

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

VIA TELEPHONE AND WEB LINK

December 10, 2020
9:00 a.m.

MEMBERS:

LEO VASQUEZ, Chair
LESLIE BINGHAM, Vice Chair
PAUL A. BRADEN, Member
AJAY THOMAS, Member
SHARON THOMASON, Member

BOBBY WILKINSON, Executive Director

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

| <u>AGENDA ITEM</u> | <u>PAGE</u> |
|---|-------------|
| CALL TO ORDER | 7 |
| ROLL CALL | 10 |
| CERTIFICATION OF QUORUM | 10 |
| | |
| CONSENT AGENDA | |
| | |
| ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS: | 11 |
| EXECUTIVE | |
| a) Presentation, discussion, and possible action on Board meeting minutes summary for October 8, 2020 | |
| | |
| ASSET MANAGEMENT | |
| b) Presentation, discussion, and possible action regarding a Material Amendment to Housing Tax Credit Application 17376 The Bristol San Antonio | |
| c) Presentation, discussion, and possible action regarding a Waiver and a Material Amendment to the Housing Tax Credit Application 19277 Cielo Place Fort Worth | |
| d) Presentation, discussion, and possible action regarding approval of a Material Amendment to the Land Use Restriction Agreement 531001 Cedar Ridge II Leander | |
| e) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreements 99004 Highland Village Apartments Longview 99126 Villages at West Lake aka Sunset Arbor Townhomes Abilene 00038 Ryan's Crossing (Pemberton Place) Marshall 02029 North Grand Villas Amarillo 03004 Rosemont at Lakewest Dallas 03028 Mill Creek Village Apartments Longview 03053 Millpoint Townhomes Henderson 04246/07058 Wildwood Trails Apartments Brownwood 04250 Knollwood Heights Apartments Big Spring 05184 Palestine Hampton Chase Apartments Palestine 05185 Market Place Apartments Brownwood 05187 Valley Creek Apartment Fort Stockton 060125 Country Club Apartments Pecos 060128 Jacksonville Pines Apartments Jacksonville 07115 Heights Apartments Big Spring 07117 Deer Creek Apartments Levelland | |

07118 Lakeside Apartments Mount Pleasant
 08207/150900-09927 Carpenters Point Senior
 Living Dallas
 08299/150900-09942 Southern View Apartments
 Fort Stockton
 09006/150900-09946 Avalon Park dba Cedar Street
 Apartments Brownfield
 09260/150900-09967 Mill Creek Terrace dba
 Millie Street Apartments Longview
 10103 Gateway Plaza Apartments Midland
 10107 Tenth Street Apts dba Adobe Ranch
 Apartments Borger
 10236 Stone Canyon Amarillo
 12221 Riverstone Trails Sunnyvale
 12243 Dunes Apartments Seminole
 13128 Winchester Arms Apartments Comanche
 13129 Rose Meadows Levelland
 14122 Riverside Park Early

MULTIFAMILY FINANCE

- f) Presentation, discussion, and possible action to adopt the 2021 Multifamily Programs Applications Procedures Manual
- g) Presentation, discussion, and possible action regarding a Material Amendment of the Housing Tax Credit Application for La Grange Springs (HTC P20273)

RULES

- h) Presentation, discussion, and possible action on an order proposing an amendment to 10 TAC §1.15, Integrated Housing Rule, and directing publication for public comment in the Texas Register
- I) Presentation, discussion, and possible action on repeal of and proposed new 10 TAC Chapter 2 Enforcement, Subchapter B, Enforcement for Noncompliance with Program Requirements of Chapters 6 and 7, §2.201, Cost Reimbursement, and §2.202, Sanctions and Contract Closeout, to be published in the Texas Register for public comment

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

11

- a) Outreach and Activities Report (November-December)
- b) Report on Activities Related to the Department's Response to COVID-19 Pandemic
- c) Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the State of Texas Housing Trust Fund Administration

| | | |
|--------------|---|----|
| d) | Housing Finance Activity Report | |
| e) | Report on the allocation of Program Year 2021 Community Services Block Grant awards | |
| ACTION ITEMS | | |
| | ITEM 3: BOND FINANCE | 12 |
| | Presentation, discussion, and possible action regarding the Issuance of a Multifamily Note (Legacy Riverside Senior Living Community) Series 2020 Resolution No. 21-007, and a Determination Notice of Housing Tax Credits | |
| | ITEM 4: MULTIFAMILY FINANCE | |
| a) | Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications 20491 Ridgecrest Terrace Dallas 20498 Gala at Waxahachie Waxahachie 20495 Fawn Ridge Apartments The Woodlands 20494 La Cima Austin 20496 Marshall Apartments Austin | 15 |
| b) | Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(1)(A)(ii) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for Wildhorse Flats (#20488) | 19 |
| c) | Presentation, discussion, and possible action on a Determination Notice for 4% Housing Tax Credits and an Award of Direct Loan Funds (#20464, Pine Terrace, Mount Pleasant) | 21 |
| d) | Presentation, discussion and possible action regarding an Award of Direct Loan Funds from the 2020-1 Multifamily Direct Loan Notice of Funding Availability 20329 Fishpond at Huntsville Huntsville 20501 Samano Brownsville 20504 Burnet Place Austin | 23 |
| e) | Presentation, discussion, and possible action regarding the approval for publication in the Texas Register of the 2021-1 Multifamily Direct Loan Notice of Funding Availability | 32 |
| f) | Presentation, discussion and possible action on a request for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Application 19315, Hammack Creek | 36 |
| | ITEM 5: AUDIT | |
| a) | Report on the meeting of the Internal Audit and Finance Committee | 40 |
| b) | Presentation, discussion, and possible | |

| | |
|--|----|
| approval of the Annual Internal Audit Plan for Fiscal Year 2021 | 41 |
| ITEM 6 RULES | |
| Presentation, discussion, and possible action on the draft 2021 State of Texas Low Income Housing Plan and Annual Report; proposed repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; and directing their publication for public comment in the Texas Register | 42 |
| ITEM 7: TEXAS HOMEOWNERSHIP | |
| Presentation, discussion, and possible action on the Participating Lender List for the Single Family Mortgage Loan and Mortgage Credit Certificate Programs | 48 |
| ITEM 8: COMMUNITY AFFAIRS | |
| a) Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for 2021 Community Services Block Grant Discretionary funds for education and employment initiatives for Native American and migrant seasonal farm worker populations | 52 |
| b) Presentation, discussion, and possible action regarding termination of Galveston County Community Action Council, Inc.'s Low Income Home Energy Assistance Program Comprehensive Energy Assistance Program contracts and future funding; award of 24.99% of the 2020 Comprehensive Energy Assistance Program awards for the service area covered by Galveston County Community Action Council, Inc., to alternate provider(s); and the authorization of staff to identify a provider(s), through release and subsequent award of a Request for Application or through a direct designation, to temporarily and permanently administer the Comprehensive Energy Assistance Program in Brazoria, Fort Bend, Galveston, and Wharton counties (the areas served by Galveston County Community Action Council, Inc.) | -- |
| c) Presentation, discussion, and possible action on initiation of proceedings to remove the eligible entity status of Galveston County | -- |

Community Action Council, Inc. and terminate
Community Services Block Grant contracts and
future funding

| | |
|--|------|
| PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS | 58 |
| EXECUTIVE SESSION | none |
| OPEN SESSION | -- |
| ADJOURN | 60 |

P R O C E E D I N G S

1
2 MR. VASQUEZ: So, I would like to call the
3 meeting of the Governing Board of the Texas Department of
4 Housing and Community Affairs to order. It is 9:05, by my
5 clock, on December 10, 2020.

6 And I guess before we really get into the
7 business of the meeting, I should reintroduce myself. As
8 if you all didn't think I spoke enough in past meetings.
9 Now, I have the virtual gavel here, as Governor Abbott has
10 appointed me as the Presiding Officer, or Chairman of the
11 Governing Board, as of November 10, 2020.

12 Before I really get into that, I want to start
13 out first by saying, thank you so much to Leslie Bingham,
14 our Vice Chair, who jumped in, as just chaos started
15 raining in the State -- and with the pandemic, and we
16 switched to this virtual meeting process.

17 Again, and this is on top of your real world,
18 real life job, managing a medical center down in
19 Brownsville, which must just be a whole nother level of
20 chaos that we haven't -- none of us can really truly
21 appreciate.

22 So, thank you for all you did, and the many
23 years you have been dedicating to this Agency, and more
24 time to come. We are not letting you out yet.

