand -- a greater demand on the program than it could
19 sustain?

20 MR. RASSIN: No. My concern is that it might
21 change the character of the program if, instead of
22 focusing on permanent housing, it focuses on -- it
23 increases the focus on nonpermanent housing.

24 MR. LONG: I -- again, personally, I don't

1 believe it makes that big of a change for us. I think it
2 allows us to broaden our scope of who we can serve.
3 Again, trying to be available to as many organizations as
4 possible that want to serve the housing needs. But if
5 there's some other feedback, I'm happy to let someone come
6 up and do so.

7 Michael, why don't you come up here and
8 introduce yourself?

9 MR. WILT: Yeah. Michael Wilt, Senior Manager
10 of External Relations.

11 I understand your concern, Mr. Rassin. What I
12 would say is, typically, when we refer to permanent
13 supportive housing, that has do with the nature of the
14 lease between the tenant and the landlord. And there are
15 more protections for the tenant in permanent supportive
16 housing than there are in other types of traditional
17 affordable housing or supportive housing in general.

18 Historically, we've made no distinction between
19 supportive housing programs when we've funded them. We
20 have funded nonpermanent supportive housing programs. So
21 this just sort of clarifies what we've been doing all
22 along.

23 And we also -- it's also largely reflective of
24 the direction that HUD has been moving under this

1 Administration, to have the focus on a broader array of
2 supportive housing interventions, beyond just the
3 permanent ones. They've had an increased focus on
4 transitional housing, which was a focus in prior
5 Administrations. So it's not really a shift in what HUD
6 is doing.

7 It's sort of a return to how they used to
8 operate. So it's sort of taking into account that
9 direction, but also just widening who all would -- which
10 organizations would qualify for the supportive housing
11 funding.

12 Our main intent with the services funding is
13 that it goes towards services and whatever that looks
14 like. It can be housing counseling services or supportive
15 services for residents who are in the stable housing. We
16 are less focused on sort of what people call it, and more
17 so on what they're delivering. If they're delivering
18 services that meet the other criteria, then we will
19 largely accept them.

20 So you know, when we got the comment, we kind
21 of huddled about it and said, well, I think we've been
22 funding this all along, these types of services, and we
23 had. It's just that, you know, to make everything super
24 clear, we just removed the "permanent" and said any type

1 of supportive housing is eligible.

2 MR. RASSIN: Thank you. I find that very
3 helpful. When I read this before the meeting, I didn't
4 appreciate the significance of the revision, and that's
5 where you hear my hesitation, and your answer clears that
6 up for me.

7 MR. WILT: Sure.

8 MR. WILLIAMS: Thank you. Board, any
9 other -- I'm sorry, Anna. Are you done?

10 MS. ORENDAIN-CHAVEZ: Yes.

11 MR. WILLIAMS: Okay. Any other questions?

12 MR. RASSIN: No. Thank you.

13 MR. RICHARDS: Thank you.

14 MR. WILLIAMS: Questions?

15 (No response.)

16 MR. WILLIAMS: Okay. You require a motion on
17 this. Correct?

18 MS. ORENDAIN-CHAVEZ: Yes.

19 MR. WILLIAMS: Okay. Okay. I'd like to offer
20 up -- if anybody can offer up a motion for approval,
21 possible approval, of the 2026 Texas Foundations Fund
22 Guidelines, as stated in Tab Item 3?

23 MS. CARDENAS: I'd like to make a motion to
24 approve Tab Item 3 as presented.

1 MR. WILLIAMS: A motion has been made by Vice
2 Chair Cardenas. Is there a second?

3 MR. RICHARDS: Mr. Chairman, it's my pleasure
4 to second the motion.

5 MR. WILLIAMS: Okay. There has been a second
6 by Mr. Richards. Okay. Any questions, any comments?

7 (No response.)

8 MR. WILLIAMS: Okay. Got a motion, got a
9 second, to approve of the 2026 Foundations Fund
10 Guidelines. Are there any public comment before we move
11 into a vote?

12 (No response.)

13 MR. WILLIAMS: Okay. No comment. Moving to a
14 vote, all in favor, say aye.

15 (A chorus of ayes.)

16 MR. WILLIAMS: All opposed? Any abstentions?

17 (No response.)

18 MR. WILLIAMS: Okay. The ayes have it on Tab
19 Item 3. Thank you.

20 Moving on to Tab Item No. 4, Presentation,
21 Discussion and Possible Approval of a Resolution Regarding
22 the Submission of one or more Applications for Allocation
23 of Private Activity Bonds, Notices of Intention to Issue
24 Bonds and State Bond Applications to the Texas Bond Review

1 Board and Declaration of Expectation to Reimburse
2 Expenditures with Proceeds of Future Debt for Ridgeview
3 Apartments.

4 MR. DANENFELZER: Good morning. Dave
5 Danenfelzer, Senior Director of Development Finance.

6 This -- so I'll give a little bit of a
7 background first. The inducement, which are doing
8 today -- we call this, informally, the inducement
9 resolution -- essentially is us, the staff, asking your
10 authority to move forward with applying for a reservation
11 of volume cap and to engage our counsel and other
12 financial advisors to begin the process of developing bond
13 documents and negotiating the terms of those documents
14 with the developer.

