

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

VIA TELEPHONE AND WEBINAR

January 14, 2021  
9:05 a.m.

MEMBERS:

LEO VASQUEZ, Chair  
LESLIE BINGHAM, Vice Chair  
BRANDON BATCH, Member  
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	6
ROLL CALL	7
CERTIFICATION OF QUORUM	
CONSENT AGENDA	
ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:	8
EXECUTIVE	
a) Presentation, discussion, and possible action on Board meeting minutes summary for November 5, 2020	
ASSET MANAGEMENT	
b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement	
03006 Villas of Park Grove Katy	
c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement	
15247 City Square Apartment Homes Garland	
MULTIFAMILY FINANCE	
d) Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed for:	
20011 Canal Lofts Houston	
20015 New Caney Oaks New Caney	
20075 New Hope Housing Savoy Houston	
20077 Lockwood South Apartments Houston	
20082 Connect South Apartments Houston	
20097 Regency Lofts Houston	
20100 Southlawn at Milby Houston	
20140 Richmond Senior Village Houston	
20179 Avanti West Edinburg	
20204 Heritage Senior Residences Houston	
20223 Campanile on Briar Hollow Houston	
20248 Cedar Cove Apartments Sealy	
20251 Mathis Apartments Mathis	
20281 Bayou Bend Apartments Waller	
20329 Fish Pond at Huntsville Huntsville	

## COMMUNITY AFFAIRS

- e) Presentation, Discussion and Possible Action on an Extension to the Release of Coronavirus Aid, Relief, and Economic Security Act Low Income Home Energy Assistance Program Funds Held in Emergency Reserve and Authorization to Award Such Funds

## LEGAL

- f) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Emerald Run (HTC 70079 / CMTS 2320)

## CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS: 8

- a) Outreach and Activities Report (December 2020-January 2021)
- b) Report on Activities Related to the Department's Response to COVID-19 Pandemic
- c) Report on the Department's Swap Portfolio and recent activities with respect thereto 9

## ACTION ITEMS

ITEM 3: RULES 17

Presentation, discussion, and possible action on an order proposing the amendment of 10 TAC §8.7 Program Regulations and Requirements, and directing publication for public comment in the Texas Register.

ITEM 4: ASSET MANAGEMENT 22

Presentation, discussion, and possible action on timely filed appeal under the Department's Multifamily Program Rules for Villas on Raiford (Exchange #15090009913)

ITEM 5: SINGLE FAMILY & HOMELESS PROGRAMS

- a) Presentation, discussion, and possible action on the Dispute of EARAC's Emergency Solutions Grants Coronavirus Aid, Relief, and Economic Security Act first allocation award recommendation for Galveston County Community Action Council, Inc. and approval of an award to The Salvation Army, Inc. serving Galveston County 40
- b) Presentation, discussion, and possible action on Emergency Solutions Grants Coronavirus Aid, Relief, and Economic Security Act second allocation awards 54

ITEM 6: HOUSING RESOURCE CENTER	58
Presentation, discussion and possible action on adoption of the second substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan relating to Community Development Block Grant funding under the CARES Act; authority to request waivers of HUD; and delegation of authority to the Department's Executive Director to make awards to subrecipients	
ITEM 7: BOND FINANCE	
a) Presentation, discussion, and possible action on Inducement Resolution No. 21-008 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for Meadowbrook (#21604)	64
b) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (The Montage) Resolution No. 21-009 and a Determination Notice of Housing Tax Credits	67
c) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Oso Bay Apartments) Resolution No. 21-010 and a Determination Notice of Housing Tax Credits	91
ITEM 8: MULTIFAMILY FINANCE	
a) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(a)(1) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for 2100 Memorial in Houston (#20490) (PULLED)	
b) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(8)(B)(iii) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for The Oleanders at Broadway (#20497) (PULLED)	
c) Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications	94
20493 The Ridge at Lancaster Dallas	
20703 Cove in Odessa Odessa	

	5
PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS EXECUTIVE SESSION	99 None
OPEN SESSION	--
ADJOURN	111

P R O C E E D I N G S

1  
2 MR. VASQUEZ: I'm calling to order the meeting  
3 of the Governing Board of the Texas Department of Housing  
4 and Community Affairs. It is 9:05 a.m. on January 14,  
5 2021, and even though here on my screen it says 2020, we'll  
6 go with 2021.

7 Before we get into the roll call, viewers will  
8 see that we're welcoming a new member to the Board, Mr.  
9 Brandon Batch. So welcome aboard, Brandon.

10 A little background. Brandon received his  
11 degree in public relations from Texas Tech University.  
12 Upon graduation, Mr. Batch moved to work in Washington,  
13 D.C., as a legislative staffer for Texas Congressman  
14 Michael McCaul. He advised the congressman on issues  
15 ranging from foreign policy and defense to trade and tax  
16 policy.

17 Mr. Batch is a fellow of the Woodrow Wilson  
18 International School of Scholars and a partner at the  
19 Austin-based restaurant, Bird Bird Biscuit, which was named  
20 best new restaurant in Austin 2018.

21 After concluding a run for the 11th  
22 Congressional District in Texas, Mr. Batch was appointed by  
23 Governor Abbott to serve on the TDHCA Governing Board. He  
24 is a business development manager for Ventura Management, a  
25 Midland-based oil-and-gas company, where he works to

1 acquire mineral and royalty interests.

2 We are welcoming him aboard, and Mr. Batch, I  
3 have a question for you. It is my understanding that you  
4 have been provided TDHCA's statutorily required training  
5 program and you have completed it prior to today. Is that  
6 correct?

7 MR. BATCH: Yes, I have. And thank you for the  
8 introduction, Leo. It's good to be here.

9 MR. VASQUEZ: Great. We are very happy to have  
10 you aboard to have a full complement of Board members.

11 So therefore, since the answer to that question  
12 is in the affirmative, you are qualified to be counted for  
13 purposes of a quorum and to deliberate and vote with the  
14 Board.

15 With that, let's go through the actual roll  
16 call. Again, Mr. Batch?

17 MR. BATCH: Here.

18 MR. VASQUEZ: Ms. Bingham?

19 MS. BINGHAM: Here.

20 MR. VASQUEZ: Mr. Braden?

21 MR. BRADEN: Here.

22 MR. VASQUEZ: Mr. Thomas?

23 MR. THOMAS: Here.

24 MR. VASQUEZ: And unfortunately, Ms. Thomason  
25 asked to be excused today. She is feeling a bit under the

1 weather. So we can now have the luxury of missing a Board  
2 member. Thank you to Brandon and Ajay for making that  
3 possible.

4 So we do have a quorum, and I'll ask our  
5 executive director Bobby Wilkinson to lead us in the  
6 pledges.

7 (The Pledge of Allegiance and the Texas  
8 Allegiance were recited.)

9 MR. VASQUEZ: Great. Thank you, