TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
June 16, 2026
10:30 a.m.

BOARD MEMBERS:

LEMUEL WILLIAMS, Chair
VALERIE V. CARDENAS, Vice Chair
DAVID LEWIS, Member
DAVID RASSIN, Member
ERNEST RICHARDS, Member (absent)

I N D E X

Consultation with legal counsel on legal matters B
Texas Government Code § 551.071
Deliberation regarding purchase, exchange, lease, or value of real property B
Texas Government Code § 551.072

P R O C E E D I N G S

(10:30 a.m.)

MR. WILLIAMS: I would like to call this meeting to order of the Texas State Affordable Housing Corporation. Today's date is June 16th. The time is 10:30 a.m.

I would like to go ahead and do a quick roll call. Vice Chair Valerie Cardenas.

MS. CARDENAS: Present.

MR. WILLIAMS: David Rassin.

MR. RASSIN: Good morning. Present.

MR. WILLIAMS: Ernest Richards is absent. David Lewis.

MR. LEWIS: Here.

MR. WILLIAMS: And Chair Lemuel Williams present. We have a quorum.

Before we go into our meeting, let's please stand for the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited.)

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

MR. WILLIAMS: Before we move into the President's Report, is there public comment?

(No response.)

MR. WILLIAMS: Okay. There is none.

Moving on to the President's Report. David Long, the floor is yours.

MR. LONG: Good morning, Members. The -- always the Board book, which is a little bit larger today. We have some bond options that we are going to be going over later. So, I hope you read every word on every page.

But if you haven't, we'll have experts here to help you look through those documents. They are in the meeting.

I did want to, again, remind you that Tab Items -- excuse me -- the reports are under Tabs A through D. And if you had any questions on those, we can certainly answer that.

The Loan Committee for the Corporation met last Tuesday, the 9th. In addition to reviewing our monthly HP and Texas Housing Impact Fund outstanding loan reports, the Committee reviewed and approved a 90-day extension for a $760,000 loan to National Church Residences.

And those funds were awarded to them for -- in support of Live Oak Village, which is a 76-unit multifamily community in Aransas Pass. That transaction being over $500,000, we actually approved it for the Board to consider today. And you will be looking at that under a future tab item, Tab Item 6, later today.

As always, I'd like to thank Mr. Lewis for his participation. He shows up in person. We get a chance to visit with him, and we appreciate his participation and input in the meetings.

So, thank you, Mr. Lewis.

MR. LEWIS: You're welcome.

MR. LONG: I want to give the Board members kind of an update on the State Auditor's energy efficient -- excuse me -- efficiency audit they were doing. I wish it was energy efficiency -- efficiency audit that they have been working on since February. I think we are coming up on the very end of that.

We had a call with them last week, kind of answering some final questions that they had of us. We submitted some documentation to them. And as a result, I think they are going to start working on the draft of the final report.

They completed their field work portion of that and, as I said, are now moved into the writing the report phase. The draft report is expected to be provided to us sometime in late July. Once received, we will have ten days to review that and respond back to any questions or comments that are in that report.

And then, we expect that the final report will be submitted and released by SAO in August, in mid-August;

August 17th is what they told us. And it will also get submitted to the Legislative Audit Committee.

The staff and the auditors, you know, will continue to work and provide updates to the Board throughout that process. But right now, we are pretty comfortable that we have submitted everything we need to submit.

I want to say a special thank you to all the staff in preparing and/or directly coordinating with the SAO, meeting with the SAO. It took a lot. And it says a lot to me when the SAO actually reached out to us in our last call and complimented the staff on how timely they were, how prompt they were. The information that was provided was accurate.

And so, we really want to recognize that. And I want to be honest and tell you that the staff did a ton of work to make sure that this efficiency audit got done timely. And everybody that participated in it, Melinda and her staff, Janie, all the directors, everybody that participated and gave any interviews or did whatever, they did a lot of work. And I want to thank them for that.

And I would have expected nothing less, quite honestly, of the staff, given how good everybody is. But it is always extremely rewarding when you hear it from an outside third party firm, especially the SAO. So, congratulations, and thank you to the staff for that.

On the single family update, we continue to see strong demand for our Single Family Homeownership Programs. We are averaging, approximately -- the report I saw this morning, on a running, rolling month, it is about $300 million, give or take, that we are seeing in reservation locks. That doesn't mean all those loans closed, but it is a pretty good sign that we are still seeing around $300 million a month, on a rolling month.

They continue to provide lender and builder trainings, the ownership team does. And in doing so, they are having significant outreach, including twelve realtor CE courses, as well as through our LoanDoc portal training, which is online training.

And then, we recently added two new lending organizations to that, bringing our total to 232 organizations that participate -- and loan officers, that is. But according to Sarah, it is 1,000 or more. So, we appreciate that.

Last month, excuse me -- later this month, TSAHC's Road Show, I keep bringing that up. Staff go out and travel. Later this month, we'll continue to provide outreach across the state with Delia representing TSAHC in El Paso, June 19th and 20th, for the Project Bravo 3rd Annual homeownership fair. So, we thank you to Delia for making that trip to El Paso and continue to have outreach across the state.

On the Housing Connection, the 2026 Housing Connection workshop has been scheduled for September 28 through October 2nd, and will be hosted in the San Antonio branch of the Federal Reserve Bank. And again, I just want to say thank you to them. They continue to be a major supporter and a sponsor of what we do, in terms of the educational component we provide to the outreach on that.

And the Housing Connection is really our way to train the trainer. And we really appreciate them being able to do that.

We are partnering with NeighborWorks America to offer the weeklong course on post-purchase homeownership/ buyer education. And three courses on affordable housing development. The trainings will be open to non-profit counselors and affordable housing developers. And we plan to open the registration for those courses in July.

And fundraising, the Corporation just received a $2,500 grant from Regents Bank in support of the 2026 Housing Connection training for non-profits. So again, thank you to all the sponsors who continue to provide lending to us.

And thank you to the staff who are outreaching to various sponsors and/or new potential sponsors to raise funds for us, in order that we can do this timely as well as efficiently in providing scholarships and stuff to the people that attend our trainings.

Under our Rebuild Kerr Program, in partnership with Community Foundations and Texas Hill Country Connective, we have submitted a new request for $1.5 million in additional funding to Community Foundation to provide down payment assistance for up to an additional eight to ten homebuyers that we are assisting through the flood disaster place in Kerrville.

This is in addition to the $4 million we have already received, which we will continue to work through, but anticipate we will be utilizing all of that shortly, based on the pipeline that we have. So, we anticipate that we need an additional $1.5 million.

They did come by our offices, not long ago -- last month, I think, and just sat down to say thank you. So, we appreciate them coming in to say hi and thank you. And continue the relationship with them, as we continue to help people and families that we have assisted so far.

If you don't know, June is National Homeownership Month, and we are celebrating by releasing new testimonial videos from three homebuyers using our programs. We are also releasing new resources for lenders and realtors, including new Training the Trainer webinar that homeownership team put together to help our lenders and our realtors promote our programs across the state. And to those that are not -- other professions, but also to potential homebuyers. So, if you have a chance, you can go on our website and maybe find some of those.

We also continue to run ads on streaming platforms and social media promoting our programs. Since mid-April, these ads have reached more than 400,000 people statewide and generated 5,000 clicks on our ads and our website.

And so again, thank you to our team for putting that all together and making sure that we have promotional stuff on our website that is very nice to have access to, and making it easy for our potential borrowers and people that want to work in our programs.

I have mentioned this several times before, and I will bring it up again. We continue to make progress on the redesign of our new website. It is a longer process than I think anybody expected. But we are still testing the site internally and plan to send it to external partners for testing in July.

And hopefully, with that, then we believe the site will be ready to be opened at end of summer. So, we'll keep you posted on that. But at least we are making progress. And I am really excited to hopefully have that new website open before the summer is over.

Lastly, we are finalizing our 2025 Annual Report. We plan to release this at the end of June. The report will include success stories and testimonials highlighting our programs and some of our input, feedback from our partners.

They actually came to video me. Hopefully, that doesn't make it in. But I think they are going to force me to have that in.

And as well as a snapshot of our financials and a shout-out to all the funders. And there is just a lot of funders that go into that, so I am not going to sit here and try to name them. But thank you to all the funders for they helped us put that out.

The Texas Foundations Fund, we have awarded $1.2 million to 76 organizations that participated in our 2026 round of funding. We have three additional applications that we are currently reviewing. And we anticipate that all funds will be committed by the end of this month.

So, again, thank you to the Board for allowing the staff those funds available in our budget. It continues to be highly demanded. And we are very excited that we can use those funds to put into the hands of non-profit organizations that work with us to be used on the ground in our communities.

And it is still my favorite program we offer. It is just phenomenal. We put our money back into the communities that we serve across the State of Texas.

Actually, under Tab D, I have mentioned it earlier, there is a full list of all the grantees to date that are in that. So, if you wanted to look and see them in there.

A quick update on TxDOT, which is our project at TxDOT with the I-45 expansion project. The public comment period for the draft revitalization plan ended on May 22nd.

TSAHC and AB Land Planning diligently considered all public comments received. And we'll be seeking approval today as the plan is finally being finalized today in front of the Board, under Tab Item 2.

We have guests here that will be speaking on that with our staff. So, hopefully, if you have any questions, we can answer those. We look forward to having the Board's consideration of that, so we can move it forward to Phase 2.

I want to extend a special thank you AB Land Planning, and all the work that they did during Phase 1, and also to Katie, Michael, Shelby, and all the staff, Janie, everybody that participated in that. A lot of people went down, did visits down there and public hearings and all that, to make sure we got that done. And so, a special thank you to all those people that participated.

I just don't think people understand how much time and effort goes into doing that. And we are very pleased to have that all kind of done and being wrapped up. And hopefully, the Board will give consideration and approval of that plan today.

Mr. Chairman, with that, the only other comment would be that our next scheduled meeting is Tuesday, July 21st at 10:30. And we'll continue to keep that open until we know exactly what we have on our agenda, and what the availability of Board members are.

And with that, unless there is any questions, I will conclude my remarks.

MR. WILLIAMS: All right. Thank you.

Board members, any questions?

MS. CARDENAS: I do, Chair. Just a comment on the Kerr County project. I know you said that there is -- based on the pipeline, an additional eight, I guess, families came in, which equates to about $1.5 million?

MR. LONG: Well, we have about -- we know we have about eight to ten, $1.5 million will assist us, based on our previous usage, about eight to ten families.

MS. CARDENAS: So, my question is, is there any anticipation, you know from -- I know you said, initially, it was $4 million.

MR. LONG: And 1.5.

