TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Tuesday,
August 18, 2026
10:30 a.m.

BOARD MEMBERS:

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

I N D E X

P R O C E E D I N G S

(10:35 a.m.)

MR. WILLIAMS: I would like to call this meeting to order of the Texas State Affordable Housing Corporation. Today's date is August 18th. The time is 10:35.

Let me move on to roll call here. Vice Chair Valerie Cardenas.

MS. CARDENAS: Present.

MR. WILLIAMS: Director David Rassin.

MR. RASSIN: Good morning. Present.

MR. WILLIAMS: Director Ernest Richards.

MR. RICHARDS: Good morning. Present.

MR. WILLIAMS: Director David Lewis.

MR. LEWIS: Here.

MR. WILLIAMS: And Chair, Lemuel Williams. I am present. We have a full quorum.

If everyone can join us for the Pledge of Allegiance, please.

(Whereupon, the Pledge of Allegiance was recited.)

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

MR. WILLIAMS: Okay. Thank you for that.

Before we move on to the President's Report, is there any public comment?

(No response.)

MR. WILLIAMS: Okay. No public comment.

So, President's Report. David Long, the floor is yours.

MR. LONG: Good morning, Mr. Chairman, Members. Thank you so much.

As always, the program and financial reports are listed in the front of your Board book. In this meeting, it is under Tab Items A through F. If you have any questions, please let me know and we can have either myself or staff respond to those questions.

The Corporation's Loan Committee met last Tuesday, on the 11th. And in addition to reviewing the monthly affordable housing program, AHP, and the Texas Housing Impact, THIF, reports regarding outstanding loans, the Committee also approved two new loans, which are also going to be on today's agenda under Tab Items 5 and 6.

The first is a Texas Housing Impact bridge loan to Easy Street Lofts, LP, and its affiliates and assignees, in the amount not to exceed $550,000 for the Easy Street Lofts apartments to be used as bridge financing for the Easy Street Lofts, which is a new construction 49-unit, mixed income multifamily property serving families in Cleveland, Texas.

The second loan is also a Texas Housing Impact Fund loan to Amarillo Lofts, LP, and its affiliates and assignees, not to exceed $1 million for the Amarillo Lofts Apartments. And it is a new construction, 90-unit multifamily property serving families in Amarillo.

I always want to thank Mr. Lewis for his attendance and participation in the meeting. I was not in attendance for that meeting, for the record. I was on vacation. But I appreciate their efforts to get these two loans in front of you today.

The State Auditor's efficiency audit update. The Corporation has received the draft report from the State Auditor’s Office. We are currently working on preparing a response and reviewing that. We anticipate having that out to them later this week, and when we do, we expect to receive a report sometime in late August.

We appreciate all that was done by Accounting, and all the staff in the programs. That efficiency audit took a lot of time. It ran from February through July, and it took a lot of time, in addition to their regular daily activities.

So, we appreciate everybody working so hard on that. And we are very hopeful that the report will be re-issued. And we're pretty comfortable with what we have seen so far.

Program area updates. Single Family Program, we continue our outreach through both our roadshows, as well as lender trainings and realtor trainings.

I would say that the most current report that I have shows that the 30-day rolling average of loan reservations under the TBA program that we have is just over $340 million in reservations over that 30-day window. Again, that is not the amount of loans that we have closed; that is just the reservations. But it does reflect the number of -- the amount of demand we are having in our programs. And we appreciate that.

In addition, the Corporation is working on pre-originating our 2026 bond transaction right now. We are working with our professionals CFX and Raymond James and Lakeview to coordinate in getting that pre-originated and started. And we'll bring it back to the Board once we have it fully originated and the transaction is closed.

I did want to mention that on the roadshow, that Frank has been out visiting to the Rio Grande Valley to teach courses in Harlingen and McAllen and the network of other housing professionals in that area. In addition to his roadshow he had in North Houston, which -- this is usually one of our biggest roadshows. It is one of our largest areas in the state that we receive reservations from.

And so, I appreciate him being so available to travel as much as he does to make sure that the word is out and working with our respective partners in getting our programs originated.

Joniel also represented the Corporation at the ABREP's Diversity and Fair Housing event, reaching out to about 30 realtors at that event. So, thank you to the staff and Joniel and her team for traveling and getting the word out.

Under our Housing Connection, we continue to accept reservations for upcoming Housing Connection training, which will take place at the Federal Reserve Bank in San Antonio's office, September 28 through October 2. We are partnering with NeighborWorks America to offer the four courses on post-purchase homebuyer education and affordable housing development. And if you have anybody that you know that might be interested in that training relating to non-profits, we'd appreciate you letting them know that registrations are open.

I want to thank the sponsors that come on, on that because we are able to basically provide the training almost free. The Federal Reserve Bank of Dallas allowing us to access their building in San Antonio is really a phenomenal facility. And they do a great job of being a sponsor, as well as a partner with us.

In addition, the funding that we get, support that we were able to provide, pretty much training for free. We offer scholarships, if you will, for hosting and having them in the hotel. So, we really appreciate that is going on there.

Under Fundraising, the Corporation has submitted applications to J.P. Morgan Chase, Bank of America, and Frost Bank to support our upcoming Housing Connection training. We are expecting those to get funded. At least, I would be -- I am hopeful that they will come through on that. And that allows us to continue to support the non-profits as they take their training.

Under our marketing efforts, the Marketing and Homeownership teams recently created educational videos for consumers, focusing on our deferred forgivable with second lien option, the difference between FHA and conventional loans, and how to claim an MCC tax credit benefit.

We will be releasing these videos on our website and social media later this month. So again, a lot of effort is going into our marketing, and making sure that not only our partners, but the benefit made available to the constituents and the borrowers we try and serve is being made available.

Under the Texas Foundations Fund, the Corporation received seven applications for a disaster recovery fund related to flooding in the Texas Hill Country and South Texas. We are reviewing those applications and plan to make those awards later this month.

We also released the 2027 Foundations Fund Disaster Recovery Guidelines for public comment in June, and are bringing the final guidelines to the Board for your approval today, under Tab Item 7. And we look forward to having a discussion with the Board about those guidelines and any other public comment we might receive.

The Texas Supportive Housing Institute, the Corporation, CSH, and Charles Schwab Bank have reviewed the ten applications that were submitted in those that wanted to participate in the 2026 Texas Supportive Housing Institute. And we have selected 16 to move forward. We expect to announce the selection of the teams in early September.

The Institute will formally launch on September 9, and will consist of four months of intense training on the PSH development, as well as one on technical assistance and follow-up grants for the participants. So again, a lot of time and effort goes into the review and determining who we are going to have participate, but we have been very successful in this.

And I really thank the staff for their time, in coordinating not only with Charles Schwab and with CSH for the training, as well as the location that we have. But as a reminder, Charles Schwab offered this up as a sole sponsor on this. So, they are covering the entire expense on this.

So, it is a really great opportunity for us to be able to have development teams that are interested to build permanent supportive housing in the State of Texas to help those in the greatest need for housing.

Under our TxDOT contract, TSAHC is still working on finalizing the contract amendment with TxDOT. That would guide the second phase of the affordable housing revitalization program, which is the administration of the remaining $28.5 million that we have under the grant, which will go out directly to the communities themselves -- the four communities being impacted. Once the contract is finalized, we will finalize a contract for us to have a locally-based program administration set up to manage the grant and work directly with us and TxDOT on getting those funds out the door.

I will say, my notes don't include it. But I am going to add that we have actually made a selection. After over -- I think there were like 90 applications for this position. Katie, Michael, and team did a really good job at narrowing that down to a couple of applications.

We made a selection yesterday, and we contacted that individual. We are waiting on the finalization of the contract before we can actually award them the administrator of our grant. But TxDOT has authorized us to move forward with this person, so we are very excited about that.

Marketing and Communications intern. Every year, we look to hire someone who will come in and kind of assist us through the summer months. We have an internship.

And I am pleased to announce that we hired a Marketing and Communications intern to assist with the social media and graphic design this fall. Her name is Sophie Oliver. And she is a junior at UT Austin, majoring in Radio, Television, and Film.

We need her pretty quickly, in the sense that she will be filling in for Shelby, who is out on maternity leave. She had to leave early, due to some -- just bed rest that was required. And so, we are really excited to have Sophie start with us sooner than later.

Mr. Chairman, that is all my comments for updates today. The only thing that I would add is that our next scheduled Board meeting was scheduled for the 15th of September. Unfortunately, it seems that we won't have a quorum on the 15th, in talking with Board members today.

So, what I would like to propose is that we kind of survey the Board members over the next couple of days and weeks, in trying to determine when we can have a meeting in September that coordinates with everybody. If that is okay with you.

MR. WILLIAMS: Sounds good.

MR. LONG: Okay. Thank you, sir.

MR. WILLIAMS: Thank you, David.

Board members, any questions?

MR. LEWIS: Just only one. I am going to -- I am also slated to be out of the country in October as well, for that October Board meeting. So, I'll probably want to review September and October, just to make sure that we are covered.

MR. LONG: Okay.

MR. LEWIS: Quorum issues.

MR. LONG: Okay. Thank you.

MR. WILLIAMS: Board members, any other questions?

(No response.)

MR. WILLIAMS: Okay. All right. Thank you, David.

MR. LONG: Uh-huh.

MR. WILLIAMS: Board members, and those present, moving on to our open meeting action items. Tab Item 1, presentation, discussion, and possible approval of the minutes of the Board meeting held on July 21, 2026.

MS. CARDENAS: Move to approve Tab Item 1 as presented.

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

MR. RICHARDS: Second.

MR. WILLIAMS: Second by Mr. Richards. Okay.

Any comments? Any questions? Any public comment?

(No response.)

MR. WILLIAMS: Okay. Moving on 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. Thank you.

Moving on to Tab Item 2, presentation, discussion, and possible approval of the fiscal year 2027 Annual Operating Budget.

MR. LAWRENCE: Hi. Nick Lawrence, Controller. We are presenting a proposed operating budget of about $42 million. About $15 million of that is related to TxDOT revenue and expense, that is why it is so much bigger than previous years.

And I want to thank Mr. Rassin and Ms. Cardenas for sitting in Audit Committee where we went over this in detail. So, if you have any comments?

MS. CARDENAS: No. First of all, yes, I want to commend Nick, Melinda, Betsy, and team. Every year, they do a very thorough job.

And I think all the notes attached to the operating budget really helped. It allows us Board members to understand any changes or variances. So, thank you for such a detailed report.

You know, as Nick mentioned, he did point out, right out of the gate, as far as the TxDOT grant funds, which contributed to $15 million in revenue, and then subsequently into the expenditures. Everything else was pretty straightforward.

We had some maybe increases in software expenses, AI consultant, but for the most part, everything was pretty much in line and standard, and very well explained. So, nothing, you know -- I don't know, Mr. Rassin, if you saw anything else regarding this budget, but we did recommend approval.

And it is obviously now before the Board. And again, we do recommend approval for this fiscal year budget.

MR. LAWRENCE: Thank you. If you have any questions, I am happy to answer them.

MR. WILLIAMS: Nick, a quick question for you.

MR. LAWRENCE: Yes.

MR. WILLIAMS: I am just looking at the lending program revenue.

MR. LAWRENCE: Yes.

MR. WILLIAMS: I know to go from, you know, around about 4.8 to 6.2, plus or minus about one and a half times. I guess, could you tell us how did that increase there?

MR. LAWRENCE: Sure. So, what we do is we ask staff what they anticipate us receiving during the year. And they have anticipated this was the amount that we'd receive.

MR. WILLIAMS: Okay.

MS. CARDENAS: You also mentioned that they were --

MR. LAWRENCE: This includes principal and interest.

MS. CARDENAS: Yes. You mentioned the payoffs that were received. That was the variance there.

MR. LAWRENCE: Yes.

MR. WILLIAMS: Okay.

MR. LAWRENCE: Correct. Thank you.

MR. WILLIAMS: Well, other than that, everything looks standard, straightforward.

MS. CARDENAS: Yeah. On B11, there was just a change there, but that was going to be for software expenditures. So, I mean -- yes. Pretty much everything is in line.

MR. WILLIAMS: Pretty much everything is in line. Okay.

Board members, any questions?

MR. LEWIS: Small little detail. Not that it makes much difference, but I know we are zero base budgeting. How often do we do reconciliations during the course of the year to kind of cross-balance, to account for overages and underages?

MR. LAWRENCE: Every month.

MR. LEWIS: We do?

MR. LAWRENCE: Yeah.

MR. LEWIS: Thanks. That is it.

MR. WILLIAMS: Okay. Board members, any additional questions?

(No response.)

MR. WILLIAMS: No questions. I would like to get a motion.

MS. CARDENAS: Motion to approve the operating budget for fiscal year 2027.

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

MR. LEWIS: I'll second.

MR. WILLIAMS: Second by David Lewis. 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: Okay. The ayes have it.

MR. LAWRENCE: Thank you.

MR. WILLIAMS: Thank you.

Moving on to Tab Item 3, presentation, discussion, and possible approval of the fiscal year 2027 Audit Committee guidelines.

MR. LAWRENCE: Nick Lawrence, Controller. We are required every year to have our Audit Committee guidelines approved by the Board. I am happy to report there were no changes.

We did have our CPA firm review, and so what you are seeing is what they recommend. So, I am asking for your approval.

MS. CARDENAS: And just to note, we did ask at Audit Committee if there -- you know, there wasn't any changes and when the last changes were made. Because we recalled there was probably not any last year, as well.

So, it has been a couple of years. But they did explain, you know, that they do cross reference to make sure that there is no auditing guidelines, you know, changes or just anything else. So, we just wanted to point that out because we did notice that there haven't been any changes in the last couple of years to these Audit Committee guidelines.

MR. WILLIAMS: Okay. Board members, anything else?

(No response.)

MR. WILLIAMS: If nothing else, I'd like to entertain a motion.

MR. LEWIS: I'll make a motion for the approval of the fiscal year 2027 Audit Committee guidelines.

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

MR. RASSIN: Second.

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

(No response.)

MR. WILLIAMS: Seeing none. 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.

Moving on to Tab Item 4, presentation, discussion, and possible approval of the guidelines, scoring criteria, and targeted housing needs for the allocation of qualified Residential Rental Project tax exempt bonds 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.

A couple of months ago, we brought these policies to you all for public comment -- to publish for public comment. And they have been out.

There was only one thing that we decided to make a change on based on interactions with an applicant. And we considered that public comment during the process. And that is noted in the presentation there.

In discussions with the potential applicant, basically we looked at section 2(b), which is our scoring criteria, and also the definition of rural and smaller markets, and then the scoring criteria related to that. What we found was that the definition under the scoring criteria ended up having some ambiguity about whether or not it was really for just small urban markets, or if it was also for rural communities.

And so, staff has gone ahead and revised that language to clarify it, and to make it more in line with the actual targeted housing need for small urban areas and rural communities to kind of get rid of that ambiguity. So, it is a -- to be honest, it was an argument where we kind of went round and round internally, as well as with the applicant. Where we kind of didn't see their argument originally, but then we kind of brought it back around, and we kind of could see it from both sides of the coin.

So, we do feel that the language in that section does need to be revised. And so, we are proposing that as a clarification to the policy at this point.

MR. WILLIAMS: And I guess the language -- is that defined by TSAHC's definition, state statute, federal? I guess, kind of how --

MR. DANENFELZER: That is language that TSAHC came up with originally --

MR. WILLIAMS: Okay.
MR. DANENFELZER: -- in the scoring criteria. And we just -- we have revised the rural and small targeted areas in the past, but we just haven't updated it here.
MR. WILLIAMS: Okay.
MS. CARDENAS: On 2(c), that whole paragraph has me hung up on 62 years or 55 years by one person, and then it goes back to 55 again. I don't know what we are trying to say here. I don't know if you could just maybe clarify.
MR. DANENFELZER: Okay. Yes. So, you are looking at --
MS. CARDENAS: The senior housing.
MR. DANENFELZER: The original proposed changes to senior housing. And what we have done there is try to update that, and make sure that it better matches what federal code is under section 2(c).
MS. CARDENAS: Okay.
MR. DANENFELZER: And you are correct. There's two federal regulations. There is a 62-and-up senior definition, as well as a 55-and-up definition. And generally speaking, we try to include those in all of our program guidelines because there are certain overlapping

programs which require the 62-up, and wouldn't allow a 55-and-up.