15 I have some basics about the project. We do
16 underwrite these before we bring to you, but these are not
17 always fully baked. There will be a number of discussions
18 about how the financing is finally structured before we
19 bring everything back to you with the complete bond
20 documents set or the bond documents that you'll need to
21 approve.

22 And we'll bring this back for a final bond
23 resolution in several months from now. So just always
24 couch this discussion with that so you guys know this is

1 not a final approval, and this is really the start of our
2 bond process for the Board.

3 The project at hand here is called Ridgeview
4 Apartments. It's located in Sherman, Texas. It is a
5 current property with 141 units that was originally
6 constructed in 1975.

7 The project was brought to us by a group called
8 Impactful Ventures. They include -- it's a partnership
9 between a real estate company called Lockwood and Mead,
10 and then also Impact Commercial Services.

11 And they've also brought in a third party,
12 Texas Housing Foundation, which is a nonprofit housing
13 owner and operator throughout Texas. They are actually a
14 subsidiary entity of the Marble Falls Housing Authority.
15 And we have done a number of projects with them over the
16 years, including projects in Georgetown, in Midland, and
17 most recently, Brady, Texas.

18 So we do a lot of deals. So I get those a
19 little bit confused in my head sometimes. But -- so we're
20 well familiar with at least a part of this development
21 team. And the project does underwrite well.

22 There is a number of things that are still in
23 motion, and they will need to get together, but the total
24 budget is approximately \$30.7 million. Most of that will

1 come from tax exempt bonds and 4 percent housing tax
2 credits. And there will be some other subordinate funding
3 that will come to play, but they are still working on the
4 details there as well. I'm not sure there's much more I
5 can bring to the table right now.

6 We do think -- I should actually note that
7 Sherman, Texas, in particular is an area we've not worked
8 in before. Looking at market information, I was really
9 unaware that it had become sort of a mini tech sector area
10 for North Texas. We discovered that Texas Instruments has
11 put \$30 billion into new plants and facilities there, as
12 well as another chip maker, GlobalWafers, which is
13 developing a \$5 billion plant recently.

14 So the area is under a lot of pressure.
15 There's been significant growth in housing prices. So the
16 creation, or at least preservation of existing affordable
17 housing is something that we do feel is pretty important
18 for the market.

19 With that, I'll close my comments. For any
20 questions about the project -- I do have one more comment
21 about the resolution I'll make known before the vote.

22 MR. WILLIAMS: So are you opening it up to
23 questions or --

24 MR. DANENFELZER: Yeah, I'm opening it up for

1 questions --

2 MR. WILLIAMS: Okay.

3 MR. DANENFELZER: -- from y'all.

4 MR. LEWIS: So what's the total units? It
5 looks like it's going to be around 150-ish, or it's 160?

6 MR. DANENFELZER: I'm sorry. What --

7 MR. LEWIS: The total number of units.

8 MR. DANENFELZER: 141 units.

9 MR. LEWIS: 141?

10 MR. DANENFELZER: Yeah.

11 MR. LEWIS: Okay.

12 MS. CARDENAS: So I see --

13 MR. LEWIS: Oh, there it is. I'm sorry.

14 MR. DANENFELZER: That's okay.

15 MS. CARDENAS: So I see that the developer is
16 committed to reserving about 10
17 percent -- right -- 15 units --

18 MR. DANENFELZER: Yeah.

19 MS. CARDENAS: -- for 30 percent? So the
20 remaining would be, I guess, from 60 to 80 or --

21 MR. DANENFELZER: Yeah. The remaining units
22 are predominantly 60 and 50 percent AMI units. And the
23 underwriting, which I know the text gets really small
24 there -- but actually, it's all 30 percent or 60 percent

1 AMI units.

2 MS. CARDENAS: Okay.

3 MR. DANENFELZER: Because of Texas Housing
4 Foundation's involvement, generally what they'll do is,
5 they'll go into an area and they'll also get a reciprocity
6 or an agreement with the local housing authority to place
7 housing authority clients in the property.

8 So that also -- we don't underwrite to that
9 until we actually have that agreement, but it will boost
10 the actual income the property will get, because they'll
11 get -- it won't get project base, but then we'll get
12 voucher-based tenants in there, and there will be a pretty
13 good stream of tenants that will come in. So that's a
14 benefit to the underwriting long term, but until we have
15 that agreement, we don't include it in the underwriting.

16 MS. CARDENAS: I think you said the majority,
17 then, will be at 60 percent?

18 MR. DANENFELZER: Majority will be at 60
19 percent. Yeah. That will be --

20 MS. CARDENAS: Okay.

21 MR. DANENFELZER: -- 126 units at 60 percent
22 and below.

23 MR. WILLIAMS: So question. So I'm looking
24 here. It has a total budget of approximately

1 30.7 million, and you mentioned that this is kind of the
2 early stages of this development project. Since there's
3 growth and there's pressure for affordable housing, I
4 guess, has this Impactful Ventures and just everybody
5 involved taken into account potential increase in land
6 value or just value of construction costs?

7 MR. DANENFELZER: Yeah.

8 MR. WILLIAMS: Because I mean, things, as we've
9 seen change overnight.

10 MR. DANENFELZER: Yeah. In our review of
11 Impact Construction Services, which is really also going
12 to be the contractor-developer, they have a lot of
13 experience with affordable housing conversions similar to
14 this.

15 MR. WILLIAMS: Okay.

16 MR. DANENFELZER: Not so many in Texas. We
17 were only able to find two in Texas, but they had several
18 other states. And they do work from -- basically from the
19 Carolinas all the way to Texas, is their target market.

20 MR. WILLIAMS: Okay.

21 MR. DANENFELZER: And we did find that they had
22 a pretty good track record of staying on budget. That's
23 one of the reasons why these are never fully cooked,
24 because until we approve this, they won't really begin

1 looking at the property and making sure that, you know,
2 every air conditioning is either good or not. And they'll
3 go through with a really fine-tooth comb to firm up the
4 construction budget.

5 So things will change on that. But these are
6 pretty good numbers, and given their track record, I trust
7 that they've got the experience to come to pretty good
8 numbers right now.

9 We often see these change, though. Sometimes
10 they go down. Sometimes they go up. And obviously,
11 market conditions are really important too.

12 They'll probably begin negotiating with actual
13 contractors and subcontractors in the next couple months
14 to finalize their bids. So then we'll -- when we come
15 back to you, we will have really good numbers to get
16 approval.

17 MR. WILLIAMS: Okay.

18 MR. RICHARDS: So I live about an hour and a
19 half away from Sherman, so I'm very familiar with the
20 development and economic activities going on around there
21 by TI and all these other --

22 MR. DANENFELZER: Yeah.

23 MR. RICHARDS: -- entities. My question is,
24 just out of curiosity, do you know if the developer has

1 reached out to TI for any donations for --

2 MR. DANENFELZER: I don't believe so, at this
3 time. It's pretty rare that we see developers do that.
4 Their primary focus right now is going to be on
5 structuring the bonds and getting the housing tax credits.
6 I know they are also in discussions with the housing
7 authority locally to get that agreement in place.

8 Typically, we don't find that there's a lot of
9 grant money for these types of projects. They don't tend
10 to raise enough kind of good feelings. You know, people
11 want to give to children. So if they were providing free
12 child care, we might be able to get some, but that's not
13 one of the focuses for this project.

14 And the grants are pretty narrow for these
15 types of projects. They may look at applying for some,
16 but at this point, they have not reached out to us about
17 that.

18 MR. RICHARDS: And the 31 million dollars
19 includes potential cost overruns?

20 MR. DANENFELZER: Yeah, there is a contingency
21 budget that it provided a 5 percent on construction costs.
22 But again, once they get the contractor -- the
23 subcontractor mostly bids, then they'll be able to firm up
24 those numbers significantly.

1 MR. RICHARDS: Okay. I don't have any more
2 questions.

3 MR. LEWIS: I have one, and if it's in here,
4 let me know.

5 MR. DANENFELZER: Okay.

6 MR. LEWIS: Have you all gone to the county and
7 asked for the sort of relief from property taxes?

8 MR. DANENFELZER: We don't do that. The
9 developer is likely to do that, and I understand they are
10 in discussions with the city at this point, but we don't
11 have that as well. So we haven't provided that.

12 There are some statutory exemptions that they
13 be eligible for. If they get the agreement with the
14 housing authority, they should get 100 percent property
15 tax exemption.

16 MR. LEWIS: Okay.

17 MR. DANENFELZER: And they'll need to get a
18 vote from the city on that tax exemption approval. They
19 can also just apply for -- based on the nonprofit status
20 of Texas Housing Foundation, for 50 percent tax exemption,
21 but that does need to be renewed every year and approved
22 locally.

23 So it's less common that we see those types of
24 transactions these days simply because of the uncertainty

1 to the financing, but they will attempt that if they can't
2 get 100 percent.

3 MR. LEWIS: Do we know how that's allocated
4 through the project? I mean, does it flow through to the
5 developers? Does it go strictly to the equity owners, the
6 bond holders, or --

7 MR. DANENFELZER: Yeah. It actually will
8 simply lower the operating costs of the project --

9 MR. LEWIS: Okay.

10 MR. DANENFELZER: -- which would increase the
11 NOI and then eventually the cash flow, hopefully. In this
12 particular project, though -- of course, my computer
13 decides to go on sleep right at the last minute. There's
14 approximately a total of \$3.9 million in developer fees --

15 MR. LEWIS: Uh-huh.

16 MR. DANENFELZER: -- but they will be deferring
17 \$1.8 million of those. So 100 percent of -- almost
18 100 percent of cash flow will go towards paying back those
19 deferred developer fees for the first few years. They do
20 need to be repaid within 10 years of the project being
21 placed in service, meaning it's operating and rented.

22 Otherwise, they could lose some of their
23 housing tax credits. The equity partners also do not sure
24 in any of the cash flow. The equity partners are actually

1 getting the housing tax credits in exchange for their
2 equity, and that's how they get repaid.

3 MR. LEWIS: Okay.

4 MR. DANENFELZER: So all the cash flow will go
5 to the development partners, and then be used, you know.
6 But that's well below the line, after debt service and
7 everything else they may owe.

8 MR. LEWIS: And one last question.

9 MR. WILLIAMS: Yeah. Go for it.

10 MR. LEWIS: I understand there is -- there are
11 other units close by. Are those also targets for
12 refurbishing and going through a process like this? Do we
13 want to look at that way, or just --

14 MR. DANENFELZER: Yeah.

15 MR. LEWIS: -- this is a standalone project?

16 MR. DANENFELZER: For our purposes, this is a
17 standalone project. We were only able to identify one
18 other, what we consider, low income housing or assisted
19 facility in a two-mile radius. It's a 124-unit apartment
20 complex that was done several years ago. I don't know the
21 actual status of it.