MS. CARDENAS: And now, 1.5. Do you anticipate any other families coming forward? Or is there a time frame as to, you know, when there will be no more access to this funding from additional families that maybe have not come forward?

MR. LONG: I think we are -- I don't know. Quite off the top of my head, I don't know. Actually, Janie and I will be there on the 23rd for a presentation that they have asked us to join them on. We can ask and see if they have got other families going.

I do know that we worked with a realtor group to make sure that we have access to that, that the borrowers have access to that program. But I can't tell you the scope of the families that are still impacted, that may need or qualify for the assistance. I do know that we have not tried to turn anybody away that qualified, in any way, fashion, or form, due to funding.

MS. CARDENAS: And that is where I was alluding to, right, is that maybe that is an open discussion to continue to have. So, you know, should we have other families that maybe have not come forward today, is there going to be access to additional funding, right.

Rather than you know, this is a time frame. You know, everyone should have come forward by now. So, I was just trying to see how it was determined, since you were able to allow an additional $1.5 million.

MR. LONG: We are asking for $1.5 million. I mean, obviously, it is up to the community and the Foundation to decide whether they want to give us that funding. I am assuming they would continue to fund, but I can't speak for them. But I would assume they would continue to fund as long as there was need.

I think they have the resources. But again, I would have to ask them specifically what their thoughts would be on that. But again, the request was something that they suggested we could make. We do know that it would serve about eight to ten families, based on the previous work that we have done.

And so, Joniel wants to come up and speak to this as well, I guess.

MS. LEVECQUE: Hi. Joniel Levecque. So, we have had meetings with the Community Foundation and Connective and looked at how many people they had currently in the pipeline that they felt would be suited for down payment assistance to come up with that $1.5

million figure.

As far as the second question, in knowing who may not have applied, we don't know. But I think that they have mentioned that our program has been one of the more successful programs in helping assist these homebuyers.

So, I think they may be open to -- they only had so much available. But they may be open to a future amount to be awarded, if we see that there are more folks in the pipeline. But right now, that $1.5 million is based on what is in the pipeline.

MR. LONG: Thank you very much.

MS. CARDENAS: Thank you.

MR. WILLIAMS: Board members, any other questions or comments?

(No response.)

MR. WILLIAMS: Okay. David, thank you.

MR. LONG: You bet.

MR. WILLIAMS: Moving on to our open meeting action items.

Tab Item 1, presentation, discussion and possible approval of the Board minutes held on April 21st of 2026.

MS. CARDENAS: Motion to approve the minutes as presented.

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

MR. LEWIS: Second.

MR. WILLIAMS: Second by Mr. Lewis. Any questions or comments?

(No response.)

MR. WILLIAMS: Any public comment?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: Okay. The ayes have it. Thank you. That was Tab Item 1.

Moving on to Tab Item 2, presentation, discussion and possible approval of the Housing Revitalization Plan to support the administration of grant funding provided by the Texas Department of Transportation to support affordable housing initiatives in communities affected by the Texas Department of Transportation's North Houston Highway Improvement Project.

MR. WILT: Good morning, Board members, Chairman Williams, Vice Chair Cardenas, other members. I am Michael Wilt, Senior Manager of External Relations here at TSAHC. I'm joined by Alfred Henson, our primary consultant on this engagement.

I am going to give you a little bit of history leading up to this. Hopefully, you have some familiarity with it or, a lot. And David provided context to it, as well.

But you will recall that this is an engagement that we entered into with TxDOT in 2024. Our first task was figuring out how to create this housing revitalization plan. We issued an RFP because we knew that we weren't experts on this.

We issued that in the fall of 2024. We selected the ABLP Team, which includes Alfred, Roberta Burroughs, and Algenita Scott-Davis. And went under contract with them in 2025, with a one-year clock that began for them to develop the housing revitalization plan. And it was broken down into two big components.

The first was the development of the community needs assessment, which was completed in the fall of 2025. That document was not put out for public comment at the time, because the intention all along was to include the community needs assessment in the housing revitalization plan which would be offered up for public comment.

Beginning in late 2025, and early this year, they created the housing revitalization plan. It was submitted to this Board as a draft plan in April. That is the last time you all considered it and offered it up for public comment.

We held a series of public meetings, one in each neighborhood. I attended two. Katie attended two. In addition to that, we accepted public comment. I was the main recipient of the public comment.

There were -- the most popular comments were surrounding brownfields. There seems to be some unanimous agreement from several stakeholders that the brownfields were underrepresented in the plan. And those comments were taken into account, and language surrounding the brownfields was ultimately changed in the final plan.

We also had a comment about home repair activity. And we had to respond that home repairs were not an activity that TxDOT intended to support as part of the revitalization efforts.

Alfred can speak to the other direct engagement that was done throughout the communities. Public comment has since been -- other public comment has been reflected in the final plan as well, which is before you. We sent this final plan to TxDOT at the beginning of June, June

6th, and that fulfills our obligations with TxDOT for Phase 1.

I can speak to Phase 2 activities, but I want to make sure that I stop there and give Alfred a chance to comment on anything that he wants on this plan. You will notice that the changes between the draft plan and the final plan have been highlighted for your ease.

MR. HENSON: Yes. So, good to see you all again. Since last I was here, there were some things that was asked of me as it relates to getting public comments, as many as possible. And I will apologize that in a second.

But speaking to the brownfields piece, our initial data collection, we stayed local on the follow-up after the comments. We changed that; those would be some of the mandatory changes in the plan, where we actually got state and federal data to ensure that we covered all bases as it relates to what is identified as a brownfield. A lot of information was potential, not necessarily official. So we knew if we went state and federal, we'd be covered, and we'd cover TSAHC as well, as it relates to the plan.

As it relates to what we did after, to get more comments on the draft plan, we did do those after we left. We did those draft plan meetings, and they were very informative.

Now, I will say and admit, in some of the forums, they were small, but very, very good. I think Michael attended one of those. They were very specific. And it was almost like a workshop, and they worked together.

I think that was Independence, near north side. So, what we did after that to make sure we bolstered the numbers and had a more -- representation of the community, we created a Survey123 document.

A survey, a digital survey -- and we went to a lot of community meetings and basically just went out there and asked folks to do it while they were at meetings. And we got more numbers. We wanted more.

I think the number was 60 that was requested, I believe, by Board member Rassin -- I could be mistaken -- about, get as many comments as we could. But we did pretty good with the digital survey.

So, we wanted to make sure that those who were invited to this meeting, those who came, those who weren't were able to actually give input on everything. And I feel very comfortable with the input that we received. And this is reflected in the final draft plan -- the draft final plan, until it is actually approved.

MS. CARDENAS: Can you -- I see, obviously, the term "brownfield" typed -- you know, Independence Heights brownfield -- more so for my knowledge, what is brownfield sites?

MR. HENSON: Brownfield means there is a level of contamination. So, that could be from maybe a service station, an underground storage tank, or any kind of contaminant that would be -- that the federal government or state -- well, really, the federal government would identify as a contaminant.

Just to give a breakdown. I did leave Independence -- I'll start at Independence Heights. I believe they had one near north side, may have had two or three, but Fifth Ward had the most brownfields. Some of that could have potentially been from -- some of that could have been from multiple contaminants in the Fifth Ward area.

I think it was -- 33 is listed -- 33 sites, brownfield sites. And I believe Third Ward had one. So, if you know the history of some of the things that are happening in the Fifth Ward that might assist it, what some of those additional contaminants may be.

MS. CARDENAS: So, Michael, you mentioned that one of the public comment concerns was that it was not represented well. Or I guess --

MR. WILT: The brownfield sites?

MS. CARDENAS: Yes.

MR. WILT: That they were underreported.

MS. CARDENAS: Or underreported.

MR. WILT: Yes. Probably, it shouldn't come as a surprise to anyone that census tracts that have a concentration of low to moderate income households tend to be overrepresented with brownfield sites and historically have been neighborhoods where some less savory uses of the land have been done over time. And it results in contaminated sites, which can be very, very expensive to clean up, in the absence of, you know, local sources of brownfield remediation, or even federal sources of brownfield remediation.

So, they just wanted to make sure that the consultant team leaned all available resources to actively report brownfield sites, which they have since gone back and done. And to also kind of recognize that while the site may be developable on paper, because of the brownfield site, you don't have an accurate understanding of how much it is going to cost to remediate. And that can make projects unfeasible.

MR. HENSON: Also, I would like to add that there was, I think, in some of the comments that a brownfield site is not necessarily an impediment, where we spoke to it as an impediment. So, semantically, we turned around and said, challenge. We used challenge just to make sure we were fair in our wording.

MR. WILT: Yes. Brownfield sites can be redeveloped. Our old office, for those of you that were on 2200 MLK, sat within half a mile of a brownfield site, where the MLK Red Line station is. And -- but it took extensive remediation over years and years to make that a developable site.

MR. LEWIS: So, who keeps the liability for that remediation? Is it the developer or is it the seller of the property? Do they keep that liability, or is it transferred on? Or what is --

MR. WILT: The liability for exposure to potential contaminants in the absence of complete remediation?

MR. LEWIS: For remediation of that. Right.

MR. WILT: I don't know.

MR. HENSON: I can't speak to that professionally, either.

MR. LEWIS: That's okay.

MR. WILT: Dave may know. Dave Danenfelzer?

MS. SCOTT: I am just going to look it up. It is something we learned about in Property, in law school. But do you know, Dave?

MR. RASSIN: Can you ask the question again, please?

MS. SCOTT: The liability for the brownfield.

MR. LEWIS: Does it remain with the people selling --

MR. HENSON: Owner.

MR. LEWIS: -- or that created the issue? Or does it transfer to the buyer of that property, or the developer?

I have heard of projects that people walked away from because they discovered these sorts of issues. And they just said, you know what, this is going to break us if we move forward. So they just walked away from it.

I just didn't know if that could be the case here that all of a sudden, you have got a discovery of some contamination that is to a level that just makes it unfeasible. Because that -- want us to understand that liability does not go away.

MR. RASSIN: I don't know the rule in Texas. I know that a lot of it is going to be fact-determinative.

MS. CARDENAS: So, I guess that is where I was just wanting to understand, because I am just learning about brownfield, right. So, was that the concern is that it was underrepresented? And they have the perception that it was underrepresented because of the, I guess, remediation process. Or just the, I guess, the cost associated with developing a potential property that is contaminated.

So, were they voicing a concern that it is underrepresented, and they know why it is underrepresented? Or was it, it is all cost effective or not cost effective?

MR. HENSON: I believe those who made the comments were doing clean-ups at the time and have land that may have been contaminated. And we -- again, we used local data opposed to federal and state.

But I think that was the concern, because they are out in the field working with brownfield clean-ups and sites.

MS. CARDENAS: But are they part of this revitalization program? Or they are not?

MR. HENSON: Those are the persons who made -- or are the entities that made the comments.

MR. WILT: There weren't enough brownfield sites identified in the draft plan. That wasn't an accurate representation of the number of sites that proliferated these neighborhoods. That was their main concern. And also, costs associated with that.

MS. CARDENAS: Right.

MR. WILT: But it is largely -- that is site specific. It is an unknown until you start digging into the site.

MR. HENSON: And I also believe they just did not want it to be in the plan as an impediment, to say, hey, there is a brownfield site. You can't -- you shouldn't develop on it.

So, I think they wanted to make sure it was understood that it wasn't an impediment. And again, we -- semantically, it is more of a challenge, if we start thinking about costs.

MR. WILLIAMS: So, I guess, when it was addressed as a challenge, what was the reaction after that? Because I mean, it is wording.

MR. HENSON: Semantics.

MR. WILLIAMS: When you say impediments, it is like, oh, red flag. But then when you say challenge, it is like, okay. You know, we could potentially work with that.

MR. HENSON: Right.

MR. WILLIAMS: So, what was the response or reaction afterwards?

MR. HENSON: I guess we'll see --

MR. WILT: Yes. We haven't heard from them. But I mean, I think -- we are not saying you can't, right. And so then, it becomes a conversation in the grant-making portion of this, where we are looking at somebody who is bringing us a development proposal, and says, we have identified these brownfield sites we want to build on.

Then, I think that becomes a calculus. Well, what is that going to cost. Have you really thought this out as part of your development plan, et cetera, et cetera.

But we are not prohibiting it in the plan, anywhere, from developing on a brownfield site. I think they just wanted to make sure that all the information is accurate on what existed out there.

MR. WILLIAMS: Yes. Great. Thank you.

Any other questions?

(No response.)

MR. WILLIAMS: Okay. Michael, did you want to continue. Did you have --

MR. WILT: Well, I mean, if you want to know about what is on the horizon, I can go into comments on that. But I also wanted to make sure that the brownfield conversation didn't derail the other 154 pages of this document.

MS. CARDENAS: Yes.

MR. WILT: So, to the extent that you all have questions or comments surrounding anything else, we are here to answer those.

MS. CARDENAS: No. I just wanted to understand it. Because I was not, you know, well versed with just -- you kept throwing brownfield. And so, you know, I just wanted to better understand what that actually meant.

MR. WILT: Okay.

MR. WILLIAMS: The floor is yours, if you want it.

MR. WILT: Yes. Like I said, this wraps up our engagement of Phase 1, officially, with TxDOT, once we sent the final draft plan to them. We welcome any comments or feedback that they have. We will certainly honor that.

Our next step is we have already -- the Phase 2 of this is the grant-making component of the engagement, which is the longer engagement, the most -- more important one. We have posted a job description for a grant program administrator. I am getting hundreds -- literally hundreds of resumes for that position.

With the intention of having someone located in Houston, who can stand this program up, who can set up the advisory council that will be making decisions, who can set up the grant guidelines for how we will be making the grant determinations. We may have other consulting needs. We already know.

We have identified some -- on how to populate the advisory council, the feedback on the guidelines, promoting the grant opportunities. We have asked Alfred to scope that out. We may need other consulting services into the future with this program.

And our goal is to have this grant program stood up by the end of the year. Hopefully, making some grant decisions for the new year.

To put it in perspective, you know, this is a $28.5 million grant program. Our existing grant program, which is our largest, is the Texas Foundations Fund program, which is $1.25 million a year. So, this is 25 times the size of that.

Now, of course, we will probably have way more grantees in Foundations Fund than we will in this. But we know how much of an administrative burden the Foundations Fund program can be. And so, we felt very strongly that we needed to hire someone with the exclusive job being to operate this grant program and to be located in Houston, and hopefully, to have some familiarity with the impacted neighborhoods.

So, that is where we see things going into Phase 2. We are not under contract with TxDOT yet for Phase 2. We are still waiting for their draft for that. We will not make any hiring decisions or fiduciary decisions until we have an agreement that governs Phase 2 in place.

MR. WILLIAMS: Okay. That is it.

MR. WILT: Yes.

MR. WILLIAMS: It was a brief stop.

MR. WILT: I like to do that.

MR. WILLIAMS: Thank you for that.

So, I guess, Mr. Henson, a question. I guess, is Mr. Henson going to be part of Phase 2?

MR. WILT: He has scoped out an engagement for Phase 2 and we are mulling over it, but we can't make a decision in the absence of an agreement.

MR. WILLIAMS: Understood. I guess, Mr. Henson, concerning this -- I guess, if you are able to comment, if not, understood.

I guess, kind of, thoughts, feedback. You know, what potentially you would have done better. Just kind of self assessment on this.

MR. HENSON: So funny you would ask that, after I have gone through the document. Like I said last time, the plan typically takes about a minimum of 18 months. I would have liked to have a little more time to do a brush through. I found a couple of things I would have changed aesthetically.

As it relates to community feedback, I would have really liked to go into more venues, into the neighborhood, been able to catch more people -- in the summertime, with a digital tool, to collect that. Because, if you saw the tool, it is awesome -- Survey123. My [inaudible] GIS, so we use Survey123, and it is amazing.   You can put a picture of a house and ask them to give feedback on the housing types.

But I would have gone a little more -- drilled down a little bit more into some of the archetypes that fit more into the characteristics of the neighborhood for really good, real solid feedback that was -- I am comfortable with this, but I think that would have been what I would have changed.

MR. WILT: I mean, I tend to share, not the opposite perspective but a counter one, in that I was impressed by the level of granularity when it came to the development program and the typologies they proposed for each of the neighborhoods. I tend to be, personally speaking, a proponent of a little bit more gentle density than what was proposed. But you have seen firsthand sort of the neighborhoods' response to this.

I think that there is not going to be, you know, a giant wall of opposition from neighborhoods when it comes to development proposals that are submitted. I think that this will provide a good entry into any sort of development activity, given the level of direct neighborhood feedback that was available. So, I mean, I couldn't be more pleased with sort of how granular it was.

MR. WILLIAMS: Michael, question for you, since you mentioned that you want to try to get this stood up and possible grants out by this year. Do you see this bleeding into the 2027 fiscal year, which starts up on the legislative session? And if so, will, I guess -- the Lege being in session, will there be any impact on this?

MR. WILT: No. I think the agreements that govern our engagement were prescribed at the federal level. So, I don't anticipate any tinkering at the state level in regards to this. I can't -- I mean, it is something that we will talk about in our engagement with TxDOT, with Capitol offices. We have talked about it in our Annual Action Plan, and we will start to reference it in our Annual Report.

It is very much out there that we are doing this alongside TxDOT. We have never -- it is not something that, you know, could be subject to the budgeting process, or anything like that. This all sort of lives outside the realm of Capitol activities.

And if anything, I would hope that TxDOT would celebrate what they are doing as well. It is going to be a huge impact to these neighborhoods.

I also would be remiss if I didn't thank Katie and Shelby. Katie pays close attention to detail, closer than I do. And then, Shelby is just a masterful document manipulator, finalizing everything. And there is no way we could have done -- finished this in the time that we did, without either of those --

MR. HENSON: Hear, hear.

MR. WILLIAMS: Okay. Board members, Any other questions or comments?

MR. LEWIS: I have a quick one. I brought this up, I don't know if it was last meeting. Maybe the one with the Board when you all were here.

And I am not trying to pivot this or stack more on top of it, but to me, it seemed like a good time to bring it up -- is Dallas. I mean, you have got the southern work being done on 45, and you have the same issue up in Dallas. And it seems to me that we have people's attention, TxDOT's real attention. And everything is kind of starting to go smoothly.

If you take those same efficiencies and then throw these same efforts into Dallas because they have got the same -- I am not trying to speak on Dallas' behalf. But I do know that they have the same issues at the north end of 45. Has that been a thought, or is that just too much right now?

MR. WILT: If the question is, is TxDOT going to do this for other huge transportation projects that are done in the heart of our big urban areas --

MR. LEWIS: And that's what this is.

MR. WILT: -- the answer is, we don't know. Well, because the same thing is being done with I-35 realignment in Austin.

What we do know is that there was litigation surrounding NHHIP. We know that there were -- you know, there were agreements to sort of end that litigation, that this was a component of those agreements. That there was probably -- I don't know all the history of this, other than what has been relayed to us. But you know, there was an agreement with the Federal Highway Administration -- is that the government body?

MR. HENSON: FHA.

MR. WILT: FHA. And under the previous administration. So, my sort of inclination is that this was a one-off to get the NHHIP fully improved and to get it, you know, sort of going.

You know, if there were several similar litigation over the I-35 expansion or whatever they are doing up in Dallas, then maybe that is a conversation that TxDOT would be willing to have. But you know, it has been our understanding all along that TxDOT was going above and beyond what they were required to do, and that there were other sort of agreements that they had to honor in order to do that.

MR. LEWIS: I don't know if you all know much about 45 up there in Dallas. But you know, they are totally rerouting a lot of those highways just south of downtown. You know, they've got that inner loop. And they are doing that to kind of rejoin the neighborhoods that were split apart back in the 1950s when they built those highways.

So, I mean, it would be unfortunate that you would have to have some sort of litigation that was the jumpstart to the whole project. It would be nice if it was a little bit more pleasant to initiate this.

But anyway, again, I don't want to try to, you know, pivot this thing too hard. I really appreciate to see all the work and the advancements you have made here. But I'm just hoping that somebody can have those discussions with the Dallas folks and with the TxDOT, or whatever the entity is, to maybe do the same thing up north.

MR. WILLIAMS: Board members, any other questions? Comments?

(No response.)

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

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

MR. RASSIN: Second.

MR. WILLIAMS: Second by Mr. Rassin. Any comments or questions?

(No response.)

MR. WILLIAMS: Any public comment or questions before we move to a vote?

(No response.)

MR. WILLIAMS: Okay. There has been a motion and a second on Tab Item 2 as listed in the Board agenda. All in favor, please say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

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

MR. WILT: Thank you.

MR. WILLIAMS: Moving on to Tab Item 3, presentation, discussion and possible approval of a resolution approving a General Indenture of Trust relating to bond-financed single family loan programs, and containing other matters incident, and related thereto.

MS. ELLINOR: All right. Are you all ready?

All right.

Good morning. I am Sarah Ellinor. I am the Senior Manager of Homeownership Programs. Today, I will be presenting three tab items related to a new bond appropriation seeking to issue.