1 MS. BINGHAM: Thank you. Thanks very much, Mr.
2 Chair. And it was an honor. I am so grateful to you guys
3 for being an excellent Board. And also, to Bobby for his
4 leadership, and the staff. And I am so happy for you.
5 Welcome, and congratulations.

6 MR. VASQUEZ: Thank you. Thank you. And I also
7 want to say that this agency is blessed that any one of our
8 Board members could easily serve as Chair of this Board.
9 Just I think, Governor Abbott made the bold move of going
10 in reverse alphabetical order in his choice of this Chair.
11 So, that is how Vasquez got put up on the top.

12 Let's also welcome a new Board member, Mr. Ajay
13 Thomas, who was appointed to the Board by the Governor,
14 also on November 10, 2020. A quick little background on
15 Mr. Thomas.

16 He is out of Austin. He is the Executive Vice
17 President and national head of public finance for FHN
18 Financial, which is a division of First Horizon Bank.

19 He is a member of the Board of Visitors for
20 Southwestern University. He is proudly showing off his
21 Southwestern coffee mug today.

22 And he is also an Advisory Board member of the
23 Taubman Center for State and Local Government at the
24 Harvard Kennedy School of Government. Additionally, he
25 previously served as a Board member of the Texas Business

1 Leadership Council.

2 He has received his Bachelor of Arts in
3 Economics from Southwestern University, a Master's in
4 Public Policy from the Harvard Kennedy School of
5 Government, and a Juris Doctorate degree from The
6 University of Texas School of Law.

7 So, we are in good, good hands having Mr. Thomas
8 on board. And I need to formally ask you, Mr. Thomas. It
9 is my understanding that you have been provided TDHCA's
10 statutorily required training program, and you have
11 completed it prior to today. Is that correct?

12 MR. THOMAS: Yes, Mr. Chairman. I have
13 completed the required training and am appreciative of the
14 opportunity to serve on the TDHCA Board. Thank you.

15 MR. VASQUEZ: Great. Great, so you are
16 officially qualified to be counted for purposes of a
17 quorum, and to deliberate and vote on this Board. Would
18 you like to say any hello, and any --

19 MR. THOMAS: I want to just take a moment, Mr.
20 Chair, if I might. I would to, you know, thank Governor
21 Abbott for the opportunity to serve on this distinguished
22 Board.

23 It is important. Its mission is critical to
24 Texans. And I look forward to being part of this
25 distinguished group, and to serving the State. Thank you

1 very much.

2 MR. VASQUEZ: Great. Great to have you on. And
3 with that, let me do the official roll call. Make sure we
4 actually have a quorum.

5 So, Ms. Bingham.

6 MS. BINGHAM: Here.

7 MR. VASQUEZ: Mr. Braden.

8 MR. BRADEN: Here.

9 MR. VASQUEZ: Mr. Thomas.

10 MR. THOMAS: Here.

11 MR. VASQUEZ: And Ms. Thomason.

12 MS. THOMASON: Present.

13 MR. VASQUEZ: So, there are actually seven Board
14 positions, five of which are currently filled. So, our
15 quorum is reached by the presence of four. So there are
16 four members present, and this is great that we have some
17 wiggle room, finally, so I certify that the quorum is
18 present.

19 And the next order of business are the
20 pledges. I would ask Bobby Wilkinson to lead us in the
21 pledges to the U.S. and Texas.

22 MR. WILKINSON: Thank you, Chairman. Board
23 members, please remain seated.

24 (Whereupon, the Pledge of Allegiance was
25 recited.)

1 (Whereupon, a Pledge to the Texas Flag was
2 recited.)

3 MR. VASQUEZ: Great. Thank you, Bobby. We now
4 move on to the consent agenda portion of the agenda. If
5 there is a particular consent agenda item in Items 1 or 2
6 on the agenda that either a Board member would like to have
7 removed from consent, or if there is a member of the public
8 that wants to have something moved to a presentation or a
9 report item, please let me know.

10 I don't believe there are any. So, we can
11 continue with the approval -- adoption or approval of the
12 consent agenda items. Do I hear a motion to that effect?

13 MS. BINGHAM: I will so move, Mr. Chair.

14 MR. VASQUEZ: Great. Motion by Ms. Bingham. Is
15 there a second?

16 MS. THOMASON: Second.

17 MR. VASQUEZ: Okay. Second by Ms. Thomason.
18 All those in favor, say aye.

19 (A chorus of ayes.)

20 MR. VASQUEZ: Okay. It is unanimous. The
21 consent agenda is approved.

22 Moving on to action items, I believe our first
23 report is the bond finance. Yes. And Teresa Morales will
24 be making that presentation. Is she available?

25 MS. MORALES: Good morning. Can everyone hear

1 me?

2 MR. VASQUEZ: Yes.

3 MS. MORALES: Great. Teresa Morales, Director
4 of Multifamily Bonds. Item 3 involves the issuance of
5 multifamily tax exempt bonds by the Department for the new
6 construction of 264 units in Fort Worth, serving a senior
7 population.

8 Under the proposed structure, the Department
9 will issue an unrated tax-exempt fixed-rate multifamily
10 note in the amount of \$40 million. That will initially be
11 purchased by IBC Bank, who will be serving as the
12 construction lender.

13 Once the conditions to conversion for the
14 permanent loan have been met, Bellwether Enterprise will
15 purchase the loan under Freddie Mac tax-exempt loan
16 program. Shortly thereafter, Freddie Mac will acquire the
17 loan, and the Department's related multifamily note from
18 Bellwether, where it is expected to be securitized with
19 other loans.

20 Bellwether will remain as the servicer of the
21 loan for Freddie Mac, who will be the permanent lender and
22 note holder. The multifamily note will have an approximate
23 interest rate of 3.83 percent with a 17-year term, a 40-
24 year amortization, and a final maturity date of July 1,
25 2040.

1 As part of this Board item, I also wanted to
2 provide a brief update on TDHCA multifamily issuances for
3 2020. Legacy Riverside will be the 11th transaction the
4 Department has closed for 2020, bringing our multifamily
5 bond issuance total to \$227.8 million, which yielded
6 approximately 2,000 affordable units.

7 For 2021, we have already ten transactions that
8 are under review, that total \$249.5 million, with a few
9 others that will be getting underway over the next month or
10 so. What this boils down to is that we are positioned to
11 issue \$305 million in multifamily bonds in 2021 and produce
12 over 2,300 affordable units.

13 We would be able to issue more, however the
14 TDHCA set-aside for 2021, which is relatively small
15 considering that we are a statewide issuer, has already
16 been met, which means we are locked out from trying to do
17 more deals until August of 2021.

18 For this particular item, staff recommends
19 approval of bond resolution 21-007, in the amount of \$40
20 million, and a determination notice of 4 percent housing
21 tax credits in the amount of \$1,913,049.

22 MR. VASQUEZ: Great. Thank you, Teresa. Do any
23 Board members have questions?

24 (No response.)

25 MR. VASQUEZ: I understand we have a member of

1 the public that wishes to speak on this item. Can you
2 bring up Ms. Hannon?

3 MR. DARUS: Ms. Hannon, you have been unmuted,
4 and if you wish to speak, you can.

5 MS. HANNON: Oh, I was just going to -- I am the
6 loan originator for Bellwether Enterprise. And I just want
7 to make myself available for any questions that you might
8 have on the transaction we are looking at, the permanent
9 loan execution with the Freddie tax-exempt loan forward
10 structure.

11 MR. VASQUEZ: Great. Great. Thanks, Ms.
12 Hannon. Okay. Hearing that, I do not believe there are
13 any others needing to make a comment, wishing to make a
14 comment? Does any member of the Board have a motion to
15 make regarding this item?

16 MR. BRADEN: Mr. Chair, I will make a motion. I
17 move the Board approve Resolution 21-007 as presented at
18 this meeting, which is the issuance of the unrated series
19 2020 multifamily note in the amount of \$40 million,
20 regarding the Legacy Riverside Senior Living Community, and
21 the issuance of the termination notice of \$1,913,049 in 4
22 percent Housing Tax Credits for the same development.

23 MR. VASQUEZ: Great. Motion made by Mr. Braden.
24 Is there a second? This is your chance, Mr. Thomas.

25 MR. THOMAS: Second.

1 MR. VASQUEZ: Thank you. Okay. A motion made
2 and seconded. All those in favor of approving this
3 Resolution 21-007, say aye.

4 (A chorus of ayes.)

5 MR. VASQUEZ: Any opposed?

6 (No response.)

7 MR. VASQUEZ: Hearing none, the motion
8 passes. Thank you, Ms. Morales. And I think you are still
9 here for Item 4, correct?