22 Typically, those only get refinanced once they
23 reach 15 years or older, and that's a tax reason for that.
24 But you know, for this purpose, we really focus in on this

1 project, look at its risk, marketing-wise, its demand
2 issues. There certainly could be other developers looking
3 at the Sherman area that will be proposing new projects.
4 We wouldn't see them right now, because the housing tax
5 credit round just launched in January. But we will track
6 that in case there is competing projects in the area.

7 However, there's -- there are some limits on
8 what you can provide. So, like, you can't place another
9 housing tax credits within two miles of this project now
10 that we've induced it. So there will be kind
11 of -- there's limits of how close they could be put
12 together. So --

13 MR. LEWIS: Thank you very much.

14 MR. DANENFELZER: Yeah.

15 MR. RICHARDS: Well, no. I mean, I like this
16 project. I would [inaudible] any concern.

17 MR. WILLIAMS: Oh, okay.

18 MR. RASSIN: I have two questions, an easy one
19 and a hard one. If we vote to approve this resolution,
20 what steps happen next? What have we approved and what
21 does that cost?

22 MR. DANENFELZER: Right. So the next steps.
23 We'll engage bond counsel to begin the process of applying
24 for the volume cap reservation.

1 We have to submit a formal paper application to
2 the Texas Bond Review Board. And they basically allow
3 us -- we get our own allocation of volume cap every year.
4 It's a little over 100 million. And they'll say, okay,
5 how much do you want to use for this project?

6 And they will put it on a list, and it will be
7 committed to the project. It will be reserved. It also
8 starts, under state, a 180-day clock, which the project
9 has to close in before the reservation expires.

10 And so we'll also start the process of drafting
11 the bond documents. They will also -- the developer will
12 apply for the housing tax credits to the Texas Department
13 of Housing and Community Affairs.

14 And TSAHC will hold a TEFRA hearing. And
15 that's basically a public hearing where we collect
16 information from the public on the issuance of the bonds.
17 So we'll go through all that process.

18 We'll start monthly, and then eventually,
19 weekly meetings with the development team. And once we
20 have those documents ready, we'll bring them back to you
21 for approval. So that's kind of the next few steps.

22 MR. RASSIN: With our approval, is the
23 completion of this sale -- it's not a certainty, but is it
24 a near certainty?

1 MR. DANENFELZER: No, no, because if, for some
2 reason, we can't come to agreement with all the parties on
3 the financing and we can't bring the bond approval back to
4 you, that could potentially kill the deal.

5 Another thing is, you might approve the bond
6 resolution. Let's say we bring it back in March. But the
7 Texas Bond Review Board does have one more look at our
8 projects, and if there is a tax exemption, they do -- are
9 required by statute to vote on it. So the Texas Bond
10 Review Board, which consists of the Governor, Lieutenant
11 Governor, and the Comptroller of Public Accounts, if they
12 vote no, then the project does not move forward.

13 MR. RASSIN: I mean, the seller still has the
14 opportunity to sell it to somebody else. Correct?

15 MR. DANENFELZER: Correct. The property is
16 under contract through the end of the summer --

17 MR. RASSIN: Oh, it is?

18 MR. DANENFELZER: -- but once the contract is
19 up, obviously, they could move on.

20 MR. RASSIN: I missed the part about it being
21 under contract. I was focused on the language that
22 they're proposing the acquisition and rehabilitation.

23 MR. DANENFELZER: Yeah. They finalized the
24 contract, like, two weeks ago. So I didn't actually put

1 it in here, but typically, they won't bring an application
2 unless they have secured the real estate. And that's
3 pretty common.

4 We won't -- I guess I don't mention it because
5 everyone always has secured their real estate before I
6 bring them to you. So yeah. But they have secured a
7 purchase contract with the seller.

8 MR. RASSIN: My concern here is something that
9 comes up every time we review a project, and sometimes
10 it's more stark than other times --

11 MR. DANENFELZER: Yeah.

12 MR. RASSIN: -- that our focus is so much on
13 housing and finding it, that sometimes we don't think
14 about the rest of the community, of what it may cause to
15 the neighbors. In this one, the first part of your write-
16 up is that there's tremendous change happening in this
17 area. There's all this --

18 MR. DANENFELZER: Right.

19 MR. RASSIN: -- investment. And here, you have
20 a large piece -- and taking this land, and I don't want to
21 accidentally want to make a land use decision, if we were
22 say voting yes on these bonds makes the rest of it
23 inevitable. I feel like we --

24 MR. DANENFELZER: Yeah. Well, one thing to

1 note is, this is an existing property. So we're not
2 changing the land use at all. The property is there.

3 It's been there since 1975. So we generally
4 don't -- particularly on acquisition and rehab projects,
5 we almost never see any public complaints. The one or two
6 times I have had them, it's sometimes that the tenants are
7 just not happy with the current owner. But typically,
8 once they realize there's going to be a new owner and
9 they're going to get all -- everything fixed up, then they
10 tend to get pretty happy.