Joining me this morning are several professionals who will assist me in presenting the first tab and will be available for any questions you might have on all three tab items.

First, we have Bob Dransfield with Norton Rose Fulbright as our bond counsel. We also have Jeremy Obaditch with CFX, our new financial advisor.

And Cindy Harris in the audience, she is also with CFX, if you want to wave your hand. And then, we also have Chris Spelbring with Raymond James and Associates, serving as underwriter, in the audience as well.

And furthermore, although they are not in attendance today, I want to acknowledge two other teams that are supporting our bond issuance, which you will hear more about in the next tab. Barnes and Thornburg is serving as disclosure counsel, and Lakeview Loan Servicing will continue in its role as master servicer.

With that, I would like to turn it over to Jeremy Obaditch, our financial advisor, to discuss the benefits of our new general indenture structure that we intend to create. And then, Bob Dransfield, bond counsel, will present the first tab item regarding the general indenture for approval and provide any additional comments on the documents and structure that you may have.

So, with that, Jeremy.

MR. OBADITCH: Thank you, Sarah. Good morning, Chair, Vice Chair, and Members of the Board. My name is Jeremy Obaditch. I am a managing director at CFX Incorporated.

CFX is an affordable housing firm with approximately 25 professionals dedicated exclusively to affordable housing finance. We currently serve as financial advisor to approximately 20 state housing finance agencies across the country, including organizations very similar to TSAHC. Our practice is focused entirely on helping housing agencies structure, finance, and manage single family and multifamily bond programs.

I personally have been with CFX since 1994, and have spent almost my entire career working with housing finance agencies on the development and implementation of financing structures designed to improve program efficiency, preserve resources, and expand access to affordable housing opportunities.

Today, I would like to discuss the proposed open indenture structure for TSAHC's homeownership mortgage revenue bond program, and why we believe it represents an important strategic enhancement to the Corporation's single family financing platform.

At a high level, the recommendation before the Board today is not simply an approval of a new bond document. Rather, it is the establishment of a long-term financing framework that will provide TSAHC with greater flexibility and efficiency, and sustainability in administering its homeownership programs.

Previously, TSAHC has utilized standalone bond structures, where each bond issue is created, administered, and managed independently. Under an open indenture, multiple bond series can be issued under a single master indenture framework, creating a more efficient and scalable platform for future program growth.

From our experience, working with housing finance agencies across the country, this type of structure has increasingly become the industry standard, because it provides agencies with greater operational flexibility, more efficient use of capital, and a stronger long-term platform for supporting homeownership lending programs. There are several key benefits that I'd like to highlight.

First, capital efficiency. One of the most significant advantages of an open indenture is the ability to recycle mortgage repayments and prepayments back into new lending opportunities. Instead of capital being trapped within an individual transaction, repayments can be redeployed to support future borrowers. And this allows TSAHC to maximize the use of existing resources.

Second, preservation of volume cap. As anyone in this room knows, private activity volume cap is an extremely valuable and limited resource. An open indenture provides TSAHC with greater flexibility to utilize recycling and refunding strategies that help preserve volume cap and maintain long-term lending capacity. Simply put, it helps TSAHC get more production from the resources already available.

Third, continuous funding program. Traditional standalone bond structures can create funding gaps between bond issuances. An open indenture supports a continuous lending platform by maintaining ongoing access to lendable proceeds. This means greater consistency for TSAHC, participating lenders, and ultimately, Texas homebuyers.

It also improves production forecasting -- I am sorry. It also improves production forecasting and reduces operational disruptions.

Fourth, greater program flexibility. Market conditions change quickly. Interest rates change. Borrow to mark changes. Down payment assistance needs change.

The open indenture structure provides TSAHC with greater flexibility to adjust loan pricing, program terms, and assistance levels, without having to restructure an entire standalone financing. This allows the Corporation to remain competitive and responsive to market conditions, while continuing to advance its affordability mission.

Fifth, operational efficiencies. From an administrative standpoint, the benefits are substantial. Rather than maintaining separate compliance reporting, trustee, and monitoring processes for every bond issue, many of these functions can be centralized under a single program structure. This reduces duplication, improves efficiency, and allows staff to spend more time focusing on program delivery and strategic initiatives, rather than just transaction administration. Getting near the end.

Sixth, stronger longer term financial management. The open indenture allows TSAHC to manage assets, liabilities, reserves, and cash flow on a portfolio wide basis, rather than by issue by issue. And this provides greater flexibility in financial planning, reserve management, and overall program sustainability.

And finally, market acceptance. Open indenture structures have become the industry standard across many state housing finance agencies because they provide broader asset diversification, potential cross-collateralization benefits, and a more durable financing platform. The rating agencies, investors, generally view these structures more favorably because of the flexibility and diversification they provide relative to the previously used standalone bond structures.

So, in closing, the proposed open indenture is designed to enhance and expand TSAHC's offerings to its borrowers of the future, provides more efficient financing platform, supports continuous lending capacity, improves administrative efficiency, preserves valuable resources, and enhances the Corporation's ability to adapt to changing market conditions. For those reasons, we believe that the open indenture framework represents a prudent and strategic step forward for TSAHC's homeownership mortgage revenue bond program.

So, thank you. And I am happy to answer any questions you have.

MR. WILLIAMS: Board members?

MR. RASSIN: Thank you for your presentation. I asked a similar question earlier from -- of Mr. Long. Could you speak a little bit about the cross-collateralization provisions, and whether a default on, say, one mortgage could trigger a series of defaults?

MR. OBADITCH: Absolutely. So, open indentures by definition mean that every issue that is sold under this sort of master trust are all pari passu security for all of the bondholders that participate in the open indenture.

So as we start the open indenture and we have a sequence of issues -- and I have some agencies who have been doing this for 40 or 50 years, issuing bond issue after bond issue after bond issue, all within a common master open indenture. Every bondholder that buys a bond within that trust is secured by all of the assets that were part of the trust.

So, a bondholder buying a bond in 2026 may have assets, part of the trust, which are providing security for that bond, which were issued 30 years ago. In some cases, 40 years ago since we have single family and multifamily. So, we have some 40-year-old multifamily mortgages.

And so, cross-collateralization is just that, is that individual issues do not just rely upon the security of the MBSs or the mortgages which finance -- which were financed by those bonds, but all of the assets within the trust. So, that is the concept of cross-collateralization.

Now, let's say we have a default on a single loan or, you know, a default on a single loan within the master indenture. Each of the bondholders are going to incur the cost of that default. But the good news is that because that cost of that default is spread so widely across so many bondholders, there effectively is an immaterial effect.

Now, obviously, if there are massive defaults across, you know -- and we went through the global financial crisis. And we have been doing this a long time. And those were some tough times.

We had no state housing finance agencies across the country -- not just CFX lines, but across the country -- that defaulted on their scheduled bond debt service. There were lots of downgrades. There were lots of stressful issues relating to securing liquidity for variable rate bonds. And there were lots of implications to HFAs that had swaps, because that was a big part of the GFC.

But there were no defaults across -- of payment of bond debt service. And the whole notion of having a large master open indenture is more attractive for bondholders, precisely because of this cross-collateralization. There is actually more risk in TSAHC's prior standalone issues than there will be going forward with -- under the open indenture.

But just a step back. TSAHC has done a tremendously good job managing their single family standalone issues to date.

One, they have had the highest ratings -- effectively, the highest ratings, so matching the ratings on the U.S. sovereign debt, which is about as high as you can be. We have some who are above sovereign debt, but that is a hard story to tell, that a housing agency is above the sovereign debt rating.

So, TSAHC has done a tremendously good job of managing that, because they have been doing mortgage-backed securities collateralized programs. So, TSAHC makes a mortgage, but then it is packaged by the master servicer into a mortgage-backed security, which is then effectively guaranteed by the federal government through either Ginnie Mae, Fannie Mae, or Freddie Mac. And so, that has been a very safe and secure way to run standalone bond issues.

So, default expectations across those standalone issues is very low. But putting this into a master indenture only enhances that credit position and provides all these other benefits related to increased flexibility, preservation of volume cap, better continuous funding for borrowers and lenders. So, a long answer to a maybe a short question.

MR. RASSIN: That is okay.

MR. OBADITCH: Okay. Thank you.

MR. LEWIS: I have got a number of questions. I mean, I was a mortgage buyer for a good while. You know, not understanding if this is a competitive process amongst the dealers, or not. If this would make the issues more subject to being placed into structured note issues, where you end up with a group of very safe, and a group of very unsafe or questionable, like REMICs, tiered [inaudible], things like that. If those --

MR. OBADITCH: That is not part of our --

MR. LEWIS: That is not a [inaudible]. Okay. So, this is --

MR. OBADITCH: We are not doing tranching. We are not doing senior mezz type structures. These are all generally -- they are all, what is the best word, very sort of vanilla bond structures sold to retail and institutional investors.

MR. LEWIS: Right.

MR. OBADITCH: Generally, bonds sold apart. Some at a premium. Some with some special features, what we call PAC bonds.

That is the most structure we would get to, which is where we will sell an issue and carve out a certain portion of that issue and sell it -- sell a long 30-year maturity bond with a five year -- an expected five-year average life, by dedicating pre-payments.

MR. LEWIS: Right.

MR. OBADITCH: But that is the most structure that you generally see in this world. We are not getting into REMICs and all that type of stuff.

MR. LEWIS: So, you are not going -- you are not looking to package these with other issuers so that you have some diversification across areas of the United States, or credit levels, or income levels, or anything like that?

MR. OBADITCH: No. That is not what we -- that is not what TSAHC will do. And that is not what we will do.

Now, investors may -- investors will buy these bonds, and they will create their own -- let's say derivatives. But they will put them into funds. And they will do some sophisticated modeling.

They may do their own hedging against that. We sell a fair number of bonds to the FHLBs. We haven't cracked Dallas yet, but really, we are working on that there. If anyone has got any contact there, we'd love to figure out how to break that in.

Because we get them to buy bonds. And what they will do, is they will buy the bonds. And then, they will hedge directly themselves, because that is the business that they are in.

But that won't impact TSAHC in any way, whatsoever. You will have, basically, vanilla bonds.

MR. LEWIS: So, do you have ideas of cost savings, in terms of either basis points or dollars, to either TSAHC or the borrowers themselves? I mean, there has got to be efficiencies. That is what we are speaking to.

MR. OBADITCH: Right.

MR. LEWIS: So, I am trying to figure out what that figure is, as well.

MR. OBADITCH: Yes. Okay. So, that is a great question.