10 MS. MORALES: Correct. It is the Teresa show
11 for a while.

12 MR. VASQUEZ: Okay. Great.

13 MS. MORALES: Item 4(a) involves the issuance of
14 determination notices for five different 4 percent tax
15 credit applications. These developments are located
16 throughout the state, including Dallas, Waxahachie, The
17 Woodlands, and Austin. Three of these involve the
18 acquisition of existing developments that will include
19 improvements to the interior and the exterior of the units,
20 while two involve new construction.

21 In total, the number of affordable units
22 produced with these applications is 913. All of these
23 applications are rather straightforward. So, what I would
24 prefer to highlight under this agenda item is the volume of
25 4 percent applications, and the units produced under this

1 program to date for 2020.

2 Throughout the course of a year, this Board
3 hears so much about the 9 percent competitive program. And
4 in July of every year, you hear about the number of units
5 produced as you make those allocations. Well, 2020 was a
6 record-producing year on the 4 percent side, and 2021 is on
7 track to do the same.

8 In fact, the 2021 bond lottery which was held
9 last month was oversubscribed in some regions and
10 subceilings. And with an approximate \$3 billion ceiling,
11 lottery applications totaled \$2.6 billion, with \$2 billion
12 of that being multifamily requests.

13 In your materials for this agenda item is a
14 barebones application log that reflects all of the
15 4-percent applications that have closed on their financing,
16 that have been approved by the Board, and are pending
17 closing, as well as those that are considered active. As
18 you can see, the total affordable units for those closed
19 and approved applications total over 14,000.

20 If we assume that all of the active applications
21 will close, the program will produce 19,140 units this
22 year. Compare this to 2019, where the 4 percent program
23 produced 6,825 affordable units. And compare this to the
24 2020 9 percent awards, which produced 5,300 affordable
25 units.

1 With 9 percent applications, we often say that
2 they compete, they get their award, and then, they go
3 figure out their project. With 4 percent deals, they are
4 figuring it out while we are reviewing it, which puts a lot
5 of pressure on staff to get these through our process, and
6 presented before you before the bond reservation expires,
7 and they risk losing that bond volume cap.

8 At our July meetings every year, you hear
9 accolades of staff who help make all of the work on the 9
10 percent side possible. It is this same staff who helped
11 make all of the work on the 4 percent side possible.

12 The 4 percent applications are often difficult
13 to work through, and they are changing, literally, every
14 week that they are under review. Staff has to work with
15 these changes. They have to hear me say that I need them
16 to review an application yet again, because of recent
17 changes.

18 Our underwriting staff has to deal with me
19 transferring yet another 4 percent file. And for those
20 they are currently underwriting, they have to update their
21 reports, because the numbers changed yet again. So, in
22 short, the 4 percent program rocks, and the program
23 underwriting and compliance staff that help make it
24 possible are awesome.

25 Staff recommends approval of five determination

1 notices for the applications referenced in your materials.

2 MR. VASQUEZ: Thank you for that presentation
3 and report, Teresa. I mean, that is amazing, the number of
4 units that, again, the forgotten stepchild of 4 percenters
5 are actually producing, and this is great numbers. And
6 thanks for all the staff's help and work on these.

7 Are there any questions from the Board members
8 on this item?

9 (No response.)

10 MR. VASQUEZ: And I don't see anyone queued up
11 from the public to speak. Let's take -- unless there is
12 any objection, let's take all of these under Item 4 under
13 one vote.

14 Do I hear a motion regarding Item 4 on the
15 agenda?

16 MS. BINGHAM: Mr. Chair, I will move staff's
17 recommendation for approval of Item 4(a) for all of the
18 developments, all of the applications listed.

19 MR. VASQUEZ: Okay. Great. Thank you. A
20 motion made by Ms. Bingham. Is there a second?

21 MS. THOMASON: I will second.

22 MR. VASQUEZ: I give that to Sharon. There's a
23 second by Ms. Thomason. All those in favor, say aye.

24 (A chorus of ayes.)

25 MR. VASQUEZ: Okay. Any opposed?

1 (No response.)

2 MR. VASQUEZ: Hearing none, the motion carries.
3 Thank you, Teresa. I guess you are going on to -- your
4 show is continuing.

5 So, you are Item 4(b).

6 MS. MORALES: Yes, it is. Item 4(b) involves
7 the issuance of a determination notice for Wildhorse Flats.
8 That also includes a request for a waiver. Wildhorse
9 Flats is a proposed new construction development with the
10 Strategic Housing Finance Corporation that will include 310
11 units, all of which will be restricted at 60 percent of the
12 area median income. The development will be located here
13 in Austin and will serve a general population.

14 The waiver associated with the application is
15 necessary, based on the site and the design of the
16 building. Pursuant to the QAP, any building in a
17 development with four or more stories must contain an
18 elevator, or the development is considered ineligible.

19 As it relates to Wildhorse Flats, there will be
20 eleven residential buildings that will be three stories,
21 some of which include basement splits, due to the
22 topography. Residents will ascend no more than two flights
23 of stairs to access any unit, with the exception being a
24 resident living on the basement level, who will descend one
25 flight of stairs to access their unit for some of this

1 building.

2 Based on the aforementioned facts, staff
3 believes that there is good cause to grant the waiver.
4 Staff recommends that the Board grant the waiver and
5 recommends the issuance of a determination notice in the
6 amount of \$2,781,346.

7 MR. VASQUEZ: Right. Thank you, Teresa. Just
8 to clarify, so this just basically means some structures
9 are built on a slope, so one side of the building is ground
10 level, or the other side of the building is a different
11 elevation other than ground level, because of the slope?

12 MS. MORALES: That is correct.

13 MR. VASQUEZ: Okay. Great. Do any Board
14 members have any questions on this item?

15 (No response.)

16 MR. VASQUEZ: And, I don't see anyone lined up
17 to speak on it. So, that being the case, I will entertain
18 a motion on Item 4(b) of the agenda.

19 MR. THOMAS: Mr. Chairman, I move that we accept
20 staff's recommendation for Item 4(b), accepting the
21 recommendation for a waiver, and also the issuance of a
22 determination notice for the 4 percent Housing Tax Credits
23 for Wildhorse Flats.

24 MR. VASQUEZ: Great. Thank you, Mr. Thomas.
25 So, motion made by Mr. Thomas. Is there a second?

1 MS. THOMASON: I will second.

2 MR. VASQUEZ: Second by Ms. Thomason. All those
3 in favor, say aye.

4 (A chorus of ayes.)

5 MR. VASQUEZ: Any opposed?

6 (No response.)

7 MR. VASQUEZ: Hearing none, the motion
8 passes. Continuing on to 4(c), Ms. Morales.

9 MS. MORALES: Item 4(c) involves the issuance of
10 a determination notice and an award of direct loan funds
11 for Pine Terrace, which is an existing development located
12 in Mount Pleasant. Pine Terrace involves two adjacent
13 developments originally constructed in the late 1970s and
14 early '80s that total 76 units, and will serve an elderly
15 population.

16 There will be households at 30 percent of the
17 area median income and households at 60 percent of AMI.
18 Staff recommends the issuance of a determination notice in
19 the amount of \$192,962, and an award of HOME funds in the
20 amount of \$1 million from the 2020-1 NOFA.

21 MR. VASQUEZ: Great. Are there any questions
22 from the Board members?

23 (No response.)

24 MR. VASQUEZ: And I also don't see anyone lined
25 up for the public comment on this item. So, we will

1 entertain a motion for item 4(c) on the agenda.

2 MS. BINGHAM: I will move approval for Pine
3 Terrace.

4 MR. VASQUEZ: Ms. Bingham makes the motion. Is
5 there a second?

6 MR. BRADEN: Second.

7 MR. VASQUEZ: Thank you, Mr. Braden. Motion
8 made by Ms. Bingham, seconded by Mr. Braden. All those in
9 favor, say aye.

10 (A chorus of ayes.)

11 MR. VASQUEZ: Any opposed?

12 (No response.)

13 MR. VASQUEZ: Hearing none, the motion carries.

14 And moving on, rapidly to Item 4(d). By the
15 way, I just want to let everyone know that under my
16 administration as Chair here, I am optimistic that we will
17 finish every meeting by 5:00 p.m. Moving right along to
18 4(d).

19 MS. HOLLOWAY: Good morning, Mr. Vasquez,
20 congratulations on your new role as Chair. And welcome,
21 Mr. Thomas. I am Marni Holloway. I am the Director of the
22 Multifamily Finance Division.