11 MR. RASSIN: Thank you.

12 MR. DANENFELZER: You're welcome.

13 MR. RICHARDS: Just one last question. To Mr.
14 Rassin's --

15 MR. DANENFELZER: Sure.

16 MR. RICHARDS: -- point, is -- what is the
17 current zoning?

18 MR. DANENFELZER: It is currently zoned
19 for -- the local zoning allows for this use. It is
20 multifamily. I don't have the exact zoning code, though,
21 for the city of Sherman.

22 MR. RICHARDS: So there's not going to be a
23 change in zoning then?

24 MR. DANENFELZER: No, there's no change in

1 zoning or use for the property.

2 MR. RICHARDS: Okay.

3 MR. DANENFELZER: Yeah. And I'll note, most of
4 the tenants that are currently living there that qualify
5 as low income will continue to live there. Their leases
6 will be honored, and they will have new -- their
7 apartments may be fixed up while they stay in place, or
8 they can move into a newly refurbished apartment within
9 the same property without having to move. Any of their
10 moving costs will be paid for by the developer.

11 MR. RICHARDS: Yeah. Okay.

12 MR. WILLIAMS: Thank you, David.

13 Any other questions? Any other comments?

14 MR. LEWIS: I don't. Thanks.

15 MR. WILLIAMS: Okay.

16 MR. DANENFELZER: And --

17 MR. WILLIAMS: Go for it.

18 MR. DANENFELZER: -- before you make a motion
19 on it, I do want to note that the resolution does not
20 have, I believe, the correct names for the Board. So --

21 MR. WILLIAMS: Okay. So what would be --

22 MR. DANENFELZER: Just to make note that, if
23 you'll give us permission to list the Board, as it
24 currently is today?

1 MR. WILLIAMS: Okay.

2 MR. DANENFELZER: So bond counsel just didn't
3 update last week on the Board changes. So I don't
4 think -- I don't believe, Mr. Williams, you were listed as
5 Chair, and then --

6 MR. LONG: We don't have Mr. Lewis listed at
7 all.

8 MR. WILLIAMS: Yeah.

9 MR. DANENFELZER: Well, Mr. Lewis won't be --

10 MR. LONG: And he --

11 MR. WILLIAMS: Yes.

12 MR. LONG: -- wouldn't be, because he still
13 hasn't been authorized.

14 MR. DANENFELZER: Right.

15 MR. LONG: So --

16 MR. DANENFELZER: So just -- your title needs
17 to change on there.

18 MR. WILLIAMS: Okay.

19 MR. DANENFELZER: Just --

20 MR. WILLIAMS: I'll --

21 MR. DANENFELZER: -- yeah.

22 MR. WILLIAMS: Yeah. We'll make a note of
23 that.

24 MR. DANENFELZER: Okay.

1 MR. WILLIAMS: Okay. Anything from the Board?
2 Any other questions, comments?

3 (No response.)

4 MR. WILLIAMS: Okay. If I can get a motion for
5 Tab Item 4?

6 MR. RICHARDS: Mr. Chairman, I make a motion
7 that Item -- Tab No. 4 be approved, subject to the changes
8 that have been recommended.

9 MR. WILLIAMS: Okay. A motion has been made by
10 Mr. Richards. Is there a second?

11 MS. CARDENAS: Second.

12 MR. WILLIAMS: Second by Vice Chair Cardenas.
13 Any public comment? Any questions?

14 (No response.)

15 MR. WILLIAMS: Okay. There's been a motion and
16 a second to approve Tab Item 4, which states Possible
17 Approval of a Resolution Regarding the Submission of one
18 or more Applications for Allocation of Private Activity
19 Bonds, 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 Ridgeview Apartments.

23 And it's been noted that my title will be
24 changed in Tab Item 4. Moving on to a vote, all in favor,

1 say aye.

2 (A chorus of ayes.)

3 MR. WILLIAMS: All opposed? Any abstentions?

4 (No response.)

5 MR. WILLIAMS: Okay. The ayes have it. Thank
6 you.

7 And moving on to Tab Item No. 5, Presentation,
8 Discussion and Possible Approval of the Publication of
9 Draft Amendments to the Texas State Affordable Housing
10 Corporation's Joint Venture Development Guidelines for
11 Public Comment.

12 MR. DANENFELZER: Good morning. Dave
13 Danenfelzer, Senior Director of Development Finance.

14 This is our -- we're -- what we're asking
15 permission to do is to go ahead and publish some amended
16 guidelines for our Joint Venture Development Program. Our
17 Joint Venture Development Program is where we partner with
18 developers and it allows us to bring the authority of our
19 property tax exemption to a project, but it also -- what
20 we do is make sure that the property meets a higher level
21 of affordability and public good than we normally do on a
22 bond project.

23 Our bond projects are very good. They are low
24 income housing, but we do tend to have higher standards.

1 And we want to make sure that the property tax exemption
2 that we can bring along is very valuable and actually does
3 make the property feasible. It's not just something that
4 increases the cash flow or provides a financial benefit.

5 TSAHC also gets a lot more authority over the
6 long term operations and sort of insight of these
7 properties with this program. So it does allow us a lot
8 more authority to ensure properties are maintained
9 properly.

10 The main changes that we're proposing on these
11 policies this time include to Section 1(c), which we're
12 kind of redefining smaller urban markets. There's some
13 just language at the end. We made these similar changes
14 to our bond RFP and policies last fall, as well as some of
15 our other programs. So we want to make sure they're all
16 consistent.