So, generally, state housing finance agency bonds, which are sold -- which is what you are, sold under an open indenture, generally price anywhere from five to 15 basis point better than what we'll call a local HFA, who is issuing standalone. And you have basically been kind of -- for better or worse, even though you are a state agency, you've been kind of -- when you have been selling your standalone issues, you have basically been put in that box.

Now, the way bonds -- and Chris can speak about this -- the way bonds price, it is very, very difficult to build comparisons that are precise, because pricings happen on different days. Every credit is a little bit different. We have got 50 states. You have got a bunch of local agencies.

So, trying to find the apples to apples is very, very difficult. But generally, yes. That pricing, that matters. And that translates into lower borrowing costs for your Texas borrowers.

The other thing that is, I think, important here is that we are anticipating that the borrowing rate for borrowers who come through loans financed with the new TSAHC open indenture will be anywhere from .25 to 5/8 basic points lower than what you are getting on your -- what borrowers are getting on their TBA program, for a comparable 5 percent DPA, FHA insured loan secured ties with Ginnie Mae.

So, we are looking to generate savings for borrowers through this open indenture trust. And we think also, it is going to allow -- you know we have got the volume cap preservation. That is worth a lot. Right?

Having volume cap up means that you can sell tax-exempt mortgage revenue bonds as opposed to taxable. And that is a 100 basis points in today's market.

MR. LEWIS: Yes. Exactly.

MR. OBADITCH: So, we are looking to --

MR. LEWIS: I didn't realize that these were tax-exempt eligible.

MR. OBADITCH: That, and we -- it is very hard to preserve volume cap using standalone mortgage revenue bond models. But with an open indenture, it is what we do all day.

MR. LEWIS: Do you have an idea of what the rating would be? Is this before insurance?

MR. OBADITCH: Yes. We are going for an expected rating of Double A plus with Standard and Poor's, which will be the same as a sovereign rating, as a U.S. Government rating.

MR. LEWIS: Wow.

MR. OBADITCH: So, getting to -- we have a few HFAs who are Triple A S&P. And we would love to imagine that as we build through and you build out your capital, that we will be able to get there. But we can't promise that.

We do -- we have had a very good history of getting HFAs upgraded over time. We are now going through a period of extreme growth in the mortgage revenue bond business. And so, you know, parity levels have generally been coming down with some of our agencies. But that is a story for another day.

MR. LEWIS: So, I can understand the cash flows of the whole deal, is this going to be -- operate more like a line of credit, where you issue a lot of bonds you have in this pool of funds to issue mortgages from? Or is it going to be the reverse of that, where you have these mortgages that are going to pop up and then issue the bonds. Or is it going to be simultaneous?

MR. OBADITCH: It's -- what we are going to do is, we are going to -- we propose that TSAHC opens the reservation window in early August. And we will price these bonds in early September and close the bonds in early October.

And so, we will have pre-funded -- we actually won't pre-fund. We will pre-reserve. Because when we open a reservation lock in early August, it is going to be October before we are going to buy our first MBSs, which will be after the closing of the bonds. So, we won't buy any MBSs in October.

But what we will have done is we will have kind of shortened the ramp -- shortened the ramp of being able to spend the bond proceeds. Because bond proceeds, when we sell them, let's say, for argument sake, the bond rate -- the bond yield would be 5 percent. We can only reinvest in money market at 3.50.

MR. LEWIS: Exactly. That was my next question to you --

MR. OBADITCH: So, we want to compress that time. That is what we call negative arbitrage. We want to compress that time as much as possible. And that is why we want to open up the program for reservations in early August.

But that is still under discussion. And you know, we have also figured out the cost of -- if we don't do that, we will work all of that out. But that is very traditional.

MR. LEWIS: You have a certain limit there, though. Right? Is it like three months, or six months? What is the limit that you could issue a bond before you have to actually put the proceeds in place?

MR. OBADITCH: So, actually, it is 42 months --

MR. LEWIS: Really.

MR. OBADITCH: -- for tax-exempt under the tax-exempt rules. But no one goes 42 months by -- we generally -- what we try to do is, we try to price a bond issue when we are 50 percent reserved. Now, we can't do that with TSAHC here, because we are starting from the origin.

MR. LEWIS: Sure.

MR. OBADITCH: We are starting at point zero. But as we get into a regular, what we call, continuous funding program, it will be our desire to come back to the Board. And say, hey, we are fully reserved in this last issue. We would like to start reserving into the next issue. Can we get authorization going forward to start the second issue?

And it may well be that we come back to you -- that I am back here in a couple of months, and say, hey, this program is working. We are figuring out, you know, the right rate and demographic to target for this program. And we want to keep it going and keep -- make sure we have lendable proceeds available to purchase MBSs on a continuous basis, which means keeping the lock program available.

MR. LEWIS: I find this to be quite attractive. And I'll quit asking questions. I don't mind having some of these discussions offline because I know we have a long agenda here.

But I think this sounds quite appealing. But if you are seeing that sort of debt reduction cost, just do a number -- about 20 or 25 basis points, that in itself is real money.

MR. OBADITCH: Yes.

MR. LEWIS: Thank you.

MS. CARDENAS: I guess the only question that I have -- for clarity, I agree. I think just from an overall efficiency standpoint, that this is just more for me to understand.

So, in the past, there were individual bond issuances obviously tied to rate. And so, I am just trying to wrap my head around as to now them going into, say, one pool -- you know, because it was like, oh, bond program, whatever, 56 was at this rate. Bond program 59 was at that rate.

So, if they are now pooled under this master indenture, how does that work?

MR. OBADITCH: That is a great question. Okay. So, now we are going to talk a little bit about mortgage yield compliance.

So, what we will recommend to TSAHC is that they will adjust their -- as opposed to a standalone issue, where you just have a bond yield which is fixed at issuance, and then the mortgage rate, which is fixed -- essentially fixed at issuance because you don't have any opportunity to manage the mortgage yield compliance, we are going to recommend that TSAHC adjust the mortgage rate up and down to meet market conditions and we will manage mortgage yield compliance going from issue to issue to issue. So that each issue will achieve full spread.

And then, we use what is called zero and market participations to move yield from one issue to the next issue, to the next issue. And so, with a lot of our HFAs, we will have anywhere from 20 to 25 open tax plans where the bond yield is fixed, but the mortgage yield is being continuously managed, going from issue to issue. And this is part of the new modern efficiencies that we can bring to TSAHC that we see across all of our state HFAs.

MS. CARDENAS: So, constant repricing, combining the funds --

MR. OBADITCH: Yes. It is mortgage compliance yield management. And you are right. What we want to do is we want to have a continuous flow of reservations at an amount of volume that is efficient for TSAHC to use the volume cap resources that we have deployed in this first issue.

So, that is -- and I will be honest with you. Dave and I were talking about this last night. It is going to take a little bit of time. Like, the first couple of weeks are going to be like, okay. What is going on here. Right?

Like, we do not want $75 million to be, you know, taken down in locks in, like, the first two weeks. That is not what we are trying to do here. We are trying to figure out how to stretch the benefits over the most Texan homebuyers that we can, not just get the lucky people who showed up this week to get a loan.

That is, I think, very important from a policy standpoint. And where we are trying to figure out how we are going to do that.

MR. LEWIS: I have one quick one, though. How do you come by getting the tax-free status, being able to issue non-taxable bonds. I don't understand that piece.

MR. OBADITCH: That is called the private -- so, each state gets allocated private activity volume cap. And then, it is the state's responsibility to dole that out to various issuers. And that is and that is your --

MS. ELLINOR: That's us. So, our --

MR. LEWIS: Okay. So, it's airlines being in airports, or school bonds, or whatever. Okay.

MS. ELLINOR: Yes. Our enabling legislation gives us access to 10 percent of the state's private activity bond volume cap.

MR. OBADITCH: And then we try and get more.

MS. ELLINOR: And then, we have access to additional, in the single family collapse which happens in August. Thank you.

And then, there is another final collapse at the end that comes together with all of the private activity bond funding. And we have access to that as well. But that is very competitive, and so you have to get your application in very quickly.

MR. OBADITCH: Not school bonds. Because school are government purpose. So, they don't participate in the private activity. But you are right -- airports, solid waste, hospitals, student loans, exactly.

So, we are happy to start with 10 percent. But we really try to go and get more. And you know, TSAHC has been successful in the past in securing more. But it is going to be an ongoing battle to secure volume cap.

MR. LEWIS: It is still impressive to be able to get a rating that is just a touch under PSF, Permanent School Funds.

MR. OBADITCH: They are Triple A. And is that what you are saying? They are Triple A rated. Okay.

MR. LEWIS: Yes.

MR. OBADITCH: And maybe -- and I suspect that they have been around a long time and they have a large equity pool. And we are starting with just enough collateral to get that rating. We don't want to put a -- you know, we could dump a lot of the TSAHC General Fund into the open indenture.

We don't want to do that. We need to put some in to secure. And so, we are trying to be very judicious in the amount that goes in, initially.

MR. LEWIS: Very good. Okay.

MR. WILLIAMS: Board members, any other

questions or comments?

(No response.)

MR. WILLIAMS: Okay.

MS. ELLINOR: Hey, I will pass the mic.

MR. WILLIAMS: I am sorry. Yes, please.

MS. ELLINOR: Bob will present this first tab item.

MR. DRANSFIELD: I certainly won't belabor this, but I will tell you that the action item you have before you in consideration of this resolution just does approve the creation of this general indenture. So, when you've heard the term open indenture, master indenture, a general indenture -- they are all the same. And this authorization then says you can put this framework in place.

Another item coming up in the agenda is going to be the actual bonds will support the first issuance of these. But this resolution is just to say authorize the entering into this general indenture, authorize the signature by the Chair, Vice Chair, President, Executive Vice President, and proceed on.

As Jeremy indicates, we are a little ways away from having pricing. When we get to this next agenda item, you will see some blanks in that document because we don't have pricing information there. But this will just basically say, you are authorizing the creation and establishment of this general indenture for going forward. And that will be your base for single family going forward, from this point, forward.

And we'll go through and get volume allocation for single family as need be, just like you would do on your multifamily side. So, you can always get -- you are going to have the tax-exempt side, that process.

And you will see when I get to the next agenda item coming up, you will have a combination of taxable and tax-exempt kind of contained in there, but this doesn't really get into that much detail. This just says, within this framework, you can operate your single family homeownership program as outlined by Jeremy.

And I am certainly happy to answer any questions you might have about this.

MR. LEWIS: Do we need a resolution?

MR. WILLIAMS: Well, we're definitely going to need a motion before we go to Tab 4.