23 And Teresa is right, that 4 percent program is
24 rocking through. And it is just astonishing the amount of
25 business that is being conducted there and the way that

1 staff has stepped up to take on that additional volume.

2 Today, we have three direct loan awards. So,
3 this is presentation, discussion, and possible action
4 regarding an award of direct loan funds from the 2020-1
5 Multifamily Direct Loan NOFA.

6 Our first application is 20329 Fishpond at
7 Huntsville, which has requested \$350,000 in direct loan
8 funds. This application was previously awarded \$900,000 in
9 9 percent credits, and \$2,650,000 in direct loan funds at
10 the July meeting.

11 The applicant proposes a new construction of 48
12 one- and two-bedroom units for an elderly population in
13 Huntsville. Thirty of the units will be restricted by
14 TDHCA; 24 of them at 60 percent of AMI and six at 50
15 percent of AMI.

16 After the original 9 percent in direct loan
17 award, the applicant found that there had been a 5 percent
18 decrease in the rent for Walker County, with a potential
19 gross rent decrease of \$20,000 annually. In addition,
20 total development costs increased by more than \$135,000,
21 and the tax credit price decrease reduced equity proceeds
22 by approximately \$270,000.

23 The total loan amount of \$3 million of HOME
24 funds will be provided as a loan with 2 percent interest,
25 amortized over 40 years with a 15-year term. The TDHCA

1 lien will be in first position over the permanent period.

2 When applicants come back to TDHCA for
3 additional funds, they must be found eligible in order for
4 the application to move forward. The applicant presented
5 increased labor and material costs as a result of record
6 low unemployment in the area and high demand for building
7 materials as a basis for their request for additional
8 funds, which the Executive Director considered sufficient
9 to determine they were eligible.

10 The original 9 percent application received five
11 points under readiness to proceed. The applicant timely
12 submitted all materials to be able to close within the
13 deadline if this award was presented at the November
14 meeting. Staff erred in not including this award on the
15 agenda, and therefore recommend that no penalty be assessed
16 against the applicant, or affiliates, due to failure to
17 timely close.

18 The applicant has a compliance history
19 designated as Category 1 and was accepted by EARAC. Staff
20 recommends that the applicant not receive a penalty under
21 readiness to proceed and recommends approval of an award in
22 the amount of \$350,000, in addition to the original award
23 of \$2,650,000, I'm sorry, in direct loan HOME funds.

24 I would be happy to take any questions.

25 MR. VASQUEZ: Do any Board members have

1 questions on this item?

2 (No response.)

3 MR. VASQUEZ: Okay. Do we need to do these
4 individually, or -- Bobby, what is your thought?

5 MR. WILKINSON: It's one item, so I think one
6 motion would be fine.

7 MS. HOLLOWAY: Okay. That is fine. Moving on,
8 application 20501, requested \$2 million in National Housing
9 Trust Fund for the Samano development. This proposed 40
10 unit adaptive reuse development will serve a supportive
11 housing population in downtown Brownsville.

12 The currently vacant Samano Securities Building
13 will be redeveloped with a small grocery store at street
14 level, 39 studio apartments, one one-bedroom unit, and a
15 small rooftop hydroponic vegetable herb farm. This owner
16 will partner with multiple service providers, and the 14
17 National Housing Trust Fund units will have a preference
18 for those households that are homeless or at risk of
19 homelessness.

20 The building will be required to meet NHTF new
21 construction standards, and if they pursue National
22 Historic tax credits, the standards must be approved by the
23 Department of the Interior by May 14, 2021.

24 At the September meeting, the Board approved a
25 waiver of part of Chapter 13, which lists adaptive reuse as

1 an ineligible category for direct loans, so that this
2 application is able to move forward. The National Housing
3 Trust Funds totaling \$2 million will be provided as a
4 deferred forgivable loan at zero percent interest for a 40-
5 year term.

6 The TDHCA loan will be superior to all other
7 financing and will maintain first lien position during the
8 construction and permanent periods. The applicant will be
9 required to sign a contract on or before July 2, 2021, in
10 order to meet federal commitment deadlines.

11 Staff recommends approval of \$2 million in
12 National Housing Trust Fund for application 20501. I would
13 be happy to take any questions.

14 MR. VASQUEZ: Could you repeat what kind of
15 garden they have?

16 MS. HOLLOWAY: A rooftop hydroponic
17 vegetable/herb farm. I think it is a great idea.

18 MR. VASQUEZ: Sounds great. Do any Board
19 members have any questions on this item?

20 (No response.)

21 MR. VASQUEZ: And I am going to -- I think I
22 realized, Bobby, that I think we do need to have an
23 individual motion and a vote on each item here. So,
24 individually.

25 MS. HOLLOWAY: Okay.

1 MR. VASQUEZ: So, let me go back to 20329
2 Fishpond --

3 MS. HOLLOWAY: 20329. Right, would you like to
4 hear the recommendation again?

5 MR. VASQUEZ: Sure. Let's have the
6 recommendation again, and then, see if we can get a motion.

7
8 MR. VASQUEZ: Okay. Staff recommends that the
9 applicant not receive a penalty under readiness to proceed,
10 and recommends approval of an award in the amount of
11 \$350,000, in addition to the original award of \$2,650,000
12 in direct loan HOME funds.

13 MR. VASQUEZ: Okay. Does a Board member have a
14 motion regarding staff's recommendation?

15 MS. BINGHAM: Mr. Chair, I will move to approve
16 staff's recommendation to not assess the penalty to 20329
17 Fishpond at Huntsville, and to approve in the amended award
18 amount that staff recommended.

19 MR. VASQUEZ: Great. Thank you, Ms.
20 Bingham. Is there a second?

21 MR. BRADEN: Second.

22 MR. VASQUEZ: Thank you. Mr. Braden
23 seconded. So, we will take a vote. All those in favor of
24 approving staff's recommendation for 20329 Fishpond at
25 Huntsville, say aye.

1 (A chorus of ayes.)

2 MR. VASQUEZ: Any opposed?

3 (No response.)

4 MR. VASQUEZ: Hearing none, that passes. But by
5 the way, I just want to make a comment. Everyone knows it
6 generally really irritates me when people keep coming back
7 to us for more money, after making their initial
8 presentations. But I do understand the extenuating
9 circumstances on that item.

10 So, let's move on to -- back to 20501,
11 Samano. Marni, do you want to make the staff's
12 recommendation again?

13 MS. HOLLOWAY: Staff recommends approval of \$2
14 million in National Housing Trust Fund for application
15 20501, Samano.

16 MR. VASQUEZ: Great. I will entertain a motion
17 on staff's recommendation on 20501, Samano.

18 MR. BRADEN: Mr. Chair, I will make a motion
19 that the Board accept staff's recommendation and grant
20 award of \$2 million in National Housing Trust Funds for
21 applicant 20501 as presented.

22 MR. VASQUEZ: Is there a second?

23 MS. THOMASON: Second.

24 MR. VASQUEZ: Motion made by Mr. Braden,
25 seconded by Ms. Thomason. All those in favor, say aye.

1 (A chorus of ayes.)

2 MR. VASQUEZ: Any opposed?

3 (No response.)

4 MR. VASQUEZ: Hearing none, the motion carries.

5 MS. HOLLOWAY: Thank you.

6 MR. VASQUEZ: Let's move on to 20504, Burnet
7 Place.

8 MS. HOLLOWAY: Right. Application 20504
9 requested \$3 million in direct loans funds for Burnet Place
10 Apartments, which serves a supportive housing population in
11 Austin.

12 This new construction of 61 units will have
13 support from the federally funded Housing Opportunities for
14 People with AIDS or HOPWA program, through a contract with
15 the City of Austin. Due to this fund source, the property
16 will have a preference for people living with HIV and AIDS.

17 The HOPWA contract covers the costs of
18 operations and services for the property, with residents
19 paying 30 percent of their income toward rent. And 34 of
20 the units will be restricted to 30 percent of AMI, due to
21 the National Housing Trust Fund.

22 Because the direct loan is the only Department
23 funding for this application, our direct loan rule requires
24 equity in amounts not less than 10 percent of total housing
25 development costs. The Board has the ability to approve an

1 application with less than 10 percent owner equity if there
2 is reasonable assurance that the owner's ability -- if
3 there is reasonable assurance of the owner's ability to
4 complete construction and stabilization timely.