But the 55 is a greater catchment area. It is just we don't want to break off completely and simply include the 55-and-up language because there is slight differences in the federal code. But it does get confusing. And applicants ask all the time. Because many applicants will say like, well, wait, am I required to do 62 or 55?

MS. CARDENAS: Yes.

MR. DANENFELZER: And we let them know they can choose, based on their other funding sources and what those requirements might be. So, but again, it is a federal ambiguity that we don't have the power to change, but we did sort of update the language and match.

And then you can see there, at the very end, it says to check out Section 42 of the U.S. Code, Section 3607(b). That is where all of the language is included. And we didn't want to have to include all of it.

MS. CARDENAS: Okay. Yes. I just wanted to make sure we weren't excluding. But if you are saying that this is, you know, coming directly from, you know, a certain section, then it is what it is.

MR. DANENFELZER: Yes. I mean, this language almost verbatim matches what is in the QAP for the tax credit program. We try to match that. And -- but again, there was just slight changes here. And yes.

MR. LEWIS: One short question. Are there any areas for deviation from some of these? I am thinking about someone who may have had a stroke at age 54 that may wish to go in there, but they don't meet the age requirements. Do they have those type of deviations available?

MR. DANENFELZER: I will say, I don't know. So, again, the specific federal programs which allow for 55-and-up households kind of vary. And so, there are ways for persons with disabilities to be qualified to be housed within a senior facility that is 55-and-up.

But I can't say off the top of my head exactly what those requirements would be and whether or not someone who had a situation like you have noted would qualify specifically. I think it may depend on what other federal resources that individual is able to obtain. Such as, if they were able to get public housing vouchers or they were able to get Medicare Medicaid assistance, then potentially, they could be eligible for that type of unit.

MR. LEWIS: Thank you.

MR. WILLIAMS: Is that all?

MR. DANENFELZER: Other than that one change that we added to the policy since we published, there are no other -- well, I should say there are some minor grammatical changes and errors that we either found or counsel found during their review. So, those are noted, but they are kind of far and few between.

You will note some of the blue lines where we've added a comma where we didn't have one, or changed the word because counsel recommended that word in place of what was originally there.

MR. WILLIAMS: Okay. Thank you.

Board members, any other questions, discussions?

(No response.)

MR. WILLIAMS: Okay. Looking for a motion.

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

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

MR. LEWIS: I will second.

MR. WILLIAMS: Second by David Lewis. Any discussions? Any comments?

(No response.)

MR. WILLIAMS: Okay. Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote for what is presented in Tab Item 4. 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. Thank you.

MR. DANENFELZER: Thank you.

MR. WILLIAMS: Moving on to Tab Item 5, presentation, discussion, and possible approval of a resolution approving a Texas Housing Impact Fund bridge loan to Easy Street Lofts, LP, or its affiliates or assignees, in the amount not to exceed $550,000 for the Easy Street Lofts apartments.

MS. RAMIREZ: Good morning, everyone. Cassandra Ramirez, Development Finance Manager. Can you all hear me? Is this better?

MR. LONG: It's that one.

MS. RAMIREZ: Oh, it is this one.

This is a $550,000 loan request from CRCD Partners, LLC, to assist with the site acquisition costs for a 9-percent tax credit development that was approved in 2026. This is one of the loans that David mentioned was approved at Loan Committee this month.

Easy Streets Lofts is going to be a 49-unit, 9-percent low income housing tax credit property in Cleveland, Texas, serving families. Cleveland is 45 miles outside of Houston. It is growing very fast; it's becoming a suburb of Houston, actually.

The project's rural location is one of TSAHC's priority and is advancing TSAHC's mission to serve rural and underserved markets. The total development budget for this project is roughly $13.6 million. This includes approximately $556,000 for site acquisition costs, $7.7 million for construction, $3.4 million in soft costs, and $2 million in developer fees.

The project's permanent financing is going to include financing from PNC Bank, roughly $3.9 million, $8.8 million in equity from the sale of the 9-percent tax credits, and a small grant from the City of Cleveland. The borrower is deferring close to $932,000 in developer fees to meet the remaining project costs. TSAHC's loan will be used to secure the project site by October of this year, in line with their site control expiration, with the plan closing on construction and tax credit financing by February of 2027, which would be the payout source for

TSAHC's loan.

As mentioned, the Loan Committee met on August 11, and approved this loan with the following conditions, which I will now read. It includes an interest rate of 6 percent for a 24-month term, including monthly interest-only payments until loan repayment. The loan qualifies for a .25 percent interest rate discount because of its rural location. Will include a six-month loan extension option upon the borrower's request, and a payment of the TSAHC loan extension fee.

TSAHC will collect a commitment fee of $5,500 at the date of closing for this loan. The loan closing and funding are contingent upon receipt of an appraisal or other valuation that supports the site sales price. Loan closing and funding are also contingent upon receipt of a 2026 low income housing tax credit award letter, along with other commitment sources noted in the TSAHC loan application.

As I mentioned, this project did receive a 2026 award. And loan closing and funding are contingent upon receipt of one additional support letter that is eligible in TSAHC's policies, prior to closing and funding. And approval and funding are conditioned on a financial review satisfactory to our CFO and Controller.

The project consultant, Jonathan Estrada, is here and is available to answer any questions, should you all have any.

MS. CARDENAS: I have a question. On the -- this is just in general, maybe not necessarily just for this project.

MS. RAMIREZ: Uh-huh.

MS. CARDENAS: So, there is 49 units. And it is broken up, you know, as far as the distribution -- you know, whether it is 60, 50, 30. But my question is, on the remaining nine units that are market rent, if there are potential borrowers or tenants or citizens that meet -- after you fulfill all the other buckets, that meet additional 60, 50, 30, do all of those nine have to be reserved for market rents? Or if you have an application that is at a 30 or 50, 60, can those go into those buckets?

MS. RAMIREZ: That is really one for the developer and the operator to answer. There is a lot of ways to -- Jonathan is actually right here. A lot of organizations do it.

MS. CARDENAS: Okay.

MR. ESTRADA: Jonathan Estrada. Yes, they would be open for people that wouldn't necessarily --

MS. CARDENAS: If you have more candidates coming in to meet those buckets, then the market rents would go away, and you would accommodate those into the respective --

MR. ESTRADA: Yes.

MS. CARDENAS: Okay. That was just a question.

MR. ESTRADA: And oftentimes, we end up planning those at 60 percent anyway, during the closing process, as part of our actual --

MS. CARDENAS: I am sorry. What?

MR. ESTRADA: As far as the tax rate closing, we end up assigning those to 60 percent units anyhow.

MR. WILLIAMS: Did I see this correctly? I know it is kind of probably a one-off, but there was a small grant from the City of Cleveland.

MR. ESTRADA: Yes. That is a requirement from the TDHCA for our --

MS. RAMIREZ: Competitive points.

MR. WILLIAMS: Okay. I was just trying to figure what their budget is.

MS. RAMIREZ: You will see it in the next one, too.

MR. ESTRADA: It comes in the form of a waiver.

MR. WILLIAMS: Okay. Yes. I was just kind of thrown off with the cost of the whole project, and you know, just seeing that grant. But anyways, tomato, tomato here.

Okay. Any other comments from you? Sorry about that one going to the floor. Okay. Board members, any other questions? Any other comments?

(No response.)

MR. WILLIAMS: Okay. If nothing else, I would like to get a motion on Tab Item 5.

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

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

MR. RICHARDS: Second.

MR. WILLIAMS: Second by Mr. Richards. Any questions? Comments?

(No response.)

MR. WILLIAMS: Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote, as presented in Tab Item 5. 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 for Tab Item 5 as presented in the Board agenda. Thank you.

Moving on to Tab Item 6, presentation, discussion, and possible approval of a resolution approving a Texas Housing Impact Fund bridge loan to Amarillo Lofts, LP, or its affiliates or assignees, in an amount not to exceed $1,000,000 for the Amarillo Lofts Apartments.

MS. RAMIREZ: Good morning again. Cassandra Ramirez, Development Finance Manager. This is another loan that David mentioned in his President's Report that was approved at the August Loan Committee meeting.

This is a $1 million loan request from Gyani Capital to meet the site acquisition cost for the development of the 90-unit, 9-percent low income housing tax credit property in Amarillo, serving families. The borrower received a 9-percent 2026 low income housing tax award this summer.

Jonathan Estrada is representative of Gyani Capital as a partner. The total development budget for Amarillo Lofts is roughly $21 million. It includes $1 million for site acquisition costs, approximately $13 million for construction, $4.5 million for soft costs, and $2.4 million in developer fees.

Similar to the other loan, permanent financing is going to be through PNC Bank, $4.8 million for a perm loan, $15.4 million in equity from the sale of the 9-percent tax credits, and a small grant from the City of Amarillo for $500. The borrower is deferring approximately $874,000 in developer fees to meet the remaining project costs.

TSAHC's $1 million loan will be used to secure the project site by October of this year, in line with the site control. And the plan closing on construction and tax credit financing is the spring of 2027, which will be the payoff source for the TSAHC loan.

As mentioned, the Loan Committee met on August 11 and approved this loan, with the following conditions that I will read now. They approved a loan at an interest rate of 6 percent for a 24-month term, including monthly interest-only payments until loan repayment. The loan qualifies for a .25 percent interest rate discount because 10 percent of the units will be reserved for households at or below 30 percent AMI.

TSAHC will include a six-month loan extension option upon borrower's request and payment of a TSAHC loan extension fee. TSAHC will collect a commitment fee of $10,000 on the day of closing for this loan. Loan closing and funding are contingent upon receipt of a 2026 low income housing tax credit award letter, along with the other commitments for funding sources noted in the TSAHC loan application.

This loan closing and funding are contingent upon receipt of an appraisal or evaluation that supports the sales price. TSAHC loan closing and funding are also conditioned on the completion of the re-zoning for the site, prior to closing and funding. And approval of funding are conditioned on our accounting team's satisfactory financial review.

And as I mentioned, Jonathan Estrada is a principle partner with Gyani Capital, available for any questions this morning.