MR. LEWIS: Motion, okay. I'm happy to make a motion, if that is the case, if you are ready for that.

MR. WILLIAMS: Yes.

MR. LEWIS: All right. I make the motion that we approve the general master indenture of trust relating to mortgage revenue bond program you're speaking to.

MR. WILLIAMS: Okay. There has been a motion made by David Lewis. Is there is a second?

MS. CARDENAS: Second.

MR. WILLIAMS: Second by Vice Chair Cardenas. Any comments? Any discussions?

(No response.)

MR. WILLIAMS: Any public comment?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab Item 3.

MS. ELLINOR: Okay.

MR. WILLIAMS: Yes. Moving on to Tab Item 4. Here we go. I will take a couple of breaths, and then we will proceed.

MS. ELLINOR: Yes. It is a long one.

MR. WILLIAMS: Tab Item 4 is the presentation, discussion and possible approval of a resolution authorizing the issuance, sale and delivery of Homeownership Mortgage Revenue Bonds, Series 2026A non-AMT, and Homeownership Mortgage Revenue Bonds, Series 2026B, taxable; authorizing a Series 2026A/B indenture, official statement, bond purchase contract and Continuing Disclosure Agreement relating to such bonds, making certain findings and determinations; authorizing the execution of documents and instruments necessary or convenient to carry out the Texas State Affordable Housing Corporation Homeownership Loan Program relating to such bonds, and containing other matters incident and related thereto.

I think I covered everything.

MS. ELLINOR: Okay. Good morning again. I am Sarah Ellinor, Senior Manager of Homeownership Programs.

This next tab item references the tax-exempt/taxable single family bond series we have been working diligently to develop under the new general indenture that you just heard about. This resolution would authorize TSAHC to operate and fund the 2026 A/B homeownership mortgage revenue bond program, which is designed to help first-time Texas homebuyers who are at or below 80 percent of the area median family income. We would like for them to help them achieve homeownership through an affordable fixed rate mortgage loan paired with down payment and closing cost assistance equal to 5 percent of the loan amount.

Over the last year, we have served just over 9,000 households at or below 80 percent of the area median family income. And the average loan amount of an 80 percent and below household is roughly $223,000. Therefore, we estimate we will be able to serve roughly 450 households with this issuance.

Approval of this resolution would authorize TSAHC to issue the Series 2026 A tax-exempt and 2026 B taxable bonds, execute the related financing documents, and put in the indenture and the bond purchase contract, the continuing disclosure agreement, and the official statement, sell the bonds through the approved underwriting team led by Raymond James and Associates, and continue implementation of the 2026 A/B homeownership program on a statewide basis.

The tax-exempt and taxable Series 2026 A/B bonds are authorized in an amount not to exceed $110 million, with the tax-exempt portion not to exceed $85 million. Again, through this financing, we estimate that we will be able to assist approximately 450 households of those that are at or below 80 percent of the area median family income.

And so, we respectfully request your approval of this resolution.

MR. WILLIAMS: So, just a quick question.

Would the -- you said the taxable at $80 million, non-tax at $110 million?

MS. ELLINOR: So, 110 total.

MR. WILLIAMS: 110 total. Okay.

MS. ELLINOR: Yes. With 85 of that -- up to 85 of that being tax-exempt.

MR. WILLIAMS: Gotcha. Okay. Okay.

Board members, any --

MS. CARDENAS: It is very straightforward.

MR. WILLIAMS: Yes.

MS. CARDENAS: I make a motion to approve Tab Item 4 as presented.

MR. WILLIAMS: Motion made by Vice Chair Cardenas. Is there a second?

MR. LEWIS: I will second it.

MR. WILLIAMS: Second by David Lewis. Any questions or comments?

(No response.)

MR. WILLIAMS: Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote for Tab Item 4, listed in today's agenda. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab 4. Thank you.

Moving on to Tab Item 5, presentation, discussion and possible approval of a resolution regarding application for allocation of private activity bonds associated with the 2025 carryforward volume allocation, Notice of Intention to Issue Bonds, and state debt application to the Texas Bond Review Board for 2026 qualified mortgage revenue bonds, and containing other matters incident and related thereto.

MS. ELLINOR: All right. Thank you again. So, good morning again. Sarah Ellinor, Senior Manager, Homeownership Programs.

So, for this final tab item, staff will be requesting approval of a resolution authorizing TSAHC to submit the necessary applications and filings to the Texas Bond Review Board in connection with this 2026 A/B homeownership mortgage revenue bond program. This resolution authorizes TSAHC to apply for an allocation of private activity bond volume cap associated with the Corporation's 2025 carryforward allocation.

So, TSAHC previously received approximately

$550 million in 2025 carryforward volume allocation from the Texas Bond Review Board, which may be used to support qualified mortgage bond or mortgage credit certificate programs. The requested allocation would support the issuance of the tax-exempt portion of the 2026 A/B series.

So, the 2026 A, which is the tax-exempt -- approximately $85 million. Again, to serve as many households as possible and to use our volume cap wisely, we intend to blend some taxable bonds with this tax-exempt portion, not to exceed $110 million in total.

Approval of this resolution authorizes TSAHC staff and bond counsel to submit an application for allocation of private activity bonds to the Texas Bond Review Board, request up to $85 million in carryforward bond volume cap allocation for the 2026 A portion of the bonds, file the required Notice of Intent to issue bonds, and state debt application, and take all additional actions necessary to secure approval of the bond issuance from the Bond Review Board.

The resolution also authorizes Norton Rose Fulbright as bond counsel to file the application and related documentation on behalf of TSAHC. Securing private activity bond volume cap is a critical step in financing TSAHC's homeownership mortgage revenue bond programs. And with the Board's approval today, approval from the Bond Review Board during their planning session in July, and if the market remains favorable, we will look forward to move forward to price the bonds in September, and begin taking reservations in August, as Jeremy mentioned.

So, we ask for your approval on this resolution. And I am happy to answer any additional questions as well.

MR. WILLIAMS: Quick question. So, I guess, you know, based upon market conditions, if the markets happen to go left, right, or you want to put the direction -- I guess, would you need to come back to approval to delay? Or you would still continue on in August as you were talking about?

MS. ELLINOR: So, I think this approval would give us the authority to make that decision.

MR. WILLIAMS: Okay.

MS. ELLINOR: I don't think we would have to come back and make correct amounts.

MR. WILLIAMS: Okay.

MS. ELLINOR: So, we will work with CFX. I mean, they are our financial advisor.

And then, with Raymond James, Chris Spelbring, he will be telling us what is the market bringing. Shall we price now? Do we need to wait? You know, that kind of thing.

MR. WILLIAMS: All right.

MS. ELLINOR: Yes.

MR. LEWIS: I have got a quick one.

MR. WILLIAMS: Yes. Go for it.

MR. LEWIS: I notice a kind of delicate and specialized process to provide this application. Norton Rose is taking the lead on that, I believe. Is that right?

MR. DRANSFIELD: Well, yes. We work very closely with the staff here.

MR. LEWIS: Okay.

MR. DRANSFIELD: Because there is things required that we have to submit to the Bond Review Board for them to consider that. So, we are already in that process, quite honestly. We will go through the planning session with the Bond Review Board, and their final vote action taken later on in July. You are unique in the sense that for this project, they have to approve your bond structure --

MR. LEWIS: Okay.

MR. DRANSFIELD: -- [inaudible] your projects. So, not only volume allocation, but the approval of issuance of the bonds -- the project, if you will. All that is in the process of going.

But the first step of that is to make sure that you get the right volume allocation. So, you have got this 85, 2025 -- excuse me -- carryforward allocation that you are now kind of repurposing for this 2026 transaction, not to exceed $85 million on the tax-exempt side, which is the only side that you need volume allocation for. The taxable piece, you don't need volume allocation for, but you still need Bond Review Board approval.

MR. LEWIS: Okay. Are there any other consulting firms or agents that you are working with that are very specialized in this, or is that all in-house with Norton Rose?

MR. DRANSFIELD: Well, our firm is a broadly based firm. I do nothing but public finance work for the last 50 years. So, you know, there are other firms that have public finance practices --

MR. LEWIS: Right.

MR. DRANSFIELD: -- but this is kind of what I have been doing.

MR. LEWIS: You are based in Austin or Dallas?

MR. DRANSFIELD: I am in Dallas. I am in Dallas.

MR. LEWIS: I thought so. I thought so.

MR. DRANSFIELD: And I have had the good fortune of being before this Board for a good while.

MR. LEWIS: Right. Okay. That is it. Thank you.

MR. WILLIAMS: Okay. No problem.

Board, any other questions or comments?

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

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

MR. LEWIS: I will second.

MR. WILLIAMS: A second by David Lewis. Any questions. Any comments?

(No response.)

MR. WILLIAMS: Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote to approve Tab Item 5 as listed in the agenda. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab Item 5.

MS. ELLINOR: All right. Thank you.

MR. WILLIAMS: Thank you.

Moving on to Tab Item 6, presentation, discussion, and possible approval of a resolution approving a 90-day extension of the maturity date for an existing Texas Housing Impact Fund loan to National Church Residences, who is the borrower, for Live Oak Village, a 76-unit multifamily community in Aransas Pass, Texas.

MS. RAMIREZ: Good morning, everyone. Cassandra Ramirez. This was the agenda item that David mentioned during his presentation, his President's Report.

NCR is requesting a 90-day extension to repay TSAHC on their existing loan that is set to mature tomorrow. They are working with Mercy Loan Capital for a take-out loan, a permanent loan that would repay TSAHC. But they need more time to complete the due diligence.

So, right now, Mercy Capital is collecting appraisals, Phase 1 of our rental site assessment. And they anticipate having their loan committee approval by the end of this month in order to close by the end of July. And they will repay TSAHC soon after.

So, we are requesting the 90-day extension approval for their maturity date, so that we can allow them time to close on their perm loan and repay TSAHC.

MR. WILLIAMS: Didn't we already give them a 90-day, or was that someone else?

MS. RAMIREZ: No. That was different.

MR. WILLIAMS: Okay.

MS. CARDENAS: Do they foresee any problems with seeking financing? I mean, other than -- I understand the due diligence. But do they foresee, you know, the loan not being approved, or us not being taken out?

MS. RAMIREZ: No. I mean, they will have their loan committee approval from Mercy at the end of this month. So, they will still have time to work out repayment within the 90-day period.

The new maturity date would be September 15th. So, that gives them time, in case something happens with Mercy, to figure out the repayment.

MS. CARDENAS: Okay.

MR. WILLIAMS: If I may ask, I guess, the last time I was on Loan -- I guess -- is there any penalties or fees that they would have to pay because of this, I guess, new extension? Or no.

MS. RAMIREZ: Oh, that is a good question. Sure. One of the conditions that Loan Committee made for making this extension was that they would cover TSAHC's legal costs for the transaction and for the modification of the loan docs. So, that is part of this extension.

MS. CARDENAS: Is it not something that we have standard, like, you know, an extension fee or a modification fee?

MS. RAMIREZ: We do have -- last July, we did do an extension fee language in the policy. But this loan was made prior to that, and it is kind of a unique amortizing loan. So, it didn't contemplate an extension in the loan docs, so that's why we are bringing it back to you all.

MR. RASSIN: Do I assume correct that there is no interest holiday during the extension, they continue to pay their interest?

MS. RAMIREZ: Say that one more time?

MR. RASSIN: Do I assume correctly that there is no interest holiday, that they continue to pay their interest during this --

MS. RAMIREZ: Right. They are going to continue making payment until they have to repay completely.

MR. RASSIN: Thank you.

MR. WILLIAMS: Okay.

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

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

MR. RASSIN: Second.

MR. WILLIAMS: Second by David Rassin. Any discussion? Any comments?

(No response.)

MR. WILLIAMS: Any public comment?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote to approve Tab Item 6 in the agenda. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab Item 6.

MS. RAMIREZ: Thank you all.

MR. WILLIAMS: Thank you.

Moving on to Tab Item 7, presentation, discussion, and possible approval of the publication for public comment of the guidelines, scoring criteria, and targeted housing needs for the allocation of qualified residential rental project tax-exempt bond volume cap under the Multifamily Housing Private Activity Bond program Request for Proposals, and the 501(c)(3) bond program policies for calendar year 2027.

MR. DANENFELZER: Good morning. David Danenfelzer, Senior Director of Development and Finance. Getting to say morning by about 40 seconds, there.

So, anyway, this is something we do every year. We are required to, by statute, as you will see in the summary there, to review our RFP and policies for both the private activity bond program and the 501(c)(3) bond program that look at multifamily housing.

We do look at a lot of research over the year. But before this, we kind of dig in a little bit more into the State Housing Plan. We look at reports from Texas Department of Housing, the annual plan that we produce, as well as research from Texas A&M's real estate center, and other sources.

This year, there is very few changes being proposed. The last year, we didn't have -- really, we, so far, have had no applications for this cycle -- for the 2026 cycle. The market is simply really depressed because of a number of conditions here in Texas in particular.

Nationally, some of the trends that are slowing activity are lower housing tax credit pricing. But in Texas, there was some significant changes to the statute, related to local issuers of housing bonds. And so, that has created a lot of uncertainty and a lot of interest in kind of slowing things down.

But, in any case, there were a couple of changes that we did see, things that have been kind of commented or asked through the year. In particular, we have kind of looked at our definition of senior and service-enriched housing under the targeted housing needs under Section 2, and decided that those could be split apart into two separate items. So, there is now a new section that is senior housing, and a separate section for service-enriched housing, rather than combining them into one long definition.

We have also kind of updated the timing for professional fee deposits, when they are due, and also added some additional language about failure to timely pay fees and costs. So, these are all small changes. We do think that the rest of the document still holds up.

We have started to see some more interest in the program. And so, we are hopeful that next fall, when we open this cycle again, we will have a number of applications.

This is simply to publish the plan or the rules that are there for public comment. We will have those open until August, and bring those back to you with any public comment received for final approval.

MR. WILLIAMS: August.

MR. DANENFELZER: I believe it is the 20th or the 21st.

MR. WILLIAMS: Okay.

MR. DANENFELZER: I am not 100 percent sure.

But it is the August Board meeting.

MR. WILLIAMS: Okay. Okay.

MS. CARDENAS: I am sorry. What was the distinction between senior housing and service?

MR. DANENFELZER: Yes. So, the policy, as they currently had it, kind of broke it. So, we kind of rolled senior and service-enriched housing under one definition.

Senior housing is a specific definition where there is restricted units based on age of the tenant or the primary resident. Service-enriched is more related to an income approach, where we are looking at targeting households at 30 percent or below that require significant services.

I am not really sure why we originally kind of rolled it into one. We were trying to maybe keep it clean when it first came up, the service-enriched housing target need. That was probably around 2010, 2011 that we did that.

But recently, we have just had some people kind of ask, like well, do they have to be seniors and service-enriched? No. They are two separate.

And so, we just decided it was easier to separate them as two unique targeted housing areas, rather than having a broader definition that just kind of could potentially --

MS. CARDENAS: What is the median income qualification for a senior? Is it also 30, or 60?

MR. DANENFELZER: No. It would simply be whatever the minimum requirements -- so, 50 percent or 60 percent AMI, and then a percentage of the household in there.

So, generally, when we see senior deals, when they are public housing senior, they tend to be 100 percent at 50 and below. But the typical new construction that doesn't have any public housing assistance will be 100 percent at 60 and below.

MS. CARDENAS: So, that would be the difference. Because if you combined it together, they would have been capped at 30 percent of service, since you are doing the service.

MR. DANENFELZER: Well, if there was a portion of households served at 30 percent and below, then they couldn't meet the service-enriched housing definition as well.

But again, it started to get confusing. Applicants were like, wait, do I have to serve 30 percent and below? No. You don't.

That is like a subsection under this title. And so, we just wanted to kind of peel it out so there is still a set aside for service-enriched housing, but it is not age dependent.

MR. WILLIAMS: Straightforward.

MS. CARDENAS: Yes.

MR. WILLIAMS: Okay. Board members, if there are no questions or comments, I would look for a motion.

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

MR. WILLIAMS: Motion has been made by David Rassin. Is there a second?

MR. LEWIS: I will second it.

MR. WILLIAMS: Second by David Lewis. Any questions or comments?

(No response.)

MR. WILLIAMS: Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote to approve Tab Item 7. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab Item 7. Thank you.

MR. DANENFELZER: Thank you.

MR. WILLIAMS: Okay. Moving on to Tab Item 8, presentation, discussion and possible approval to publish for public comment the Texas Foundations Fund fiscal year 2027 draft Disaster Recovery Guidelines.

MS. ORENDAIN-CHAVEZ: Good afternoon, Mr. Chairman, Board members. My name is Anna Orendain-Chavez. I am the External Relations specialist here at TSAHC.

Today, I am here to discuss our Texas Foundations Fund fiscal year 2027 draft disaster recovery program guidelines. With the approval of the Board, we would post these draft guidelines for a public comment period that will end in late July, allowing us to address public feedback, and bring a revised copy of the Texas Foundations Fund disaster recovery guidelines to the Board in August.

Looking at the draft guidelines themselves, you will see we added language indicating that the amount available for the disaster recovery grants is up to $250,000. For fiscal year 2027, we plan to combine the 2027 annual grants and disaster recovery grants into one pot of funds. We will ask the Board to approve the one pot amount as part of our fiscal year 2027 budget request.

We will also continue to open the disaster recovery program application in September 2026, and the annual grant application in January of 2027. Because most of the disaster recovery requests come in the fall and are sometimes from the summer, backdated, we anticipate being able to accommodate any additional requests before the annual grant round opens up later on in the fiscal year.

However, by not differentiating between two specific pots of funding, each for the two different Texas Foundations Fund program types, this allows us to utilize any unused disaster recovery funds for the annual application round, to ensure that all funding is fully utilized, and meets the demand where it is needed.

Lastly, I would like to note that the draft guidelines do also include a few minor updates to the program dates and to my own contact information. But with that, I would like to take any questions.

MR. WILLIAMS: Okay. So that -- I am reading the numbers right here. The amount of funding available for disaster recovery grants during the '27 fiscal year is up to 250.

But then, I guess, always got to look at the changes. The total available for TSAHC's fiscal year is 350. So, I guess is it all 350? Or is it just now 250?

MS. ORENDAIN-CHAVEZ: It is now just up to 250 instead of 350.

MR. WILLIAMS: Okay.

MS. ORENDAIN-CHAVEZ: We had initially bumped an additional $100,000 into the pot last year --

MR. WILLIAMS: Okay.

MS. ORENDAIN-CHAVEZ: -- for the flooding from last July.

MR. WILLIAMS: Yes.

MS. ORENDAIN-CHAVEZ: So, we are just bringing it back down to the precedented levels of funding.

MR. WILLIAMS: I guess. I am just going to have others that ask why. So, I am good.

MS. CARDENAS: So, 250 is -- I am having like a brain fog, 250 is the whole program?

MS. ORENDAIN-CHAVEZ: For disaster recovery. That is the ceiling for disaster recovery.

MS. CARDENAS: And how many applications would this serve?

MS. ORENDAIN-CHAVEZ: Good question. I think in the past, we have had up to ten or twelve we funded with that amount of funding.

MS. CARDENAS: For the whole state of Texas?

MR. LONG: Well, it just depends, Ms. Cardenas.

MS. ORENDAIN-CHAVEZ: Yes.

MR. LONG: It just depends on the demand or whenever. But we aren't going to give $250,000 to one organization, if that is what you are asking.

MS. CARDENAS: No. No, I am just thinking that

$250,000 for the whole state of Texas. Like, right now, just with the little rain that we had, when I left yesterday, South Texas is already like under flood, right.

MR. LONG: Yes.

MS. CARDENAS: And so, I am just thinking, that is just one little portion. And $250,000 for the whole state of Texas, I don't -- I guess. And maybe that is us for budgeting, I don't know why we don't have more. Because it just seems that we give a small amount.

I am trying to help --

MR. LEWIS: I tend to agree as well. To me, it seems like a very small amount to work with. And we have a whole program.

So, you know, it has got to be, probably the same amount or close to the same amount of work if you dealt with, you know, something that was ten times larger than the $250,000, or even more. You know, if you look into the detail, it shows the maximum grant for application is $30,000, but that per household it is $5,000.

You know, $5,000 doesn't go far. And so, I am just wondering if we are being too generous, or just not seeing the project appropriately.

MS. ORENDAIN-CHAVEZ: Well, the program is intended to provide supplemental funds for federal, county-level, state-level disaster events declared by different levels of government. And so, it is intended to be a supplement to already available disaster recovery funds, if that helps clarify things.

MR. LEWIS: The other question I had was, it says that it needs to be spent in six months. If you have a major disaster like you did in Kerrville last year, in Kerr County, you may have limited craftsmen that can go out and do some of this work.

Is that a constraint that is -- that we are minding? Or you may hear that, you may not. I am just more curious than anything.

MR. LONG: Mr. Lewis, are you asking whether or not the timing would mean that we would be out of funds, or something of that nature?