5 The development will receive just over \$6.2
6 million, which is 59 percent of the total housing costs,
7 having development costs in soft financing, fee waivers,
8 and match from the City of Austin. There is approximately
9 \$500,000, or 4.7 percent of total housing development costs
10 in owner equity, and another \$750,000, or 7 percent in
11 pledged fund-raising, and funds from the sale of another
12 multifamily property.

13 Staff believes that the risk is mitigated by the
14 strength of the application and the development owner's
15 experience, along with the large amount of other soft
16 financing that will be utilized, such that the reduced
17 owner equity is acceptable. The NHTF loan will be
18 provided -- or the NHTF will be provided as a deferred
19 forgivable loan at zero percent interest, with a 40-year
20 term under the supportive housing soft repayment set-aside.

21 The TDHCA loan would be in the first lien
22 position throughout the affordability period. The
23 Applicant will be required to execute a contract for these
24 funds prior to July 2, 2021, in order to meet federal
25 commitment deadlines.

1 Staff recommends the Board approve the lower
2 amount of owner equity being provided, and the award of \$3
3 million in National Housing Trust Fund to application
4 20504, Burnet Place.

5 MR. VASQUEZ: Okay. Just to clarify, while we
6 are putting in the loan, the City of Austin and others are
7 committed to this project as well?

8 MS. HOLLOWAY: Yes. They have actually already
9 received their \$6 million grant from the City of Austin.
10 Those are soft funds. And the City of Austin is
11 subordinating their LURA and everything else to us. So, we
12 will be in first lien position always.

13 MR. VASQUEZ: Okay. Great. Do any Board
14 members have questions on this item?

15 (No response.)

16 MR. VASQUEZ: And I don't see anyone in public
17 lined up. So, we will entertain a motion regarding staff's
18 recommendation for 20504, Burnet Place.

19 MS. THOMASON: I move that the Board would grant
20 the requested waiver and award the \$3 million in NHT funds
21 with the deadline to sign the contract being July 2, and
22 then, any other conditions that need to be detailed in the
23 action item.

24 MR. VASQUEZ: Okay. And that is July 2, 2021.

25 MS. THOMASON: 2021. Yes. Correct.

1 MS. HOLLOWAY: Yes.

2 MR. VASQUEZ: Okay. Motion made by Ms.
3 Thomason. Is there a second?

4 MR. THOMAS: Chairman, I second.

5 MR. VASQUEZ: Second by Mr. Thomas. All those
6 in favor, say aye.

7 (A chorus of ayes.)

8 MR. VASQUEZ: All right. Any opposed?

9 (No response.)

10 MR. VASQUEZ: Hearing none, the motion
11 carries.

12 Moving on to -- we are at 4(e), I believe. And
13 Mark and Philip --

14 MS. HOLLOWAY: It is still me. Item 4(e) is
15 presentation, discussion, and possible action regarding the
16 approval for publication in the *Texas Register* of the
17 2021-1 Multifamily Direct Loan Notice of Funding
18 Availability.

19 This year, we have \$31,740,258 in HOME funds
20 currently available for multifamily programming, and
21 \$9,465,974 of National Housing Trust Fund remaining from
22 last year's NOFA. The NHTF will be available through the
23 soft repayment set-aside under which applicants must be
24 either supportive housing or provide 30 percent AMI units.

25 From the available HOME funds, we have reserved

1 \$5,451,382 for Community Housing Development Organization,
2 or CHDO, funds for multifamily activities. While HUD has
3 waived the CHDO requirements during the pandemic, staff
4 believes it is important to continue to support these
5 community-based activities and keep that pipeline going.

6 Staff plans to add TCAP repayment funds to the
7 NOFA in the future. And in order to make those funds
8 available to applicants as quickly as possible, we
9 recommend that the Executive Director be authorized to add
10 funds to this NOFA from federal sources or state sources
11 for the activities described in the NOFA without further
12 Board approval. Any addition of funds will be made with
13 all proper public notifications, and we would report these
14 actions to the Board at the next meeting.

15 Staff recommends that the Executive Director be
16 authorized as described to add funds to the 2021-1 NOFA and
17 that the \$31,740,258 in HOME funds, and \$9,465,974 in
18 National Housing Trust Fund be made available for
19 Applicants through this 2021-1 NOFA. I would be happy to
20 take any questions.

21 MR. VASQUEZ: Do any Board members have
22 questions on this item?

23 MR. BRADEN: Mr. Chair, I have a question.
24 Marni, when you -- in this item, when you talk about the
25 \$9.4 million remaining in the national -- of our funds in

1 the National Housing Trust Fund, is that after taking into
2 account the amounts we just granted in the prior items,
3 or --

4 MS. HOLLOWAY: Yes.

5 MR. BRADEN: Okay.

6 MS. HOLLOWAY: Yes. And it actually reserves
7 funds for applications that haven't been completely through
8 review and made it to you for an award. So, they timely
9 submitted their application; we haven't gotten all of the
10 way through the process. So, those funds are set aside for
11 those applications right now.

12 MR. BRADEN: So, that number is net of
13 everything that is in the pipeline that we know about?

14 MS. HOLLOWAY: Yes. Yes, it is.

15 MR. BRADEN: Okay.

16 MS. HOLLOWAY: And you will recall that National
17 Housing Trust Fund operates on a little bit different
18 calendar than the other federal funds. So, those funds
19 drop like, in the middle of the summer. So, that is why we
20 wound up with this sort of overlapping pot of money.

21 I would also point out that last year, our HOME
22 funds in the NOFA were about \$13 million, due to some
23 program changes. In our program year, you know, we have
24 this much larger HOME amount. I am hoping that we can
25 bring you back some really interesting and exciting

1 projects.

2 MR. BRADEN: Thank you.

3 MR. VASQUEZ: Do any other Board members have
4 questions on this?

5 (No response.)

6 MR. VASQUEZ: Great. And I see no people in the
7 queue from public comment. So, I would like to entertain a
8 motion regarding the 2021-1 Multifamily Direct Loan NOFA to
9 be published. Does anyone have a motion to that effect?

10 (No response.)

11 MR. VASQUEZ: Anyone?

12 MR. BRADEN: Mr. Chair, I move that we accept
13 staff's recommendation regarding the approval for
14 publication in the *Texas Register* of the 2021 Multifamily
15 Direct Loan NOFA.

16 MS. BINGHAM: I will second Mr. Braden's motion.

17 MR. VASQUEZ: Motion made by Mr. Braden.

18 Seconded by Ms. Bingham. All those in favor, say aye.

19 (A chorus of ayes.)

20 MR. VASQUEZ: Any opposed?

21 (No response.)

22 MR. VASQUEZ: Hearing none, the motion
23 carries. Moving on to 4(f), Ms. Holloway.

24 MS. HOLLOWAY: Yes. Item 4(f) is presentation,
25 discussion, and possible action on a request for a return

1 and reallocation of tax credits under 10 TAC §11.6(5)
2 related to credit returns resulting from force majeure
3 events for Application 19315, Hammack Creek Apartments in
4 Kennedale, Texas.

5 This development was awarded \$1.5 million of 9
6 percent credits in July of 2019 and was required to be
7 placed in service by December 31, 2021. The published
8 Board item mentions December 31, 2020, as the placed in
9 service deadline, and it is in fact, or it was in fact,
10 2021.

11 In June, the Department approved a requested
12 extension of the placed in service deadline to June 30,
13 2022. The extension of the placed in service deadline did
14 not extend the other federal deadline, which is the 10
15 percent test. That deadline remained at December 31, 2020,
16 and cannot be further extended by TDHCA.

17 We have received a request to extend that 10
18 percent test deadline to March 1, 2021, or alternatively,
19 to extend the placed in service deadline, including the 10
20 percent test under the force majeure provisions of the QAP.

21 Under force majeure, the owner effectively gives back the
22 2019 credits, and is reissued the same amount of 2020
23 credits which has the effect of extending that 10 percent
24 test deadline.

25 The request describes what would have been a

1 typical time frame for closing a loan with HUD, which would
2 have provided the owner with the funds necessary to meet
3 that 10 percent test. Due to a number of factors, but
4 chiefly because HUD has received an unprecedented number of
5 applications recently, the closing has been delayed just
6 beyond December 31, 2020, which is that 10 percent test
7 deadline.

8 The request includes a timeline of relevant
9 events, along with letters from the lender and investor and
10 evidence in the form of emails confirming HUD delays in
11 closing, and from the project engineer describing their
12 delays caused by the pandemic. Because there is no path to
13 extension of the 10 percent test deadline, application of
14 the force majeure rule is the only way for this development
15 to move forward.

