

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

TSAHC Office
6701 Shirley Avenue
Austin, Texas 78752

Wednesday,
April 14, 2021
10:33 a.m.

BOARD MEMBERS:

WILLIAM H. DIETZ, JR., Chair
VALERIE V. CARDENAS, Member (via telephone)
COURTNEY JOHNSON ROSE, Member (via telephone)
LALI SHIPLEY, Member
ANDY WILLIAMS, Member

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1
2 MR. DIETZ: It is 10:33 on Wednesday, April 14,
3 and the Texas State Affordable Housing Corporation Board
4 meeting is called to order. Per the governor's disaster
5 declaration, we are having a combination of an in-person
6 meeting and virtual meeting today.

7 Before we begin, I'll do a roll call.

8 Bill Dietz, Chair, I am here.

9 Valerie Cardenas?

10 MS. CARDENAS: Present.

11 MR. DIETZ: Courtney Johnson Rose?

12 MS. JOHNSON ROSE: Present.

13 MR. DIETZ: Lali Shipley?

14 MS. SHIPLEY: Present.

15 MR. DIETZ: And Andy Williams?

16 MR. WILLIAMS: Present.

17 MR. DIETZ: Okay. So, we do indeed have a
18 quorum.

19 Let's begin with the Pledge of Allegiance.

20 (The Pledge of Allegiance and the Texas
21 Allegiance were recited.)

22 MR. DIETZ: It's been so long since I've done
23 these in person. It feels good to be doing them in
24 person.

25 And Valerie and Courtney, have y'all seen the

1 building?

2 MS. JOHNSON ROSE: Not yet. I can't wait.

3 MR. DIETZ: It is impressive. Now you get lost
4 when you're trying to find the conference room because
5 it's such a big building.

6 Okay. Before we begin with the president's
7 report, is there any public comment?

8 MS. ELLINOR: Bill, this is Sarah. We do have
9 three individuals wishing to make public comment this
10 morning. I will go in the order which we received their
11 forms, so Don Ball is the first comment maker. I will go
12 ahead and unmute Don.

13 Don Ball, would you like to speak?

14 MR. BALL: Can you hear me?

15 MR. DIETZ: We can hear you now, yes.

16 MS. ELLINOR: Yes, we can hear you now. Sorry
17 about that.

18 MR. BALL: Very good. That's okay.

19 I'm Donald Ball. I'm the executive director of
20 Nautical Affordable Housing here on Galveston Island. I'd
21 like to speak with you this morning about Sandpiper Cove.

22 It's 192 units, public voucher-based
23 development down on Lee Street here on Galveston Island.
24 It was built in 1969. It's the only project-based voucher
25 residence on the island. There's a tremendous housing

1 shortage on the island, and if this were not a viable
2 development, I really don't know that the people that live
3 there could find another place to live here on the
4 island. A few of them could, but most of them would have
5 to leave the island and go to somewhere surrounding here.

6 It is very badly in need of being rehabbed. It
7 was built in 1969, and it has seen some bad care in
8 between then and now. The residents that live there
9 actually really deserve a decent, safe, clean place to
10 live and we could provide that for them if we were able to
11 get funding for it.

12 We started on this about a year ago. We're
13 actually shovel-ready to start. We have secured all of
14 the needed local political support, and we are actually
15 through with all of the plans and everything.

16 The only thing we're waiting for is funds, so
17 if we could just get the funding, we could start
18 immediately on doing this. And I ask you to please
19 consider helping us to help these residents on this
20 development.

21 Thank you.

22 MR. DIETZ: Great. Thank you for your
23 comments, Mr. Ball. And I don't know if we got your name
24 and address just for the record, so if you could just,
25 please state your address as well for the record.

1 MR. BALL: Absolutely. And I'd also like to
2 thank you and the Board and the staff for allowing us to
3 present this morning.

4 My name is Donald Ball. I live at 2715 Palm
5 Circle West, Galveston, 77551.

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

7 Okay. Is there any additional public
8 comment? Sarah, I understand that we have a couple
9 more. Correct?

10 MS. ELLINOR: We do. We have Ray Richardson.
11 If you would like to go next, you can introduce
12 yourself. Let Bill know who you're with, and your address
13 for the public record, and you have three minutes to
14 speak.

15 MR. RICHARDSON: Thank you. Can you hear me?

16 MR. DIETZ: Yes.

17 MS. ELLINOR: Yes.

18 MR. RICHARDSON: I'm Raynold Richardson. I'm
19 at 7505 Haywood Drive in Houston, Texas. I am the sole
20 member of Jeshurun Development, LLC, which is a
21 co-developer and co-owner of the site if we can get the
22 bond allocation.

23 We presented this to the Board, I believe in
24 March sometime, and we didn't get an up or a down vote
25 either way to move the deal forward or to kill the

1 deal. And my request is that the Board members, if you
2 guys would entertain to at least allowing us to come back
3 once again and make a presentation to the Board of what
4 we're trying to do in order to make this a successful
5 project.

6 We have spoken with all the players once,
7 spoken with the HUD office, spoken with the folks in
8 Galveston, and everyone is excited about the potential for
9 this project being brought back to a place that's decent
10 and safe for all the residents involved.

11 So, my ask is for at least the Board to
12 consider allowing our team to come back and make a
13 presentation, do whatever we need, to submit additional
14 documentation to you or to your staff who makes that
15 decision. The decision based on what they've done -- I
16 have a high degree of respect for your staff and your team
17 and what they do.

18 Being a former member of the federal service,
19 being a director of HUD for many years, especially for the
20 Multifamily Housing Division here in Houston and in Fort
21 Worth, I understand the amount of work that they put into
22 these deals to analyze and to come up with some type of
23 decision to make the recommendation to the Board. So,
24 we're asking for at least an opportunity to present this
25 deal to the Board again in the next Board meeting, if you

1 would consider that, the Board and all who are involved.

2 Thank you very much.

3 MR. DIETZ: Okay. Thank you, Mr. Richardson,
4 for your public comment.

5 MS. ELLINOR: WE have one more, Bill.

6 MR. DIETZ: Okay, great.

7 MS. ELLINOR: Mr. Bobken Simonians, you can go
8 next. And please just introduce yourself, who you
9 represent, and your address for the record, and you'll
10 have three minutes to speak as well.

11 MR. SIMONIANS: Good morning. Can you hear me?

12 MR. DIETZ: Yes.

13 MS. ELLINOR: Yes.

14 MR. SIMONIANS: Good morning, Mr. Chair and
15 Board members. My name is Bobken Simonians, I'm with ITEX
16 Development, 9 Greenway Plaza, Houston, Texas.

17 I'd like to echo previous comments.
18 Specifically, I would like to offer a workshop, if
19 possible, to sit down with staff members and Board
20 members, if you're so inclined, to go through the details
21 of the Sandpiper Cove project. We believe it's a very
22 good project.

23 We believe it's going to help the community,
24 the city, and the state, for that matter, because we have
25 an old project, over 50 years old, needs to be remodeled,

1 the tenants deserve better. There is federal assistance
2 to the project. Those monies should be spent for the
3 right reasons, and this is the only chance for them to be
4 able to live in a safe and sanitary environment.

5 And we propose to do that. We are spending
6 close to \$50 million to achieve that. And we believe
7 we've addressed all the concerns and we would like to have
8 a workshop to be able to explain the details so that we
9 can have the opportunity to get back to the Board and
10 hopefully get the bond allocation approved. Without it
11 the tenants are also suffering, the city is also
12 suffering.

13 So, your help in this process would be greatly
14 appreciated and your direction to have the workshop to be
15 able to sit face-to-face and explain the transaction in
16 detail would be very helpful. Thank you.

17 MR. DIETZ: Thank you very much.

18 Appreciate all your public comments. As the
19 issue that you have referenced isn't on our agenda today,
20 we're unable to discuss that in more detail today. But we
21 definitely appreciate the public comments, so thank you.

22 Any additional public comments, Sarah?

23 MS. ELLINOR: No. That is all that I have
24 right now. Thank you.

25 MR. DIETZ: Great. Okay. With that, let's

1 move on to the president's report. Mr. Long.

2 MR. LONG: Thank you, members, Mr. Chairman.
3 Quick overview, each of you should have received a copy of
4 my president's report. Just quick highlights out of it.

5 First Board meeting, sorry that Ms. Rose and
6 Ms. Cardenas can't be here with us, but first meeting in
7 our new building. I hope you all get a chance to not only
8 tour it today and/or when they're able to attend the
9 meeting in person, but hopefully you'll appreciate and
10 enjoy the building as much as we are.

11 As Mr. Dietz noted earlier, we continue to work
12 under a semi-COVID protocol where we are allowed to meet
13 virtually as well as in person per the governor's most
14 recent guidance, and yet we still have the disaster
15 declaration in place, so we're able to meet remotely. So,
16 with that, the Corporation staff is anticipated, absent
17 any changes, into the office on June 1 when we will start
18 working in the office again.

19 We will maintain our COVID protocols, mask
20 requirements and everything else to ensure that we are
21 providing our staff the most safety that we can during
22 their attendance here.

23 We're very fortunate over the last year, since
24 we've been working from home, to have been able to
25 increase our staff. Positively, that means we have a lot

1 more work going on. We've increased our staff
2 significantly by numerous staff positions, and we have a
3 new one that I put in my Board write-up for you just so
4 you'd know, but Estefania -- and I always butcher her
5 name -- Linares is working with the Asset Oversight and
6 Compliance team, working directly with James and Celina,
7 and we're really happy to have her on board.

8 She came on board on March 16 as an Asset
9 Oversight and Compliance Specialist. So, we're really
10 thankful to have an additional staff person with great
11 experience and talent joining our team.

12 The Loan Committee did not meet yesterday. We
13 normally meet the day before the Board meeting. We didn't
14 have anything to report out or to vote on, so we went
15 ahead and did have the reports that we normally look
16 through sent out to the members and we hope that we'll be
17 having additional items next month. Mr. Williams is our
18 Board representative on that, and he continues to be a
19 very active member on the committee.