17 Section 2 changes the threshold or includes
18 some new threshold requirements for developments. These
19 have kind of come about in order to make sure that one,
20 we're getting involved in projects before they're fully
21 cooked. We've had a number of requests recently. We know
22 market conditions have been poor, and a lot of developers
23 have recently opened units, have been struggling with
24 lease up, as well as -- mainly, lease up, which has led

1 to -- and lower rents.

2 But because of that, we've had a number of
3 people ask us to join a project after it was completed and
4 it's starting to lease up, and we don't really find that
5 that's a justifiable purpose for TSAHC to get involved in
6 a project, post-completion. Many of these deals were
7 approved with taxes, and we don't want to be coming in
8 after the fact and telling local authorities that we're
9 just going to throw our tax exemption in there after
10 they've already vetted these projects.

11 The last one is, we're making a small change to
12 the application fee. We do find that these do take a lot
13 of work. \$500 just doesn't seem like enough. 1,500 is a
14 little bit better. We hope we can defer some of the costs
15 that we have as staff, just going over the applications
16 and communicating with developers during the application
17 process.

18 There are some minor changes throughout. Many
19 of the changes that are sort of wording or punctuation
20 have actually been provided both by staff and our legal
21 counsel at Coats Rose. So you'll see a lot of little
22 black lines here and there for word changes or
23 punctuation.

24 With your approval, we'll post these to our

1 website, and as well, make a notice on the *Texas Register*.
2 We'll collect comment for at least 30 days. Given the
3 timeline of our February Board meeting, we'll likely not
4 come back to you in February, but we will bring them back
5 in March, with all the comments and then the final
6 adoption we'll request at that time.

7 I'm here for questions if you have any.

8 MR. WILLIAMS: And I presume, since the
9 application fee is going up, that developers, they haven't
10 complained? They haven't said, hey, we're already doing
11 enough. Going from 500 to 1,500?

12 MR. DANENFELZER: No. Our application
13 fees -- and I'm not trying to encourage you to raise them
14 even higher, but our application fees are very low --

15 MR. WILLIAMS: Uh-huh.

16 MR. DANENFELZER: -- in general. I know that
17 typical house tax credit application will be upwards of
18 \$10,000 to make. The Texas Bond Review Board, for the
19 bond reservation, collects a \$5,000 fee.

20 MR. WILLIAMS: Uh-huh.

21 MR. DANENFELZER: So we think it's still a fair
22 fee. We don't want people to not apply for these programs
23 because the bar to entry is so high. But we do also feel
24 like we should cover our costs, especially since we do get

1 applications that we don't bring to you, because they're
2 just not eligible. And we spend a lot of time working
3 them out and making sure -- like, hey, you don't meet all
4 these threshold criteria.

5 MR. WILLIAMS: Uh-huh.

6 MR. DANENFELZER: So we'd like to make sure we
7 can cover some more of those costs.

8 MR. WILLIAMS: Okay. Board, any questions, any
9 comments?

10 MR. LEWIS: I have one, if you don't mind --

11 MR. WILLIAMS: Yeah, go for it.

12 MR. LEWIS: -- quit asking questions then.

13 MR. WILLIAMS: Yeah.

14 MR. LEWIS: I'm looking at the restrictions of
15 where the developments are going to be located. And I'm
16 thinking that, in my mind, I'm trying to create a list.
17 So it can't be in a county more than 500,000 persons, and
18 it has to be in a city or town less than 150-.

19 Is there a list of exclusions? Like, I can
20 understand it would be, you know -- no Austin, San
21 Antonio, Houston, but some place like San Angelo or
22 Longview. I mean, at what point is there just a list of
23 here's where we're targeting.

24 Are we trying Van Zandt County? Are we trying

1 Sutton County or Schleicher? I'm having a hard time
2 figuring that one in my head --

3 MR. DANENFELZER: Yeah.

4 MR. LEWIS: -- and how restrictive this is.

5 MR. DANENFELZER: It's one of those
6 things -- the list -- I kind of manage the list and I
7 update it every year. We look at the population data and
8 geographical information every year. So we can kind of
9 help folks -- we do actually have meetings before people
10 apply, on the phone and -- or online --

11 MR. LEWIS: Uh-huh.

12 MR. DANENFELZER: -- to kind of weed out those
13 kind of things that are really simple things that we can
14 just say, look, you're in an area -- we can't do this
15 deal, because it doesn't meet this requirement.

16 I want to note, though, in that particular
17 thing about rural areas and the size of the cities, that's
18 a particular type of project we're looking to get, but it
19 doesn't necessarily exclude areas like Austin. It
20 wouldn't -- if a project came in in Austin and served
21 extremely low income individuals, mostly 30 percent AMI
22 households, it would qualify under part (b) of that
23 section.

24 But if a project comes in in, say, Midland --

1 MR. LEWIS: Uh-huh.

2 MR. DANENFELZER: -- which is just under
3 150,000 people and the county's under 500,000, we could do
4 that under the rural and small urban areas, kind of, focus
5 for the project.

6 It's always hard to write these. We try to
7 take guidance from both federal and state law. In this
8 one particular case, we tried to narrowly make it so we're
9 not avoiding places that are kind of way on the outskirts
10 of urbanized areas, but also we're not going to Westlake
11 and building it because it's under 50,000 people.