16 Staff recommends that the request for treatment
17 of Hammack Creek Apartments under an application of the
18 force majeure rule be approved, with the 2019 QAP and
19 multifamily rules applying, but the 2020 program calendar
20 will be applicable to the development. I would be happy to
21 take any questions.

22 MR. VASQUEZ: Do any Board members have
23 questions on this item?

24 MS. BINGHAM: Just clarifying, I don't know if
25 there is anybody in the queue to comment, but the applicant

1 is good with all of this, I assume?

2 MS. HOLLOWAY: Mm-hmm. Yes.

3 MR. VASQUEZ: And then just also to clarify, and
4 reinforce what you just said, Marni, HUD has spoken up and
5 acknowledged that they have been the cause of these delays?

6 MS. HOLLOWAY: Yes.

7 MR. VASQUEZ: And this developer has a history
8 of performing well. It is not like this is a common
9 occurrence with them.

10 MS. HOLLOWAY: Right. I don't believe that we
11 have ever had a force majeure request from this developer.

12 MR. VASQUEZ: Okay. Do any other Board members
13 have questions? There is no one in the public set up there
14 to make any comment.

15 MS. BINGHAM: Mr. Chair. There is no
16 comment. I would like to motion approval of staff's
17 recommendation.

18 MR. VASQUEZ: Okay. Great. Motion made by Ms.
19 Bingham to approve staff's recommendation for replacing the
20 1.5 million in 2019 credits for reissuing, and execution of
21 a 2020 carryover allocation agreement.

22 MS. BINGHAM: Uh-huh.

23 MR. VASQUEZ: Okay. Motion made by Ms. Bingham.
24 Seconded -- is there a second?

25 MR. BRADEN: Second.

1 MR. VASQUEZ: Seconded by Mr. Braden. All those
2 in favor, say aye.

3 (A chorus of ayes.)

4 MR. VASQUEZ: All right. Thank you. Any
5 opposed?

6 (No response.)

7 MR. VASQUEZ: Hearing none, the motion carries.

8 MS. HOLLOWAY: Thank you.

9 MR. VASQUEZ: Thank you, Ms. Holloway.

10 Moving right along to Item 5. And I believe Ms.
11 Thomason is going to make a presentation, or let us know
12 about how the Audit and Finance Committee meeting went
13 earlier today?

14 MS. THOMASON: Yes. Thank you. Audit and
15 Finance Committee did meet at 8:00 this morning. Director
16 of Internal Audit, Mr. Mark Scott, discussed the 2021
17 Annual Internal Audit Plan. The Committee did vote to
18 recommend to the full Board for approval that. And he will
19 present it as our next action item.

20 We also had Mr. Guevara, who presented the draft
21 computation of unencumbered fund balances, which the
22 Committee voted to recommend for approval. And it was on
23 the consent agenda, which was approved earlier in this
24 meeting.

25 So Mr. Scott then had three report items that he

1 also updated us on, which included the report on the
2 implementation status of prior audit findings and
3 recommendations, the Internal Audit annual report, as well
4 as an update on any recent external audit activities.

5 So, that kind of summed up our meeting this
6 morning. Mr. Scott is here if there are any questions on
7 those items. Then he will be presenting the next item to
8 you as well.

9 MR. VASQUEZ: Great. Thank you, Ms.
10 Thomason. Does the Board -- any Board member have
11 questions for Ms. Thomason or Mr. Scott?

12 MR. VASQUEZ: Hearing none, the Board therefore
13 accepts the report on this morning's public meeting of the
14 Audit and Finance Committee.

15 Let's move on to 5(b), Presentation on the
16 Internal Audit work plan for Fiscal Year 2021.

17 MR. SCOTT: Good morning. Can you hear me?

18 MR. VASQUEZ: Yes.

19 MR. SCOTT: Okay. Great. I am Mark Scott, the
20 Director of Internal Audit. As Ms. Thomason noted, this
21 item is the 2021 Internal Audit Plan. The Internal
22 Auditing Act states that the plan must be approved by the
23 Agency's Governing Board.

24 The Internal Audit Plan for 2021 was prepared by
25 utilizing a standard risk assessment matrix. We gathered

1 input from management, the State Auditor's Office, and
2 others. And we did discuss the audit plan at the Committee
3 this morning. And so, I am asking for approval from the
4 full Board for the 2021 Internal Audit Plan. And I will
5 answer any questions.

6 MR. VASQUEZ: Does anyone have any questions for
7 Mr. Scott?

8 (No response.)

9 MR. VASQUEZ: Okay. Again, it looks like the
10 plan for the next year is well thought out and prioritized.
11 So, we look forward to your findings.

12 Does a Board member have a motion regarding the
13 drafting of the -- my page is messed up, sorry -- of the
14 Internal Audit Plan for Fiscal Year 2021?

15 MS. THOMASON: Yes. I would move that the full
16 Board would approve the Internal Audit work plan for fiscal
17 year 2021 as presented by Mr. Scott.

18 MR. VASQUEZ: Thank you, Ms. Thomason. Is there
19 a second?

20 MR. THOMAS: Second.

21 MR. VASQUEZ: Motion made by Ms. Thomason.
22 Seconded by Mr. Thomas. All those in favor, say aye.

23 (A chorus of ayes.)

24 MR. VASQUEZ: Any opposed?

25 (No response.)

1 MR. VASQUEZ: Hearing none, the motion
2 carries. Thank you, Mr. Scott.

3 MR. SCOTT: Thank you very much.

4 MS. THOMASON: Thanks, Mark.

5 MR. VASQUEZ: Okay. Moving on to Item 6 on the
6 agenda, presentation, discussion, and possible action on
7 the draft 2021 State of Texas Low Income Housing
8 Plan and Annual Report. So, we have Ms. Yevich up.

9 MS. YEVICH: Good morning, Board, Chair,
10 Members. May I assume you can hear me okay?

11 MR. VASQUEZ: Yes.

12 MS. YEVICH: But can you see me?

13 MR. VASQUEZ: We can't see you. There is a
14 little picture on the screen that is shared.

15 MS. YEVICH: Yes. Let's try --

16 MR. VASQUEZ: There you are.

17 MS. YEVICH: There we go. Okay. Good morning
18 again. All right, very good. My name is Elizabeth,
19 Elizabeth Yevich, and I oversee the Housing Resource Center
20 Division.

21 And it is that season of the year again. Every
22 December, I bring to you the gift of the draft -- this
23 year, it is the 2021 State of Texas Low Income Housing Plan
24 and annual report.

25 And for Member Thomas, welcome. And I suspect

1 that during your introduction to TDHCA in the past few
2 weeks, you have come to realize that our agency is awash in
3 acronyms.

4 And we, in the Housing Resource Center, we are
5 also known as HRC. We are fortunate that many of our
6 acronyms have vowels in the middle of them with all those
7 consonants.

8 So, case in point, the State of Texas Low Income
9 Housing Plan and annual report is affectionately known as
10 the SLIHP. And you will be hearing a lot about the SLIHP
11 as we move on.

12 Now, this document must be submitted annually to
13 the Governor, Lieutenant Governor, Speaker of the House,
14 and the Legislative Oversight Committee, not later than 30
15 days after the Board receives and approves it. And then,
16 the final SLIHP must be presented no later than March 18th.

17 So, in other words, how this works is, the draft
18 SLIHP is brought before you in December. It goes out for
19 30 days for public comment, from mid-December to mid-
20 January. And then, following that, we bring the draft
21 SLIHP back to you in the February meeting, in order to meet
22 that March 18th date.

23 Now, this over-200-page document -- I believe
24 it, as of this writing, is 243 pages this year -- is a
25 cross cutting document. It covers all of TDHCA's programs

1 and divisions, not just one, one area.

2 So, this is why it falls under HRC, the Housing
3 Resource Center. Because HRC typically handles all of the
4 cross-cutting annual and biennial plans and reports.

5 And this document offers a comprehensive
6 reference on statewide housing needs, housing resources,
7 strategies for funding allocations. It reviews TDHCA's
8 housing programs, current and future policies, resource
9 allocation plans to meet state housing needs, and reports
10 on performance during the preceding state fiscal year.

11 So, in short, the majority of what this very
12 handy document is, is exactly what the title says. It is a
13 plan and a report. It is a plan. It is an action
14 plan. If you look at it on Chapter 4, Section 4, that is
15 the plan moving forward to 2021.

16 And then, the report is Chapter 3. And that is
17 looking backwards to the last fiscal year, which just ended
18 August 31, the state fiscal year. And in your Board books
19 today, under the Board action request for Item 6, if you
20 will notice on page 3 of that, there is a section of the
21 summary of the major changes and updates from last year's
22 SLIHP.

23 I will point out, nothing really drastic changed
24 in format or content this year, updating and revisions, of
25 course. Every few years there tends to be a shift in the

1 look of this annual document.

2 Up to several years ago, some of the talented
3 staff in HRC suggested rearranging and placing some of the
4 material into the appendices for ease of reading. But with
5 all the other changes going on in this year of 2020, I am
6 happy to report that the SLIHP has pretty much remained the
7 same.

8 And if I may, much of the credit for the smooth
9 process goes to the lead document preparer for the
10 SLIHP. And he is the planner in the Housing Resource
11 Center, and his name is Alex Pustelnyk. And Alex worked
12 very closely on one of the important chapters, the housing
13 report chapter, Chapter 3, with Julie and our Fair
14 Housing -- or we call it FHDMMR, Fair Housing Data
15 Management and Reporting. Yet another acronym there.

16 But I will point out that because this is such a
17 comprehensive document, it really touches on all the
18 programs and divisions within the Agency. And most all
19 staff at some point review it, add to it, and work on it,
20 in the course of the many months going into it, for
21 preparation.

22 One final thing I want to point out. We always
23 post the SLIHP not really in the Board book, but separately
24 on the Board meeting page. And that is a courtesy for
25 those who like to print out the Board book. They don't

1 want to be printing out a 200-page document, if they are
2 going to be looking at it. So, it is printed out
3 separately.

4 And in that document, the table of contents is
5 accurate and has been updated. The pagination is
6 correct. But I want to point out there are three places
7 where the date in the title of the chapter did not get
8 changed.

9 So, I would, before this gets sent to the *Texas*
10 *Register* and goes out to the public, I would like to make
11 those three date changes in the title. But other than
12 that, staff recommends approval of the draft of the 2021
13 State of Texas Low Income Housing Plan and annual
14 report. Are there any questions?

15 MR. VASQUEZ: Thank you, Ms. Yevich. I
16 appreciate the background, the presentation. Obviously, a
17 lot of staff time gets put into this report and annual
18 plan. So, we appreciate that hard work.

19 Do any Board members have questions for Ms.
20 Yevich?

21 (No response.)

22 MR. VASQUEZ: No. Great. And I don't see
23 anyone in the public queue for comments on this. So, we
24 will entertain a motion regarding publication in the *Texas*
25 *Register* of the 2021 State of Texas Low Income Housing Plan

1 and Annual Report. Is there a motion to that effect?

2 MS. BINGHAM: Mr. Chairman, I will --

3 MR. THOMAS: Mr. Chairman, I move that -- go
4 ahead.

5 MS. BINGHAM: Yield to Mr. Thomas.

6 MR. THOMAS: Thank you, Ms. Bingham. Mr.
7 Chairman, I move that we accept staff's recommendation to
8 move forward with the draft State of Texas Low
9 Income Housing Plan and Annual Report with those suggested
10 changes and revisions that Ms. Yevich recommended, and so
11 we move forward on that basis.

12 MR. VASQUEZ: Great. Ms. Bingham, do you have a
13 second?

14 MS. BINGHAM: I have a second. I will second
15 the motion.

16 MR. VASQUEZ: Motion made by Mr. Thomas,
17 seconded by Ms. Bingham. All those in favor, say aye.

18 (A chorus of ayes.)

19 MR. VASQUEZ: Any opposed?

20 (No response.)

21 MR. VASQUEZ: Hearing none, motion carries.

22 Thank you, Ms. Yevich.

23 MS. YEVICH: Thank you so much. Happy holidays;
24 stay safe.

25 MR. VASQUEZ: Thank you. Okay, moving on to

1 Item 7 on the agenda, under Texas Homeownership: Possible
2 discussion -- presentation, discussion, and possible action
3 on the participating lender list for Single Family Mortgage
4 Loan and Mortgage Credit Certificate program.

5 We have Ms. Gutierrez.

6 MS. GUTIERREZ: Yes. Good morning, everyone.

7 MR. VASQUEZ: Good morning.

8 MS. GUTIERREZ: Congratulations, Chairman
9 Vasquez on your new appointment. And welcome, Mr. Thomas,
10 to our TDHCA Board. So happy to be here today presenting
11 to you.

12 I am Cathy Gutierrez, Director of the
13 Homeownership, and I am presenting to you Item 7;
14 presentation, discussion, and possible action on the
15 participating lender list for Single Family Mortgage Loan
16 and Mortgage Credit Certificate programs.

17 As part of our oversight responsibilities, we
18 are obligated to come before you and present to you our
19 most current list of approved lenders. In your Board
20 packet, under this item, is an overview of the individual
21 lender approval process.

22 I would like to start by mentioning that also
23 included in your Board packet today, Item 2(d) is the
24 housing finance activity report for the third quarter of
25 2020. Overall year-to-date volume is up approximately 37

1 percent from 2019.

2 And we are on track to end the year with our
3 highest recorded loan volume in the history of our single
4 family homeownership program. I mention volume because so
5 much happens behind the scenes. And without the right
6 engaged lenders, we would not be where we are today.

7 A little bit of our business model. Our
8 business model consists of partnering with lenders
9 throughout the state to generate awareness and to help
10 promote our products. It is imperative that these lenders
11 remain engaged and in good business standing. We support
12 our lender network to continue its training, live customer
13 support, and a process that leads to the fastest loan
14 resolution, should the need arise.

15 I am very excited to report that we reached --
16 that we brought our business model full circle, using a
17 brand new dynamic website, thetexashomebuyerprogram.com. I
18 encourage you to check it out, if you have not had the
19 opportunity.

20 Through this new website, a prospective
21 homebuyer can come in and answer, and by answering three
22 simple questions, they can be talking to a lender, a
23 realtor, or a housing counselor in literally a matter of
24 minutes. If I am an approved lender, my name appears on
25 the website where potential home buyers can find me. If I

1 am interested in participating as a lender, I can learn how
2 on the website.

3 Currently, 235 financial institutions and
4 mortgage companies are approved to participate in our
5 homeownership program. Additionally, 1,700 plus individual
6 loan officers are actively offering these homeownership
7 options across the State of Texas.

8 This is just a small glimpse of our business, to
9 help explain the significance of this action item. I will
10 be happy to answer any questions as you consider the list
11 for approval. Thank you.

12 MR. VASQUEZ: Great. Thank you for that
13 presentation and report, Ms. Gutierrez. The figures for
14 low originations are just fantastic. And that is just
15 amazing --

16 MS. GUTIERREZ: Thank you.

17 MR. VASQUEZ: Especially, given this year with
18 all the pandemic, and other challenges that we are
19 facing. So we are looking forward to final figures and
20 summary when we close out the full year.

21 MS. GUTIERREZ: We are also looking forward to
22 giving you that information, because it is really exciting
23 to see how, even with the pandemic and the challenges that
24 so many have faced, a homeownership is still, you know, it
25 is a dream that is becoming reality for so many folks right

1 now.

2 MR. VASQUEZ: Indeed. Definitely. Do any Board
3 members have any questions for Ms. Gutierrez?

4 (No response.)

5 MR. WILKINSON: Mr. Chairman, I just have a
6 comment. I am excited about this website. The team really
7 worked really hard on putting it together.

8 It has got some good ad copy and graphics and
9 all that. It is easy to use. It is in Spanish as well.
10 So, it is going to be a great tool.

11 MS. GUTIERREZ: Thank you.

12 MR. VASQUEZ: Excellent. Well, do we hear a
13 motion on approving the Participating Lender List for
14 single family mortgage loan and mortgage credit certificate
15 programs?

16 MR. BRADEN: Mr. Chair, I move to approve the
17 list of mortgage lenders attached to this item for use in
18 connection with the single family mortgage loan and
19 mortgage credit certificate programs.

20 MR. VASQUEZ: Great. Thank you. A motion by
21 Mr. Braden. Is there a second?

22 MS. THOMASON: Second.

23 MR. VASQUEZ: Seconded by Ms. Thomason. All
24 those in favor, say aye.

25 (A chorus of ayes.)

1 MR. VASQUEZ: Any opposed?

2 (No response.)

3 MR. VASQUEZ: Hearing none, the motion
4 carries. And thank you, Ms. Gutierrez, and you win the
5 prize for the best background.

6 MS. GUTIERREZ: Thank you, thank you. Happy
7 holidays to everybody.

8 MR. VASQUEZ: You too. Thanks. Okay.

9 Moving right along to Item 8(a). Mr. De Young
10 is going to make a presentation on our possible action
11 regarding authorization to release a NOFA for 2021
12 Community Services Block Grant discretionary funds, and for
13 education and employment initiatives for Native American
14 and migrant seasonal farm worker populations.