20 Single family program updates are on there,
21 showing how much activity we've had.

22 Fundraising and Business development. The
23 Corporation continues to raise funds for its various
24 activities. Most recently we received a \$5,000 grant from
25 Insperity in support of our 2021 Texas Supportive Housing

1 Institute which we will launch sometime this fall. We
2 also submitted grant requests to Frost Bank for additional
3 support of the Texas Supportive Housing Institute. And
4 we've started discussions with some of our past investors,
5 including JPMorgan Chase and BBVA Compass, as ways to
6 continue to raise funding for our activities.

7 Marketing and Development. I know some of the
8 Board members have participated in some of our podcasts.
9 Not to be left out, some of the staff are getting involved
10 in that now, and James Matias, senior manager over Asset
11 Oversight and Compliance, has done a podcast for us that
12 released on the 9th of April. He specifically talked
13 about the impact of property taxes on homeownership.

14 And then we have a new one that will be
15 released -- I guess it was released already this week,
16 including Michael Wilt, our manager of External Relations,
17 and he was talking about fair housing issues. So, if you
18 haven't had a chance to listen to the Board members or the
19 staff, I encourage you to do so. They're very good and we
20 really appreciate everyone's participation.

21 Last month the Board had authorized -- the
22 staff did a phenomenal job of quickly getting it to you --
23 a request for funding for the Texas Foundations Fund
24 winter storm funding, a round that we wanted to put
25 \$300,000 out to nonprofits. And Michael will be talking

1 more about this under tab 5, but I just wanted you to know
2 that we were able to make those awards since the last time
3 we met, and Michael will announce those awards to you
4 later this morning during the meeting.

5 Government Relations. We continue to monitor
6 both the House and Senate government meetings and
7 committees that we report to. Michael has done a
8 phenomenal job of providing not only internal updates, but
9 I know the Board receives a Friday update on the different
10 bills that are impacting us across the spectrum of
11 programs we offer, and Michael will also be giving an
12 update to the Board under tab item 6.

13 I always like to mention those professionals in
14 attendance, and since we're kind of still meeting
15 virtually, the professional who is here today is Routt
16 Thornhill with Coats Rose. He serves as our general
17 counsel, and Routt is here in the audience if there's any
18 questions to be asked.

19 With that, I would like to congratulate
20 Courtney Johnson Rose. She was reappointed by the
21 governor for a new term serving on the Corporation's
22 Board. Her term will expire February '27. As always,
23 that means that I also have to suggest to you that I have
24 to announce that Lali is moving on to a different board
25 and she will not be continuing with us, but this is her

1 last Board meeting today. And later under tab item 7
2 we're going to recognize Lali for her service to us here
3 at the Corporation.

4 And a new Board member was appointed, and both
5 Ms. Rose and Mr. Williams is his name, Lemuel Williams,
6 were confirmed by the full Senate yesterday. So, we will
7 work through Mr. Williams's training to make sure that he
8 is able to attend the May meeting.

9 And with that, Mr. Chairman, unless there's any
10 questions, I will conclude my remarks.

11 MR. DIETZ: Great. Thank you.

12 Do Board members have any questions for Mr.
13 Long about any of that?

14 (No response.)

15 MR. DIETZ: Great. So, tab item 1 is the
16 presentation, discussion and possible approval of minutes
17 of the Board meeting that was held on March 10, 2021.

18 Any questions, corrections, additions,
19 comments?

20 (No response.)

21 MR. DIETZ: If not, I'll entertain a motion to
22 approve.

23 MS. CARDENAS: So, moved. This is Valerie.

24 MR. DIETZ: It's been moved. Is there a
25 second?

1 MR. WILLIAMS: This is Andy. I'll second.

2 MS. JOHNSON ROSE: Second.

3 MR. DIETZ: I think Andy won the second
4 contest. So, it has been moved and seconded that we
5 approve the minutes as presented. All in favor please say
6 aye.

7 (A chorus of ayes.)

8 MR. DIETZ: Okay. That was unanimous so it is
9 approved, the minutes are approved as presented.

10 Tab item 2, the presentation, discussion and
11 possible approval of a resolution authorizing the issuance
12 of Texas State Affordable Housing Corporation multifamily
13 housing revenue note for the Trinity Oaks Apartments
14 project, Series 2021, a funding loan agreement, a project
15 loan agreement, an asset oversight, compliance and
16 security agreement, and a regulatory agreement;
17 authorizing the execution of documents and instruments
18 necessary or convenient to carry out the issuance of the
19 note; and other provisions in connection therewith.

20 MR. DANENFELZER: Good morning. David
21 Danenfelzer, Senior Director of Development Finance. It's
22 very nice to see everyone's faces.

23 Today we are looking at the first of two
24 transactions which the Board is approving the final
25 resolution approval of the transaction. To give you a

1 little bit of a history, though, understand that we
2 received these applications in the middle of last year.

3 We've been going over these transactions for
4 many, many months, obviously, and we've finally come to a
5 point where we're ready to move forward to closing. The
6 projects have been approved for tax credits and we've
7 developed bond documents.

8 Originally when we looked at these last summer,
9 these were actually two projects that were combined, but
10 due to tax purposes and other reasons, we decided to split
11 them apart into two separate transactions; the first of
12 which that you're going to be voting on today is Trinity
13 Oaks Apartments. And this does involve the acquisition
14 and rehabilitation of a 48-unit apartment complex,
15 targeted to seniors in Sulphur Springs, Texas.

16 The units are supported through a project-based
17 rental assistance contract with the U.S. Department of
18 Housing and Urban Development. And so that does mean that
19 not only will the households only pay 30 percent of the
20 rent that is collected, but the developer also collects a
21 little bit extra in order to support such a small deal.

22 The project-based rental contracts are very
23 critical to providing affordable housing, particularly in
24 areas where normal rents are much lower than we have in
25 larger urban areas, as well as it really helps

1 particularly very low-income seniors all the way down to
2 30 percent of median income, those who live strictly on
3 Social Security benefits. So, this is a great way to
4 ensure that there's quality affordable housing in these
5 smaller towns throughout Texas.

6 The details of the financial summary are all
7 there. The budgets have been pretty locked in at this
8 point. There's probably a few small details that we'll
9 see as we go into final bond pricing in the next couple of
10 weeks, but with your approval today, we will be able to go
11 ahead and submit the final request to the Texas Bond
12 Review Board to authorize the issuance of the bonds, and
13 then the only thing we'll have to wait for then is also
14 Texas Attorney General's sign-off on the final form of the
15 bonds, which is standard.

16 We do anticipate closing in early June on this
17 transaction. The next time we would be able to bring to a
18 vote, if it needs to go to a vote at the Texas Bond Review
19 Board, is in May, but we want to bring this to you early
20 and make sure we get your approval in line and all the
21 documents well before that May meeting for the Texas Bond
22 Review Board.

23 MR. DIETZ: And so, this is our final approval
24 of this one. It's already gone out for public comment.

25 MR. DANENFELZER: Correct. We collected public

1 comment, did a public hearing. This is a well-supported
2 project. It's one of those easy sells.

3 Everyone wants to make better living for low-
4 income seniors. I mean, it's an easy sell within the
5 community; there's a lot of community support.

6 MR. DIETZ: Any questions or comments for Mr.
7 Danenfelzer from the Board?

8 (No response.)

9 MR. DIETZ: Hearing none, is there a motion to
10 approve?

11 MS. SHIPLEY: This is Lali. Motion to approve.

12 MR. DIETZ: Ms. Shipley has moved to approve
13 the resolution. Is there a second?

14 MR. WILLIAMS: This is Andy. I'll second.

15 MR. DIETZ: It's been moved and seconded. Is
16 there any public comment?

17 (No response.)

18 MR. DIETZ: Hearing no public comment, although
19 I think I could hear that there were two voices saying aye
20 last time, it might be clearer if I just do the vote by
21 roll call as we were doing when we were doing 100 percent
22 virtual meetings.

23 So, Bill Dietz, yes.

24 Valerie Cardenas?

25 MS. CARDENAS: Yes.

1 MR. DIETZ: Courtney Johnson Rose?

2 MS. JOHNSON ROSE: Yes.

3 MR. DIETZ: Lali Shipley?

4 MS. SHIPLEY: Yes.

5 MR. DIETZ: And Andy Williams?

6 MR. WILLIAMS: Yes.

7 MR. DIETZ: Okay. The Trinity Oaks Apartment
8 project resolution, et cetera, is approved as submitted.

9 Thank you, Mr. Danenfelzer.

10 MR. DANENFELZER: Thank you.

11 MR. DIETZ: Now on to part two which is tab
12 item 3, the presentation, discussion and possible approval
13 of a resolution authorizing the issuance of Texas State
14 Affordable Housing Corporation multifamily housing revenue
15 note for the Pine Terrace Apartments project, Series 2021,
16 a funding loan agreement, a project loan agreement, an
17 asset oversight, compliance and security agreement, and a
18 regulatory agreement; authorizing the execution of
19 documents and instruments necessary or convenient to carry
20 out the issuance of the note; and other provisions in
21 connection therewith.

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

24 Yes, as I noted on the previous agenda item,
25 this project, Pine Terrace Apartments, was associated and

1 will remain associated with Trinity Oaks. They will have
2 a similar owner and management company, but this is being
3 issued as a separate bond and note.

4 This project in particular is 76 units and is
5 located in Mount Pleasant and it also targets seniors.
6 The project also maintains and will have an extended
7 project-based Section 8 rental contract. And we are
8 again, like I noted before, able to serve households down
9 to 30 percent, and there will be a set-aside of specific
10 units for households at 30 percent of area median income.

11 We, again, have gone through the bond documents
12 over and over. We're ready to move forward with them. A
13 lot of the form of the documents will actually be signed
14 off today if approved, and then we'll move through the
15 process of submitting this to the Texas Bond Review Board
16 for approval at their May board meeting, and then
17 anticipate closing alongside the Trinity Oaks transaction
18 in June.