12 MR. LEWIS: Right, right.

13 MR. DANENFELZER: So it's a balance. It's hard
14 to explain, but we do maintain a list, so if anyone does
15 want that list, I can always give them to you.

16 MR. LEWIS: So does that allow for element of
17 judgment then?

18 MR. DANENFELZER: This doesn't allow for much
19 judgment at all, I don't believe, because we do look at
20 the numbers and the current population statistics --

21 MR. LEWIS: Uh-huh.

22 MR. DANENFELZER: -- as well as the USDA urban
23 and rural tract identification data. So yeah. There's
24 not -- there's no -- really no room for interpretation.

1 But at the same time, the list is really long for cities
2 under 150,000 in Texas.

3 MR. LEWIS: Right, right.

4 MR. DANENFELZER: So yeah.

5 MR. LEWIS: Right. Thank you.

6 MR. DANENFELZER: Yeah.

7 MR. WILLIAMS: And I think there's comment from
8 our counsel.

9 MS. SCOTT: Hi. This is Sarah Scott with Coats
10 Rose. Good morning.

11 I was just going to say the same thing Dave
12 explained, that these are identified needs, so you just
13 have to meet one of the four listed.

14 MR. DANENFELZER: Yeah.

15 MR. WILLIAMS: So you could meet all four, or
16 just one of four, two of four, three of four?

17 MR. DANENFELZER: Yeah. You just need to be --

18 MR. WILLIAMS: Just need to be --

19 MR. DANENFELZER: -- one of the four.

20 MR. WILLIAMS: Okay.

21 MR. DANENFELZER: Yeah. But if you wanted to
22 bring 100 percent extremely low income deal in, you know,
23 Bastrop --

24 MR. RICHARDS: In Highland Park?

1 MR. DANENFELZER: -- we could probably do it.
2 That would be great.

3 MR. RASSIN: So at what point are they vetted
4 for if they're a good idea? Is everything that's eligible
5 presented to the Board? Or if something is eligible but
6 it just doesn't look that good, it never reaches us?

7 MR. DANENFELZER: No. Well, what I
8 say -- first, it has to meet threshold. If it doesn't
9 meet threshold criteria, we don't bring it to the Board.
10 So you know -- yeah.

11 So I mean, there's a lot of examples of what
12 doesn't meet threshold. And that's how we kind of, you
13 know, for a lack of a better word, weed out what doesn't
14 meet threshold before we bring it to you.

15 MR. RASSIN: But the threshold, what you just
16 said, is not subjective. If they meet --

17 MR. DANENFELZER: Correct.

18 MR. RASSIN: -- all of the requirements, does
19 it then progress to the Board, or can something be
20 rejected even if it meets the requirements, just is
21 subjectively not very good?

22 MR. DANENFELZER: No. If something -- if an
23 application came in and met all of our threshold criteria
24 or scoring criteria, whatever criteria, in these policies,

1 and that's why we have you approve the policies -- if it
2 meets everything, we will bring it to you. I will note,
3 it doesn't mean we will recommend it to you.

4 There may be mitigating circumstances which are
5 not part of our threshold that we will -- staff will not
6 be able to support, and we will note that. We'll give you
7 that chance to look at that, but it is your decision to
8 make that judgment call, if it is more subjective. If
9 it's strictly a threshold criteria issue, you know, we can
10 say, well, it doesn't meet threshold. We're not going to
11 bring it to the Board.

12 We have, from time to time, brought projects to
13 you that require you to waive one of our policies or
14 threshold criteria. A few months ago, we had a loan
15 transaction which exceeded our \$2 million cap in the
16 lending program. It was over 2 million.

17 It was a very good developer. It was a great
18 project. Staff felt like it was worthy of bringing to you
19 and allowing you to decide whether or not you would want
20 to waive that requirement.

21 So there are circumstances like that, but we
22 also try to guide what -- you know, what the Board has
23 said before. In that particular case, the Board has made
24 exceptions to the \$2 million cap. We felt comfortable

1 bringing it back and allowing you to make that exception
2 again, if you so choose.

3 Generally speaking, I'd say too that any
4 developer, if they really wanted to push it, we would
5 bring a deal to you, but we would certainly let you know
6 as far as what it did meet as far as threshold criteria,
7 if the -- you know, we would first do that before we
8 pushed back too much.

9 MR. RASSIN: What's certain is that when you
10 present something to us, I usually give you the benefit of
11 the doubt and assuming that you think it's a good idea.

12 MR. DANENFELZER: Yeah.

13 MR. RASSIN: But I'm hearing that you haven't
14 reviewed it for that, only whether it meets the technical
15 thresholds, which means that subjective evaluation falls
16 to the Board, and I don't know that we've been doing that.
17 I think we've just been -- if you've been bringing it to
18 us, I'm giving you the benefit of the doubt --

19 MR. DANENFELZER: I guess my way of looking at
20 it is that the policies and the threshold criteria that
21 we've established are what we would generally consider a
22 good deal. So financially feasible deals, that's
23 something in our underwriting and that's something that
24 you've approved as threshold. The location of projects,

1 the types of projects, making sure that we're doing not
2 only the bare minimum of affordability in some cases but
3 above that, is things that we've presented to you as
4 policies and you've approved.

5 So we feel like that kind of metric -- the
6 metrics that we have, whether it's financial feasibility,
7 location, or the need of a community, are all things that
8 would help us good decisions about the projects that we
9 bring to you. But we can certainly explore other avenues
10 of how to determine that in the future.

11 MR. RASSIN: Are there circumstances under
12 which all of the thresholds are met, but you think the
13 Board should still reject it?

14 MR. DANENFELZER: Yes.

15 MR. RASSIN: Can you tell me about that,
16 please?

17 MR. DANENFELZER: I won't name the project in
18 particular, but there was a project a few years ago that
19 was located in a high-risk flood zone, and it -- well, I
20 should say, it was not necessarily directly in a flood
21 zone. It met the threshold requirement for the buildings
22 to be 18 inches above the actual flood level, but it was
23 in the city of Galveston, which receives not only a lot of
24 rain events, but also hurricanes.

1 This property had received damage from
2 hurricanes in multiple events over the last 20 years, and
3 staff just didn't feel it was -- they were spending enough
4 money and doing the right things to make the project safe
5 from hurricanes. But you know, we brought it to you
6 because it met all threshold requirements. We made that
7 note and we didn't recommend it to you, but the Board
8 debated the issue and made the decision.

9 MR. RASSIN: At the time, I wasn't there
10 when --

11 MR. DANENFELZER: Right.

12 MR. RASSIN: -- that was discussed. Did you
13 flag these concerns for the Board?

14 MR. DANENFELZER: Yeah, we -- staff flagged
15 those concerns and we did not recommend it formally, but
16 the Board debated it and they made their decision.

17 MR. LONG: Mr. Rassin, I might add that each of
18 the -- when you get your presentation, there is a section
19 that talks about the recommendation.

20 MR. DANENFELZER: Yeah.

21 MR. LONG: It's the back page. And that will
22 give you guidance as to the staff's recommendation to the
23 Board, whether that be affirmative or against, and that's
24 our way of saying, we vetted it to the point where we can

1 go through the thresholds. And based on that, as well as
2 some -- when we use the word "subjective," but we are
3 basically saying, at this point in time, we would
4 recommend it to the Board to move it forward from
5 inducement to next step.

6 MR. RASSIN: And that recommendation is based
7 on more than just meeting the thresholds. Correct?

8 MR. LONG: Say that again?

9 MR. RASSIN: And that recommendation is based
10 on more than just meeting the thresholds. Correct?

11 MR. DANENFELZER: Yeah.

12 MR. LONG: Yes.

13 MR. DANENFELZER: Yeah.

14 MR. RASSIN: Gotcha.

15 MR. WILLIAMS: Board, any questions?

16 MR. LEWIS: No questions. Thank you.

17 MR. DANENFELZER: That's all the comments I
18 have. I'm still here for questions, if you have any more.

19 MR. WILLIAMS: Okay. All right. If nothing
20 else, if I can get a motion for Tab Item 5?

21 MR. RASSIN: I move Tab Item 5 be approved as
22 presented.

23 MR. WILLIAMS: Okay. Motion has been made by
24 Mr. Rassin. Can I get a second?

1 MR. RICHARDS: I second.

2 MR. WILLIAMS: Second by Mr. Richards. Okay.
3 Okay. Before we move into a vote, any other questions,
4 comments?

5 (No response.)

6 MR. WILLIAMS: Okay. I've got a motion and a
7 second for Tab Item 5 on the Presentation, Discussion and
8 Possible Approval of the Publication of Draft Amendments
9 to the TSAHC's Joint Venture Development Guidelines for
10 Public Comment.

11 Moving to a vote, all in favor, say aye.

12 MR. LONG: Mr. Williams?

13 MR. WILLIAMS: Yes?

14 MR. LONG: Can we ask for public comment,
15 please?

16 MR. WILLIAMS: Oh, sorry, sorry. Is there any
17 public comment?

18 (No response.)

19 MR. WILLIAMS: Thank you for that.

20 MR. LONG: You bet.

21 MR. WILLIAMS: Moving to a vote, all in favor,
22 say aye.

23 (A chorus of ayes.)

24 MR. WILLIAMS: All opposed? Any abstentions?

1 (No response.)

2 MR. WILLIAMS: The ayes have it. Thank you.

3 That is everything from our open agenda items
4 today. Mr. Long, is there anything?

5 MR. LONG: No additional reasons to go into
6 closed session, and just a reminder, the next Board
7 meeting is Tuesday, the 17th, at 10:30, pending quorum
8 confirmation as well as items needed for the Board's
9 consideration.

10 MR. WILLIAMS: Okay. Let me see here. The
11 time, January 20, 11:54. Can I get a motion for
12 adjournment?

13 MS. CARDENAS: So moved.

14 MR. WILLIAMS: Thank you.

15 (Whereupon, at 11:54 a.m., the meeting was
16 adjourned.)

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C E R T I F I C A T E

MEETING OF: Texas State Affordable Housing Corporation
Board of Directors
LOCATION: Austin, Texas
DATE: January 20, 2026

I do hereby certify that the foregoing pages,
numbers 1 through 78, 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: January 26, 2026

/s/ Adrienne Evans-Stark
(Transcriber)

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7703 N. Lamar Blvd., Ste. 515
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