MR. LEWIS: No. I am wondering if having the work done within six months is a burden to the people who need the work done. Maybe they need to have somebody to do some kind of work, but they're like, all the workers are busy. I can't find someone to do this, unless I pay a super premium, or I get someone who doesn't work in that skill.

MR. LONG: I think, obviously -- a couple of things. Let me just point out. One, the Board allocates this funding. The Board can decide whichever you want, funding-wise.

So, we were asking this based on a way to facilitate full utilization of funds you have allocated, whether it be 250, 350, the full award that we wanted to make. You know, we are trying to bring it together so that we reach the point where we have funding left over in disaster recovery.

We can allocate it to the -- I call it the traditional Foundations Fund. The Board can reallocate any way they want at the time we go to budgeting with you. This was just to try to streamline that process.

MR. LEWIS: Okay.

MR. LONG: The second thing is, is that we really do want to be able to serve those that are in need. So, if the Board -- if we ran out of money. Say it was 250, and we ran out of money and there was a natural disaster, we would come to the Board and ask you for additional funding. And you can make that decision to handle a specific disaster that may or may not have come up.

And we have done that in the past. So, that is not something that is out of the ordinary, or something that would be unique. But it is a way for us to streamline the process, which is what we are trying to do here, instead in two separate programs, where if one doesn't fully fund, we have got to come to you and say, by the way, we have money left over. Can we roll the money in.

We want to streamline that process. The second part is, if there is more allocation of funding you would like to put into this program, we would love to have you offer that up to us. At the time of budgeting, as long it is within the budget constrictions we have available to us.

MR. LEWIS: You know, it is just interesting. On the way in here, I heard that the Governor put a declaration that 110 Texas counties will get assistance from yesterday's floods -- disaster assistance. So, it doesn't take long to have a disaster really impact a broad brush of people of Texas.

MR. RASSIN: So, if I may, to -- the character of this program is -- it's not meant to be all things to all people. It is a fast acting, relatively low dollar amount, $5,000. It's blunt for me to say it is relatively low.

It is targeted to people in need for critical and emergency repairs. It is not really meant to target a $30,000 repair that is done in eight months. It is -- you know, we are bleeding right now.

MR. LEWIS: Gotcha.

MR. RASSIN: Kind of a bandage. Other programs exist. I just understand this program is not [inaudible] those other programs.

MR. LONG: I might also add, as an example -- you asked about 350 versus 250. This year's allocation is $350,000. To date, we have received application and funded $60,000. So, we have $290,000 still available.

So, we are not trying to take away money and not utilize it for disasters. I am just telling you, the demand isn't always on us to utilize 350 over one day or over a month, a year.

The program will stay open for a period of time, as it is right now, because we still have the annual fiscal year to work through. But what we are doing with this will allow us to -- instead of coming back to you, we'll be able to just know that when that cycle ends, we can transition the funds to wherever we would like to, within the Foundations Fund.

MR. LEWIS: Well, this is not a very nice question. But if it is so lightly used, would it make sense to shut it down?

MR. LONG: No. In my opinion, I think it is --

MR. LEWIS: Again, that is not a nice question, but --

MR. LONG: I think disasters are going to continue to be there.

MR. LEWIS: I know it.

MR. LONG: Whether or not we have resources available, is really the bigger question why we would shut it down. But we have resources, and I would like to make sure that we continue to allocate them accordingly.

MR. LEWIS: I like your answer better than I --

MR. RASSIN: I think it is a very unlucky question, seeing as we know disaster is coming. We really need this, not to jinx it.

The real question -- if we wanted to raise the amount, I understand we have the ability to do that. Can we do it on short notice? Or does that have to go up for comment -- how quickly --

MR. LONG: No. We can do it. It is our money. It is our funding.

MR. WILLIAMS: Okay.

MS. CARDENAS: So maybe -- and I am not knocking it in any way. Maybe we just need to promote the program a little more?

Because I was just mentioning to these gentlemen, I mean, there is always floods everywhere throughout Texas. And as financial institutions, the local non-profits are always asking. And we are there with checks, and donating for local, you know, small things like roof repairs, right -- because there is leaks.

And so, you know, again, it is not supposed to be the all-in solution. But it seems that we are constantly donating, and they are saying they are trying to just get whatever funding sources. So, I don't know. Maybe they are coming, you know, to TSAHC. But I find it hard that the funds are not being exhausted within 24 to 48 hours, you know.

So, maybe as an organization, we just really need to put it out there. We have got these funds available to a housing finance agency, where then they get the $30,000, from what I am understanding as an example. And then, they decide the families that are each going to get $5,000, or $2,500, or $1,500 -- however they want to disburse the funds. Right.

So, because I just find that hard to believe that funds are not exhausted, especially in a disaster throughout Texas, right. Because if I am looking at $250,000 at $5,000 apiece, that is 50 families in the great state of Texas.

MR. LONG: If you were to do it that way, yes.

MS. CARDENAS: Right. That just doesn't even seem like a lot. So again, I am not knocking anyone. But if we are saying, well, we still have -- what did we say? $190,000?

MR. LONG: $290,000 available as of right now.

MS. CARDENAS: Yes. That they wouldn't be going like that.

MR. LONG: Yes.

MS. CARDENAS: So, I don't know if we just maybe need to create a little more awareness that the funds are available, or look at the application process. Right.

Because when people are desperate in the time of flood, you know, they are not thinking, oh, I have to now fill out this application. I now have to do this. So, maybe we just streamline the process a little faster.

I mean, organizations need the money fast to help serve the communities that are needing it immediately. So, just food for thought.

MR. LONG: We can certainly look into making sure that it is more available to -- and from a marketing standpoint. There is no question about that.

MS. CARDENAS: Yes. I mean, after we do our part, well, we do our part. If they still don't come, you know, okay.

MR. LONG: Exactly right.

MR. LEWIS: And it is not just floods. I mean, it could be drought. It could be --

MR. LONG: Any natural disaster.

MS. CARDENAS: Yes. Right.

MR. LONG: Any declared natural disaster.

MS. CARDENAS: Right.

MR. LEWIS: I mean, Corpus Christi is going through a massive drought, so is San Antonio. It seems like it would take no time to go through that fund in those communities.

MR. LONG: Any other questions?

(No response.)

MR. WILT: Sorry, Michael Wilt, Senior Manager of External Relations. I just wanted to chime in on a couple of things.

Regarding the per household limit, we can take that under consideration, if you feel like it should be increased from $5,000 to $10,000 or whatever.

Regarding the marketing of this, we are very aggressive in our marketing. But as you know, natural disasters sometimes don't just drop upon an urban center with a lot of non-profits in the area that are ready to be mobilized and respond to that.

As an example is the Kerr County flooding, as you alluded to, Mr. Lewis -- where we directly marketed to people who we thought were doing repairs, and some of them were in that area. And just said that this is available, if you need it as a supplemental way to address those households.

But sometimes there is no network of non-profits that exists. So, we could market all day long, and there is just not organizations that are mobilized and responding to it in a certain fashion. So, we do put that out there.

The other reason marketing is a little bit challenging is because this is still a relatively young program. After winter storm Uri of 2021, that is whenever we first started considering making this a permanent thing. So, whenever we think about disasters, and who we automatically turn to, it is largely FEMA or the Red Cross, or whatever.

There is nothing really baked in anybody's minds as a Texan, or in large parts of the country, where you think, oh, there are additional resources out there. You just think that it is sort of disaster funds that is available. So, we are doing our best to sort of saturate the collective knowledge of the non-profits who respond to these types of things across the state.

But in the grand scheme of things, this is a very nascent program still. And so, we hope that sort of word of mouth will increase year over year.

And then, the other sort of limitation, the six month and a quarter to spend the funds, that was really our hope of making sure this funding was as nimble as possible. A lot of frustration community members get is that the levels of bureaucracy, whatever the paperwork is, what -- you are trying to figure out where your -- to prove the title to your house. And you are just trying to triage the flooding that happened in your house. How can I be expected to find all this paperwork.

So, we are trying to find a very expedient way to get the funds out there, to get them spent in as fast of a fashion as possible. But if you all sort of have, you know -- want us to look into some of these requirements that we put on the guidelines, we are certainly willing to do that, if you feel strongly about it.

MR. RASSIN: I really like that point. I hadn't thought of it before, that not only is it meant to address emergencies, but that timeline encourages the recipients to have to move quickly. This isn't a timeline that we put on individuals and residents, but on the actual organizations. I think that's actually very clever.

MR. WILT: The non-profits. That is correct.

MR. LONG: The service provider.

MR. WILLIAMS: Right. Sorry. David, did you have --

MR. LEWIS: No. I didn't. My question would not be pertinent given the eligibility requirements. Because I was thinking -- I was wondering, if we worked with other state agencies.

I was thinking, maybe a health agency. If you have an issue, say, with smallpox or infantile syphilis, which are two major items which the very poor people can't really address. And then, there are critical issues.

But clearly, you are not going to repair your house to fix those items. So, my question would not have been pertinent.

MR. WILT: Sure. And again, this is only going out for public comment.

Anytime we put it out for public comment, we reflect on the record from the Board meetings to make sure that as Board members, your comments are included as part of that public comment. So, all the comments from the transcript will be under consideration by us, as well.

MR. LEWIS: Well, strike that one, what I just said.

MR. WILLIAMS: Anything else?

(No response.)

MR. WILLIAMS: Board members, any other questions or comments?

(No response.)

MR. WILLIAMS: Okay. If nothing else, we need a motion.

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

MR. WILLIAMS: Motion has been made by David Rassin. Is there a second?

MR. LEWIS: I will second.

MR. WILLIAMS: Second by David Lewis. Thank you very much. There is no questions or comments. Any public questions or comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote for Tab Item 8, listed in today's agenda. All in favor, say aye.

(A chorus of ayes.)

MR. WILLIAMS: All opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

MR. WILLIAMS: The ayes have it on Tab 8. Thank you very much.

That concludes our agenda. Is there any purpose or reason to go into closed meeting?

MR. LONG: No, sir.

MR. WILLIAMS: Okay. As David said earlier, our next meeting is going to be July 21st at 10:30. Certainly, we will work with staff to make sure about a quorum, or anything like that.

Board members, any other questions or comments?

(No response.)

MR. WILLIAMS: Okay. All right. This concludes TSAHC's general Board meeting, and the time is 12:23.

(Whereupon, at 12:23 p.m., the meeting was concluded.)

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: June 16, 2026

I do hereby certify that the foregoing pages, numbers 1 through 99, 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 of Directors.

DATE: June 23, 2026

/s/ Carol Bourgeois
(Transcriber)

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