19 MR. DIETZ: Great. Any comments, questions for
20 Mr. Danenfelzer?

21 (No response.)

22 MR. DIETZ: And if not, we would entertain a
23 motion.

24 MS. CARDENAS: This is Valerie. Motion to
25 approve.

1 MR. DIETZ: Thanks, Valerie.

2 MS. JOHNSON ROSE: Courtney. I will second.

3 MR. DIETZ: Okay. The motion has been made and
4 seconded to approve the resolution as submitted. Is there
5 any public comment?

6 (No response.)

7 MR. DIETZ: Hearing none, we'll do our roll
8 call vote.

9 Bill Dietz, yes.

10 Valerie Cardenas?

11 MS. CARDENAS: Yes.

12 MR. DIETZ: Courtney Johnson Rose?

13 MS. JOHNSON ROSE: Yes.

14 MR. DIETZ: Lali Shipley?

15 MS. SHIPLEY: Yes.

16 MR. DIETZ: And Andy Williams?

17 MR. WILLIAMS: Yes.

18 MR. DIETZ: Okay. The Pine Terrace Apartments
19 project resolution is approved.

20 Thank you, Mr. Danenfelzer.

21 MR. DANENFELZER: Thank you very much.

22 Appreciate it.

23 MR. DIETZ: On to tab item 4 which is the
24 presentation, discussion and possible approval of a
25 resolution to restate, ratify and affirm the officers of

1 the Corporation and restate the signature and approval
2 authority of the officers of the Corporation.

3 MS. SMITH: Good morning. I'm Melinda Smith.
4 I'm the Chief Financial Officer.

5 This one is an easy one. The bylaws of the
6 Corporation, specifically Section 3.2, require that the
7 Board of Directors ratify or appoint the officers
8 annually, and so that's the purpose of this specific
9 agenda item. So, we're asking that you approve the
10 existing current officers.

11 MR. DIETZ: Great. And do we do that at this
12 Board meeting each year, or around this time?

13 MR. LONG: I think it's around this time. I
14 don't know that we do it exactly on the April meeting or
15 whatever, but we try to do it annually so that we're
16 meeting the requirements under our bylaws.

17 MS. SMITH: We try to.

18 MR. DIETZ: Great. Any questions, comments?

19 (No response.)

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

21 MS. CARDENAS: This is Valerie. Motion to
22 approve.

23 MR. DIETZ: Is there a second?

24 MR. WILLIAMS: Lali. I'll second.

25 MR. DIETZ: All right. It's been moved and

1 seconded that we restate, ratify, and affirm the officers
2 and restate the signature and approval authority of the
3 officers. Is there any public comment?

4 (No response.)

5 MR. DIETZ: Okay. All in favor, we'll do the
6 roll call vote.

7 Bill Dietz, yes.

8 Valerie Cardenas?

9 MS. CARDENAS: Yes.

10 MR. DIETZ: Courtney Johnson Rose?

11 MS. JOHNSON ROSE: Yes.

12 MR. DIETZ: Lali Shipley?

13 MS. SHIPLEY: Yes.

14 MR. DIETZ: And Andy Williams?

15 MR. WILLIAMS: Yes.

16 MR. DIETZ: Okay. The current officers have
17 been restated, ratified, and affirmed. Thank you.

18 MS. SMITH: Thank you very much.

19 MR. DIETZ: Tab item 5 is the update on the
20 Texas Foundations Fund and Winter Storm Relief funding.

21 Is this an action item for a vote or is this an
22 update to the Board?

23 MR. WILT: No. It's just an update.

24 MR. DIETZ: Update to the Board.

25 MR. LONG: You approved the program at the last

1 Board meeting, and this is basically what we were able to
2 do with the funds that you authorized last month.

3 MR. DIETZ: Great, fantastic.

4 MR. WILT: I feel like I'm approaching a judge
5 with opposing counsel on either side and the court
6 reporter over here. Either that, or a deposition.

7 MR. LONG: Sounds like you're an expert at
8 that?

9 MR. WILT: Of being deposed?

10 (General laughter.)

11 MR. WILT: I'm Michael Wilt, Senior Manager of
12 External Relations, providing you an update on the grants
13 that we got out for Winter Storm Uri.

14 As you recall, or you may recall you approved
15 the guidelines last month at the Board meeting on March
16 11. We were able to launch the application that same
17 day. We had a deadline of March 26, roughly two weeks
18 after we launched the application, and we had 17
19 applicants, 15 of which were eligible. The other two
20 applicants were for individual assistance and they weren't
21 coming from an organization.

22 We were able to review the applications the
23 following week, and we announced awards on April 1. And
24 then we got the bulk of the funding last week to ten
25 organizations that had gotten their request in in time,

1 and we got the remainder of the funds out the door this
2 week. I think we had money left that went to five
3 organizations.

4 So, from the disaster declaration date of
5 February 19 or 20, I can't remember, to last Friday it was
6 about six weeks, maybe seven weeks from the winter storm
7 hitting to when we got the funds out the door, so I think
8 we're all very pleased with that timeline. In terms of
9 disaster responses, it's one of the quickest timelines
10 we've had.

11 And probably the reason for that is because we
12 limited the applicants to organization that we already
13 fund either through the Texas Foundations Fund program or
14 the HEART program which was for Hurricane Harvey. And the
15 reason we did that is because we had already reviewed
16 their application, and if we would have had to do with a
17 new organization it would have held up our funding by a
18 couple of weeks, maybe three weeks.

19 So, you can see the organizations that we
20 awarded funds to. This was a competitive application. We
21 had some threshold criteria, and then we had three scoring
22 criteria: an organization's demonstrated need for
23 funding, their experience and partnerships, and sort of
24 rural and/or underserved areas.

25 We had a mix of \$30,000 awards and \$15,000

1 awards. We were able to provide five \$30,000 grants, four
2 of which were to the highest scoring and then the other
3 one was Victoria Long Term Recovery which didn't score the
4 highest but they -- or didn't score in that top five, but
5 they are a high-capacity organization that is serving an
6 underserved area. Victoria County and surrounding area,
7 they have a pretty big service region, and we weren't
8 funding anybody else in that area, so we awarded them a
9 \$30,000 grant.

10 I should also note that Galilee Community
11 Development Corporation, one of the criteria we had was
12 that you had to serve counties that had been declared
13 eligible for individual assistance from FEMA. Galilee
14 Community Development Corporation operates in Concho
15 Valley which is San Angelo area, and Tom Green County is
16 where San Angelo is. It's the only county in that area
17 that was declared for individual assistance.

18 Well, their service area is outside of Tom
19 Green. They listed four or five other counties that
20 they're serving, and then they even brought the case that
21 a storm of this nature is indiscriminatory when it comes
22 to county lines. If you have a contiguous border with Tom
23 Green then you were just as bad as Tom Green, so we
24 allowed them to serve some areas that were not declared
25 eligible for individual assistance but were part of the

1 disaster declaration.

2 Those were the only things I wanted to
3 highlight. You can see the anticipated households that
4 they're going to serve. There were a couple of \$15,000
5 awards, like Williamson County Habitat and Galilee, that's
6 all they asked for, so we were able to fully fund
7 them. Most everybody else was asking for \$30,000 and we
8 could only fund a portion of those \$30,000 requests.

9 I do want to thank everybody, a lot of people,
10 Melinda, David, Nick, Betsy, Anna, Katie, Janie. It took
11 a lot of hands -- Laura -- to get this turned around in a
12 couple of weeks. So, we continue to kind of learn with
13 these disasters and make some tweaks so we can get funding
14 out the door quickly.

15 MR. DIETZ: It looks like there was a pretty
16 wide geographic area.

17 MR. WILT: There was. We got some comments on
18 that. I mean, we were kind of over-represented in the
19 Houston area and that's a byproduct of allowing the HEART
20 grantees to apply. But you know, we've got West Texas
21 representation, we've got East Texas representation and we
22 have Valley representation, South Texas, Houston area,
23 DFW, and San Antonio as well.

24 MR. DIETZ: How did they find out? Was it
25 posted online?

1 MR. WILT: We sent an email to everybody that
2 was eligible.

3 MR. DIETZ: Okay. Thanks. That's a good use
4 of funds.

5 MR. LONG: I know Michael already thanked
6 everybody here, but I want to thank the Board for your
7 quick response and willingness to allow us to move this
8 money out the door as quickly as we did. I also want to
9 thank Michael and the team.

10 He mentioned accounting and all of Katie's team
11 and everybody because, quite honestly, the demand was
12 significantly out there, and the funds needed to be
13 deployed as quickly as possible. And I think what Michael
14 laid out for you was really pretty phenomenal in the time
15 when we were able to move the money.

16 I know we could have done more if we'd have had
17 more money to put out, but we did what we did with what we
18 had. And I think the decisions that were made on the 15
19 awardees was very well placed and I think will do a good
20 job of assisting those in need working with the partners
21 that Michael and the team selected.

22 So, thank you again for everything that y'all
23 did.

24 MR. DIETZ: Thank y'all for the work you put
25 into that. I know that was a lot of work in a pretty

1 intense time period, so thank you.

2 Any other questions for Mr. Wilt from the
3 Board?

4 (No response.)

5 MR. DIETZ: Thank you for that update.

6 And now moving on to tab item 6 in which you'll
7 give us another update, an update on the 87th Texas
8 Legislative Session.

9 MR. WILT: Thank you. Michael Wilt, again,
10 Senior Manager of External Relations.

11 Happy to report on some bills that directly
12 affect TSAHC, but before that broadly addressing
13 affordable housing in general. A lot of the bill filing
14 activity and bills that are progressing along are largely
15 affecting homelessness. That's a big issue that's front
16 and center before the legislature, and then also public
17 facilities corporations.