15 Mr. De Young.

16 MR. DE YOUNG: That is a mouthful. Good job.
17 Congratulations, Chairman Vasquez. And welcome to Mr.
18 Thomas. I know Mr. Thomas has been sitting for the whole
19 meeting wondering when we are going to get to that really
20 interesting Community Affairs stuff. We are going to jump
21 right in it.

22 Good morning. Item 8(a) requests the authority
23 from the Board to release a NOFA for 2021 CSBG
24 discretionary funds for Native American and migrant
25 seasonal farm workers.

1 Each year, CSBG, to give a little background to
2 Mr. Thomas, cedes about \$33 million annually. By law, or
3 by statute, we are required to give 90 percent of that to
4 eligible entities. The State receives 5 percent for admin.

5 And then we have a pool of discretionary funds for 5
6 percent that we award in different activities.

7 And this activity has been done historically.
8 It is focused on Native American and migrant seasonal farm
9 worker populations. And we annually put these funds out to
10 provide services to those populations.

11 And the types of services that are eligible
12 under the employment activities oftentimes are: they are
13 obtaining work skills for employment or helping with resume
14 writing, interview training, career counseling.

15 We also do education activities, which have
16 oftentimes been getting credentials or certificates, or
17 maybe a degree at a trade school or a community college.
18 Giving literacy classes, and English language education, as
19 well as financial counseling under these contracts
20 throughout the year.

21 These funds are competitive. And we require a
22 NOFA to be released. And we have a request for
23 applications, which includes a scoring mechanism. It is a
24 part of your Board book. You can see it behind me, the
25 Board item.

1 And there are usually three awards to be made
2 each year, \$100,000 awards. Two of them go for migrant
3 seasonal farm worker populations, and one has historically
4 gone for Native American populations.

5 The applicants apply for either fund. And
6 historically, we have had more applications for the migrant
7 seasonal farm workers than we have for the Native American
8 populations. If there are not enough sufficient
9 applications to be funded, under the \$300,000, the
10 Department will work with Mr. Wilkinson to reprogram any
11 remaining funds into another eligible activity previously
12 approved by the Board in the State Plan.

13 And the rest of you Board members will remember
14 the CSBG plan is a two-year plan. We came to you in July
15 of 2019. So, this plan is in force with the federal
16 government at Health and Human Services. We are in the
17 second year of that plan. And this is the final bucket of
18 money to go out under that plan.

19 We expect to begin these contracts March 1st of
20 2021. They will go for a one-year term. And any appeals
21 we might get in the scoring process could delay that, maybe
22 a month. But we have historically not had appeals under
23 this set-aside.

24 So, if this action is approved, we will release
25 the NOFA and the RFA. We will collect the applications and

1 score them. And then, we will return to you in February to
2 present the award recommendations.

3 Staff is requesting Board approval to begin this
4 process. And I am welcome to answer any questions that you
5 have.

6 MR. VASQUEZ: Thank you.

7 MR. THOMAS: Mr. Chairman, I do have one
8 question. Mr. De Young, with regard to the application
9 process, you have mentioned that generally, we will get
10 sufficient number of applications to make the awards to the
11 respective candidates.

12 Does the Department do any kind of marketing
13 effort, or make any information available to these targeted
14 communities to make sure they are aware these programs
15 exist, and these funding opportunities are there, inclusive
16 of the classes, like the literacy classes, the financial
17 literacy classes, et cetera?

18 MR. DE YOUNG: Yes. Historically, we have
19 sought out applicants when we feel like we haven't gotten
20 an adequate set of applicants or interest.

21 Oftentimes we will get notifications from a new
22 applicant, maybe, who hasn't been aware of this. And we
23 have our planning team interact with them, to help them
24 tailor their application to eligible activities, and
25 possible linkages with other programs.

1 And it has been interesting, over the years. It
2 is not the same organizations always coming in. We have
3 had organizations that work with Native American
4 populations that for two or three years have applied,
5 gotten the funds, and then, decided that they have enough
6 capacity now to continue on, and allow others to come back
7 in.

8 So, we try and, as much as we can, get them to
9 link services with additional providers. That is the
10 encouragement to develop relationships so that they can
11 continue to apply and hopefully kind of graduate out of the
12 program.

13 It is not -- certainly not a design anybody
14 could apply, if someone come in for eight years, nine years
15 in a row, they are able to apply. We don't limit them.
16 But we have historically seen migration through the Native
17 American and the migrant seasonal farm worker population
18 applications.

19 MR. THOMAS: Thank you.

20 MR. DE YOUNG: Certainly.

21 MR. VASQUEZ: All right. Do any other Board
22 members have comments on this item?

23 (No response.)

24 MR. VASQUEZ: Hearing none, and I don't see
25 anyone on the public comment for this item. So, I will

1 entertain a motion for action regarding authorization to
2 release the NOFA for 2021 Community Services Block Grant
3 discretionary funds for education and employment
4 initiatives for Native American and migrant seasonal farm
5 worker populations. Do we have a motion?

6 MS. BINGHAM: Mr. Chair?

7 MR. VASQUEZ: Yes.

8 MS. BINGHAM: Mr. Chair, I will move for the
9 release of the 2021 NOFA for CSBG funds for Native American
10 and migrant seasonal worker populations.

11 MR. VASQUEZ: Great. Motion made by Ms.
12 Bingham. Is there a second?

13 MS. THOMASON: Second.

14 MR. VASQUEZ: Seconded by Ms. Thomason. All
15 those in favor, say aye.

16 (A chorus of ayes.)

17 MR. VASQUEZ: Any opposed?

18 (No response.)

19 MR. VASQUEZ: Hearing none, the motion
20 carries. Thank you, Mr. De Young.

21 MR. DE YOUNG: Thank y'all. See you in
22 February.

23 MR. VASQUEZ: And Items 8(b) and 8(c) are
24 actually being pulled from the agenda and will be moved to
25 a possible later meeting at a later date.

1 The Board has addressed all of the posted agenda
2 items, so now is the time in the meeting where members of
3 the public can raise issues with the Board on matters of
4 relevance to the Department's business, or requests that
5 the Board place specific items on future agendas for
6 consideration.

7 If there is anyone that wants to comment, you
8 send a question message to our moderator. I believe we
9 have one person queued up. Nathan, is that still correct?
10 Or are they deferring until future meetings?

11 MR. DARUS: They have said that they will defer
12 to future meetings. So far, nobody has registered for
13 comment on items not on the current agenda.

14 MR. VASQUEZ: Okay. Great.

15 MS. BINGHAM: Wait a minute. Come on. Did
16 everybody wear themselves out on public comment during my
17 year of chairing? How does this work?

18 MR. VASQUEZ: I am sure they are watching the
19 meeting. I am sure they are --

20 MR. THOMAS: A honeymoon period for the
21 Chairman.

22 MR. VASQUEZ: Yes. That is it, exactly.

23 MR. BRADEN: A softball agenda.

24 MS. BINGHAM: Look, Mr. Thomas. Nobody is going
25 to cut Mr. Vasquez some slack. So, it must be you. You

1 must be the rookie.

2 MR. VASQUEZ: No, Mr. Thomas. All the meetings
3 are this easy and smooth and short. But don't you worry
4 about the future meetings. We're never meeting in July
5 again after this.

6 Okay. So hearing that there is no further
7 business of this meeting, we look forward to seeing you all
8 at the next scheduled Board meeting, is January 14th of
9 2021. We will put 2020 behind us and go roaring into a
10 great 2021.

11 Appreciate the Board and staff for all your work
12 and participation. And do I have a motion to adjourn the
13 meeting?

14 MS. THOMASON: So moved.

15 MR. VASQUEZ: I'll give that to Ms. Thomason.
16 Seconded?

17 MR. THOMAS: Second.

18 MR. VASQUEZ: Mr. Thomas. All those in favor,
19 say aye.

20 (A chorus of ayes.)

21 MR. VASQUEZ: Okay. The meeting is now
22 adjourned. It is 10:19 a.m.

23 (Whereupon, at 10:19 a.m., the meeting was
24 concluded.)

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C E R T I F I C A T E

MEETING OF: TDHCA Board
LOCATION: via GoToWebinar
DATE: December 10, 2020

I do hereby certify that the foregoing pages, numbers 1 through 60, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Latrice Porter before the Texas Department of Housing and Community Affairs.

DATE: December 15, 2020

(Transcriber)

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