MR. WILLIAMS: And you don't see any issues on the loan repayment? Just kind of thinking ahead because I know there has been some loans where we have had to defer, defer, and then more deferment, where TSAHC wouldn't impose kind of like a penalty or anything like that.

MS. RAMIREZ: I mean, as long as they close on their tax credit and construction financing within the timeline, you know, we shouldn't see any issue. The tax credit award is the big challenge for securing all that financing.

MR. WILLIAMS: Yes. Okay. I'm good.

Board members, any questions?

MR. LEWIS: I have got one small comment, of course. Chairman Williams, I want to mention that this project is similar to the prior one.

MR. WILLIAMS: Yes.

MR. LEWIS: The City of Amarillo has the same $500 contribution as the City of Cleveland. I think -- and it is for the same reasons as well. It was unusual to me, to see this.

Anyway, I just wanted to bring that up. No other questions. Thanks.

MR. WILLIAMS: No. No. Understood.

MR. RICHARDS: I have just got one small comment as well. It looks to me that a commitment fee of $10,000 that we collect is awfully small on these deals. The first one was $5,000.

MS. RAMIREZ: Well, the commitment fee is calculated at 1 percent of the loan amount, which is in our guidelines.

MR. RICHARDS: Okay.

MS. RAMIREZ: It's a formula.

MR. RICHARDS: Yes. Okay. Not for profit, right.

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

MR. LEWIS: Thank you.

MR. WILLIAMS: Okay. Looking for a motion on Tab Item 6.

MR. RICHARDS: Mr. Chairman, it is my pleasure to move the motion that Tab Item 6 be approved as presented.

MR. WILLIAMS: Motion has been made by Mr. Richards. Is there a second?

MR. LEWIS: I will second.

MR. WILLIAMS: Second by Mr. Lewis. Any other discussions? Any comments? Any public comments?

(No response.)

MR. WILLIAMS: Okay. Moving on to a vote for Tab Item 6 that is presented 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: Okay. Thank you. Tab Item 6 has been approved.

MS. RAMIREZ: Thank you.

MR. WILLIAMS: Thank you. Moving on to Tab Item 7, presentation, discussion, and possible approval of the Texas Foundations Fund fiscal year 2027 Disaster Recovery Guidelines.

MS. ORENDAIN-CHAVEZ: Good morning. My name is Anna Orendain-Chavez. I serve as the External Relations Specialist here at TSAHC.

Today, we are presenting you with an updated version of our Texas Foundations Fund fiscal year 2027 disaster recovery program guidelines. We originally brought a draft of these guidelines to you in June, for approval to post for public comment. Now that the public comment period has ended, we are bringing you our proposed set of final guidelines.

We did receive public comment from Connective, one of our partners in the Rebuild Kerr down payment assistance program that has been helping residents of the Texas Hill Country rebuild after the July 2025 floods. Connective has been assisting with disaster recovery efforts since Hurricane Harvey in 2017, and they are considered experts in housing-related disaster recovery work. We took their letter, which has been included in the Board book, into consideration for the first four of our proposed updates.

If we take a look at the redline copy of the guidelines, you will see that we have increased the total amount of funding to $350,000. This maintains the amount of funding that we had available in fiscal year 2026. We also expect that maintaining this level of funding will allow for more non-profits to respond to recent and future disasters.

Secondly, we have expanded the window of time in which non-profits can apply for funding. This new version of the guidelines allows organizations to seek funding for disasters declared on or after June 1, 2025, which gives them an extra year to apply for funding. We believe this expanded timeline will better allow non-profits to assist households that are dealing with delays, such as insurance disputes, FEMA claims, or contractor shortages.

We have also increased both the maximum award that an organization may receive per disaster to $50,000, and also, the maximum amount that an organization can spend per household to $10,000. We chose to recommend these increases in response to the rising costs of home repairs. We believe that the increased funding will allow non-profits to repair more homes with TSAHC funding and that the new maximums are better aligned with the current repair costs.

When incorporating these four changes from public comment, we also decided to make two additional changes in anticipation of future program needs.

First, we would allow organizations to submit more than one application per declared disaster, as long as they report on their previous award and can demonstrate sufficient demand for a second award. This will allow high-capacity organizations to request additional funds, which will not only help TSAHC's disaster recovery funds to be fully utilized each year, but will also ensure that grantee organizations can respond to demand for repairs.

Our last proposed change is to require that households located in designated flood hazard areas must obtain and maintain flood insurance for a minimum of two years following the completion of repairs funded by this program. The reason for this change is twofold. We want to ensure that the program isn't funding repairs of homes damaged more than once by similar disasters, but perhaps more importantly, we want to make sure that homeowners that live in flood zones are better protected in the long run.

This change is also in line with what Connective and the Community Foundation of the Texas Hill Country required. So, we don't expect this requirement will be an imposition on grantees, especially those that are already working with Connective and the Community Foundation.

With the approval of the Board, we would adopt these as our final guidelines for the fiscal year 2027 disaster recovery program and open the online application as quickly as possible. With that in mind, I would like to provide a chance for any questions.

MS. CARDENAS: I have a question on 2(a). So, the two-year -- I guess, where did they come up with, like, just two years post-repair if you are in the designated flood zone?

MS. ORENDAIN-CHAVEZ: I believe that was what Connective and the Community Foundation require. So, we just wanted to make sure our guidelines matched what other fund --

MS. CARDENAS: So, I guess there is an assumption that these houses are paid for. Because if they had a lien, and they were in the designated flood zone, then it would be a requirement by the lender that it have the -- unless the flood designation changed. Right?

It would be a requirement that they have it for the life of the loan, as long as there is a lien. So, I guess, we check just to see if there is a lien against the property, like a mortgage lien -- right -- or if the house is paid for, free and clear, to determine whether the two-year would stand, or if there is something that would be in place for a longer period of time.

MS. CLAFLIN: Yes. Katie Claflin, Senior Director of Communications and Development.

Yes. That is absolutely right. So, what we'll do is, we'll ask the non-profit to verify whether or not the homeowner has a mortgage. And if they currently have, you know, if they are in a flood plain and if they currently have flood insurance. And then, if they are not, as part of the reporting, we'll ask them to verify that the homeowner did obtain flood insurance upon the completion of the repairs.

MR. RASSIN: And what if they don't?

MS. CARDENAS: They won't receive the grant.

MR. RASSIN: But they have already received it, haven't they? Haven't they already received the grant?

MS. CLAFLIN: So, we can ask. We can word it in a way that asks them to confirm on the front end that the homeowner intends to receive flood insurance and has that documentation before repairs have begun.

MR. RASSIN: Okay. But my question is, we have given them the grant. They have said that, yes, we will get flood insurance for two years.

What if they then don't get the flood insurance?

MS. CLAFLIN: That is a really good point. We will need to verify that on the front end, that they have already gotten flood insurance in order to begin repair work.

MS. CARDENAS: So, I mean, I guess maybe the stipulation is that the grant is not issued until there is verification, one, flood insurance already in place. Right? If they have got a mortgage loan or lien against the property, that there is already an effective policy in place.

And, two, if it is paid for free and clear, that they get a flood insurance. And I would say that, you know, it would be a follow-up. And I know a lot of this can be tedious. Right?

But -- because somebody can just go and file a flood application, but then you don't have the declaration page saying that the policy is bound. And usually, I mean, they will bind them within a week or two, unless -- you know, I know there is usually like a 30-day wait period.

But I guess, just maybe to put some other procedures. And the onus would be on the non-profit. Right? Because then, they would get -- I would think they would come on to our list as, you are not complying if, you know, an audit is done, and we find that they are not complying with whatever our requirements are.

MR. RASSIN: So, I have flood insurance. It is for one year at a time. I don't know if two years flood insurance is available. I also don't know if it is cancellable.

I know, with most of my insurance policies, I can get it cancelled and get my money back. Are we creating a rule where somebody has to pay two years of flood insurance -- which is a lot of money. We are asking that from people who don't have a lot of money, which is why they are here to start with.

We are asking them to obtain an expensive flood program that they can then turn around and also cancel.

MS. CARDENAS: You can only get it on a an annual basis, flood insurance. Because it is renewable. And it is either cancellable by either the home insurer or the insurance company, if they go out and do an inspection or whatever it is that they do. Right?

But I think the key is to make sure that it is not going to be cancelled. And the other important thing is that it is paid for a year in advance, because if they are doing a month to month -- and again, I know we don't need to get into the granular things. But there is just a lot of things that -- you know, you put rules.

You are trying to help people. So, I think the onus is going to have to be on the non-profits to say, you know, this policy needs to be paid for a year in advance. Because if they do a month-to-month, they miss it one month, it gets cancelled.

And then, you know, they just did it to get the grant. And then, you know, they are like, who is going to check?

MR. RASSIN: My concern is that although we all think it is better to have flood insurance than not to, we are targeting people who are -- targeting is the wrong word. This program is meant for people who in very bad financial condition. They might not be able to pay for a year of flood insurance. And when the second year comes up, they might not be able to have that either.

I believe that it is great to have flood insurance. It is also better to be rich than to be poor. But are we putting a reasonable requirement? And is it one that we are going to enforce?

If somebody doesn't get the flood insurance, we probably don't want to say, well, now you are barred from the program in the future. Because this is meant to target people who are needy. Whether we -- or in need. Not whether we approve of their insurance portfolio or not.

I am not saying I disagree with this. I just don't really see where it lives in practice.

MS. CLAFLIN: I think what we can do is follow up with Connective and the Community Foundation, because this does align with their guidelines, and see what enforcement procedures they have in place. And I could recommend that we align with theirs, in terms of how they -- you know, what information and documentation they require as part of the application, and as part of the reporting, because they do have pretty extensive experience in this --

MR. RASSIN: Yes.

MS. CLAFLIN: -- would, you know, trust that they have worked out all of those details and have a procedure in place that is not punitive to the homeowner.

MR. RASSIN: I am not recommending this, but I am brainstorming in public, on the record, unfortunately. Flood insurance is not hugely expensive. Should we get them flood insurance?

MS. CARDENAS: Well --

MR. RASSIN: And I see the reaction in the room is mixed. Everybody wishes I hadn't said it. But is --

MS. CARDENAS: It can be. It can be expensive, depending on the flood zone designation. For your basic flood zone elevation, it is maybe going to be $500 a year. But if you are in a certain designation, then it can become very costly.

MR. RASSIN: If we were giving somebody a $30,000 grant, should we earmark some of that for flood insurance? Again, that is not a recommendation. It is just me brainstorming in public.

MR. WILLIAMS: So, that was going to be my next question. Because I looked under -- where was it -- under grant agreement, grantees may use up to 10 percent of their award for administrative expensive. Depending on how you define administrative expenses.

I mean, I agree with you. It could be a cost incurred that can stretch the homeowner a bit, but that is not our call.