18 These are agreements that developers enter into
19 with a governing body that can provide them a property tax
20 exemption in exchange for developing affordable housing in
21 the community. And there have been some critics of these
22 types of arrangements, and so the legislature is making
23 some changes to how public facility corporations, those
24 agreements are structured and requirements they're asking
25 of developers.

1 When it comes to TSAHC bills specifically, I've
2 been sending the weekly updates at the end of each
3 week. There are two bills that directly impact us that
4 are moving along.

5 The first is House Bill 1795 with Senate Bill
6 596 as the companion. This was filed by Representative
7 Dominguez out of Brownsville in the House and Senator
8 Gutierrez out of San Antonio in the Senate. It's a re-
9 file of a bill last session that then Representative
10 Gutierrez filed originally.

11 Well, let me tell you what the bill does
12 first. It's a Veterans Land Bank Bill, and it would
13 operate very similarly to our current Affordable
14 Communities of Texas Program, the land bank that we
15 run. And within that, we used to have a veterans'
16 initiative that was exclusively for homeownership. So,
17 this would be a statewide land bank program that would
18 serve veterans for both homeownership opportunities and
19 rental opportunities.

20 When this bill was filed last session, the
21 General Land Office was tasked with administering it.
22 They suggested that we would be a better entity to
23 administer a program like this, so now here we are next
24 session and that version of the bill that has us
25 administering it.

1 It was reintroduced, and on the House side it
2 was heard in the House Defense and Veterans Affairs
3 Committee two weeks ago. It was passed out of that
4 committee on April 7, last week, by a vote of six to two,
5 and it was sent to the general House calendar.

6 There are a couple of ways that bills can get
7 passed out of House committees, and the same with the
8 Senate but it's more prominent in the House: you either
9 go to the general calendar and it goes to Calendars
10 Committee and eventually your bill is set for the entire
11 House to deliberate, or if it is a noncontroversial,
12 typically uncontested bill in committee, then it can be
13 recommended to a vote.

14 This bill will go to the general state calendar
15 since there was an objection to it in the committee. And
16 I had asked the House office, Dominguez's office, if they
17 know why those two members objected to it within committee
18 and we haven't gotten an answer to that.

19 That said, when this bill was first introduced,
20 we were working with the Senate office, Gutierrez and her
21 chief of staff because for us to administer it we were
22 hoping to make some changes and we asked for those changes
23 to be made to the bill. They agreed to them. There was a
24 substituted version of the bill that was passed out of the
25 House committee.

1 We've asked our counsel, Coats Rose, to take a
2 look at the comments that we provided the Senate office,
3 to take a look at the original bill and then the
4 substitute to make sure that all of the comments that we
5 had were reflected in that substitute because there's a
6 chance that we might have to ask for more changes and the
7 opportunity to do that would be on the Senate side.

8 You can either try to amend it on the House
9 floor, it's a very complicated process, or you can wait
10 for the bill to come over on the Senate, or you can do it
11 in the Senate version and make the changes like that. So,
12 all in all, the bill, thanks to feedback from Dave and
13 others, is progressing along and is a program that we feel
14 confident we could administer if it was passed, given the
15 changes that we've made to it.

16 The other major bill that would impact us is
17 House Bill 2670 by Guillen, it has the Senate companion SB
18 224 by Senator Lucio. And this bill simply expands the
19 Homes for Texas Heroes home loan program to include social
20 workers. That bill was heard in House Urban Affairs two
21 weeks ago, it passed out of House Urban Affairs last week
22 on an 8-0 vote, and I'm trying to figure out if it went to
23 Local, I haven't heard about that yet, but I believe it
24 will go to Local.

25 Thanks to Joniel for devoting a day to stand by

1 at the Capitol waiting to see if we'd need to testify, and
2 thanks to Dave, as well. We always count on our program
3 directors to be available as resource witnesses and they
4 always are happy to preempt their schedule to do so.

5 And then the last bill that I would mention is
6 Senate Bill 1567. This would set up a state tax credit
7 for managed care organizations against their insurance
8 premium tax liability, a credit they can claim against
9 that liability if they invest in the construction or
10 rehabilitation of supportive housing developments.

11 This is a re-file of a bill from last session
12 that got a hearing last session. There have been some
13 changes in Senator Lucio's office for who's handling this
14 bill and I was finally able to connect with the staffer
15 that is handling this bill and he said they are requesting
16 a hearing -- they'll submit the hearing request today and
17 then it's in Senate Finance, which Senator Lucio is the
18 vice chair of. So, we'll wait and see if that bill will
19 be set for hearing in the next week or two.

20 Those are the updates I had. I can answer any
21 questions.

22 MR. DIETZ: Any questions for Mr. Wilt?

23 (No response.)

24 MR. DIETZ: Good update, and I enjoy getting
25 the email updates from you also. Those are good

1 informative emails. Thank you.

2 MR. WILT: Happy to do it.

3 MR. DIETZ: Great. Well, that requires no
4 action so we will move on to tab item 7, and tab item 7 is
5 the presentation and recognition of Lali Shipley, current
6 Board member of the Texas State Affordable Housing
7 Corporation.

8 MR. LONG: Well, this is always the hard
9 part. Happy to wish one of our Board members well and
10 telling them good luck when they've spent time with us
11 getting to know the staff, getting to know the Board
12 members, creating a very positive working team with our
13 Board, and with Ms. Shipley leaving our Board, this would
14 be her last meeting, we obviously do so with regret but at
15 the same time we are thankful for the opportunity we had
16 to spend time with her.

17 For those of you who don't know, I tagged Lali
18 quite a bit during the build of this building that we're
19 in now for purposes of her expertise in the architecture
20 field. She was a sounding board for me throughout the
21 process and I greatly appreciated her time and effort to
22 give me input and advice during the process and help me
23 fight some battles that David and I and Cassandra would
24 come up with during our discussions with our architect and
25 developer, so for that I will be forever grateful.

1 We know that she will do great things wherever
2 the governor places her again, but as a result of that, we
3 are wanting to recognize that. Her time here helped us a
4 lot. We've grown considerably, and we wish her well in
5 her adventures elsewhere, and she's always welcome back.

6 And we'll probably continue to call her and bug
7 her about other things that I have going on just in case,
8 because her expertise doesn't go away, just the person
9 does. So, we would hope to be able to invite her to come
10 back at any time and come back to the building.

11 With that, Mr. Chairman, unless anybody else
12 wants to say anything, we did want to give her a gift
13 here. And there's one more gift that I don't have for you
14 yet but it's coming from the Governor's Office and I will
15 get that for you as soon as they're able to get it to me,
16 but they did tell me yesterday, I checked, and it will be
17 received, it's just not here yet, and it's a certificate
18 of recognition from the Governor's Office for you.

19 And with that, we did want to give Lali this --
20 I don't know if this is considered architectural or not,
21 but it's something that we like to do statewide and it is
22 the Capitol rendering, and I'd like to thank Lali for her
23 time and effort and this is something she can place in her
24 office or wherever.

25 (Presentation and pause for photos.)

1 MR. LONG: And as a result, we will certainly
2 make sure that you get the certificate from the Governor's
3 Office when I do receive it and we'll get that to you.

4 And again, just a big thank you for all your
5 time, and we regret you're not able to stay with us, but
6 we understand the governor has bigger aspirations for you
7 somewhere down the road, so we wish you well in that
8 endeavor.

9 With that, we have a big picture frame so we're
10 going to get some pictures of the Board members with you,
11 and Lali is not going to be here, but Ms. Rose and Ms.
12 Cardenas, if you don't mind, we will probably photo shop
13 you in or something -- I'm just kidding. We'll do
14 something to make sure you're included.

15 MS. SHIPLEY: I just wanted to thank you for
16 your kind words and just to reiterate that they are
17 mutual. I've enjoyed every moment of the last two years
18 and the last virtual year, but I'm so honored to be
19 associated with all of you, to meet all of you, to work
20 with you and to learn from you and just really proud of
21 all the work that you guys do. I mean, it's just so
22 impressive and it really is an honor to just be connected
23 to it in the smallest way.

24 So, thank you so much for this, and for the
25 future, it's going to be really exciting but yes, it's

1 definitely bittersweet to be moving on from here.

2 (Applause.)

3 MR. LONG: Mr. Chairman, if you want to go
4 ahead.

5 MR. DIETZ: Sure. And I'll just say thank you
6 very much, Lali, for your service and you're always very
7 thoughtful. I appreciate your thoughtfulness as we've
8 gone through different issues, and I've heard a lot --
9 although I wasn't personally involved in the
10 conversations, I heard a lot about your contributions and
11 input for the new building that we're in, and obviously
12 that's been a big success so thank you for that as well.

13 MS. CARDENAS: Lali, this is Valerie, and I
14 just wanted quickly to express that it certainly has been
15 a pleasure serving on the Board with you and I certainly
16 wish you well in any future endeavor. So just wanted to
17 express that and thank you for your service to TSAHC.

18 MS. SHIPLEY: Thank you, Valerie.

19 MS. JOHNSON ROSE: I would like to express the
20 same and I hate that I'm not there in person, Lali, to
21 greet you, but thank you for the pleasure of knowing you
22 and thank you so much for your service, and I wish you and
23 your family all the best.

24 MS. SHIPLEY: Thanks, Courtney.

25 MR. WILLIAMS: I'll echo that.

1 MR. DIETZ: Great. Any other business that we
2 need to discuss today? Any reason to go into closed
3 session?

4 MR. LONG: No, sir, there is not.

5 MR. DIETZ: Okay. Great. Well, with that, the
6 Texas State Affordable Housing Corporation Board meeting
7 is adjourned at 11:21 a.m.

8 (Whereupon, at 11:21 a.m., the meeting was
9 adjourned.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas and via RingCentral
DATE: April 14, 2021

I do hereby certify that the foregoing pages,
numbers 1 through 40 40, inclusive, are the true,
accurate, and complete transcript prepared from the verbal
recording made by electronic recording by Nancy H. King
before the Texas State Affordable Housing Corporation.

DATE: April 16, 2021

(Transcriber)

On the Record Reporting
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