Certainly, we kind of want to figure out from Connective where the due diligence has been done, leave that up to them. So, yes. We just -- we need to find out from them. Yes.

MR. LEWIS: Is it important that we vote on this today? Can we delay it a month while we reevaluate some of these open issues? Just table it for a month? Is that --

MR. RASSIN: Even if we do vote on it, I don't think it is the end of the world if we try it for a year.

MR. LEWIS: What was -- I couldn't hear.

MR. RASSIN: I don't think it is the end of the world if we just try it for a year and see what happens, if we run into a lot of people defrauding the program. I don't know why that drew a laugh. I am not joking.

I mean, if we try it for a year and find that our compliance rate is pretty good, then maybe we don't have a real problem. Also I am also not against postponing it for a month of study, per Mr. Lewis' suggestion.

MR. WILLIAMS: The comments are valid. The concerns are valid. I think it is more -- not I think. I see it is more of us just wanting to assist the policy in the process.

But also, it is not our role to govern on this. It is more of Connective and the third party. So, we are empowering staff to go figure that out.

MR. LEWIS: Okay.

MR. WILLIAMS: So, you know, again, to the point of Mr. Rassin. It is like, hey, you know, we vote on it and staff is empowered to have the documentation to ensure and work with a third party that, hey, the policy is working. The guidelines are working.

Where something needs to be changed, that is on staff. Once things get negligent and out of control, then that is where we could step in with recommendation.

I mean, just by looking at some of the proposed changes from -- and Board members, please keep me honest. I mean, from where we originally started on preparing this thing, to where it is at today, I am confident. It certainly -- it is clear.

It is open. It is concise. I don't -- I am not seeing any in-between gotchas. Again, it is more about the policy versus the procedural things that needs to be worked out.

MR. RASSIN: To summarize my concern, I don't want us to accidentally create a class of people that are too poor for us to help.

MS. CLAFLIN: I would add that the Board can make changes to these guidelines throughout the year. We have done mid-year changes in the past.

So, we could put these out, open the application, see what we get. And then in a couple of months determine if this policy just doesn't work, it is not workable. Nobody can qualify. Could make changes at that time.

MR. WILLIAMS: Okay. We'll leave that up to you.

MR. LEWIS: I have got one real quick question.

MR. WILLIAMS: Yes, sir.

MR. LEWIS: Hopefully, it is a yes or no. The change from the June 1, 2026 to 2025. Is that to accommodate an unmet need from the storms from the summer of 2025?

MS. CLAFLIN: In part, yes. We did receive -- I believe Mr. Long, as part of the President's message, indicated that we got several applications this summer. Some of those were for 2026 floods. Some of them were for 2025 floods.

And what we realized, and what Connective brought to our attention, was that some of the organizations assisting with these floods are just now getting to the point where they can apply for other funds. Either because they are getting a slew of homeowners who have, you know, had insurance challenges or have been declined by FEMA, or did not receive enough assistance from FEMA. Or they received -- the non-profit received a lot of funding from like the Community Foundation, and they are just using that majority of funding and realizing they still have some unmet needs.

So, we realize that we did just need to go a little bit further back, and we determined a year in order to accommodate those organizations.

MR. LEWIS: Thank you. That is all I have.

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

(No response.)

MR. WILLIAMS: If nothing else -- again, to summarize, staff is going to go work with Collective, figure this thing out, so -- Connective.

And other than that, again, staff, good work. I know this is usually we spend an extra 10 to 15 minutes on this because of the nature of this program, the effect that it has on the homeowners and programs. So again, thank you for the time.

With that being said, Directors, if I can get a motion for Tab Item 7.

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

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

MR. LEWIS: I will second it.

MR. WILLIAMS: A second by David Lewis.

Any further discussion? Any comments?

(No response.)

MR. WILLIAMS: Any public comments?

(No response.)

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

(A chorus of ayes.)

MR. WILLIAMS: Any opposed.

(No response.)

MR. WILLIAMS: Any abstentions.

(No response.)

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

Directors, Tab Item 8 will be a closed executive session on personnel matters, discussion pursuant to Texas Government Code 551.074. And the time of moving into closed session is 11:32 a.m.

(Whereupon, at 11:32 a.m., the meeting was recessed, to reconvene this same day, Tuesday, August 18, 2026, following conclusion of the executive session.)

MR. WILLIAMS: Okay. I would like to reconvene the closed executive session -- back for the Texas State Affordable Housing Corporation. The time is 12:09.

And moving on to Tab 9, review, discussion, and possible action regarding matters discussed in Executive Session and any related actions. There wasn't any action needed to be taken.

So, with that being said, there is no more of our open meetings, no more tab items.

Mr. President, anything you would like to add?

MR. LONG: No. Just as we said earlier, we will coordinate with the Board members over the next couple of weeks about September Board meeting date.

MR. WILLIAMS: Okay. Directors, any questions, any comments?

(No response.)

MR. WILLIAMS: Okay. If nothing else, if I can get a motion for adjournment.

MS. CARDENAS: Motion to adjourn.

MR. WILLIAMS: Motion has been made. And the time is 12:10 on August 18th. Thank you.

(Whereupon, the meeting was concluded at 12:10 p.m.)

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: August 18, 2026

I do hereby certify that the foregoing pages, numbers 1 through 55, 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: August 24, 2026

/s/ Carol Bourgeois
(Transcriber)

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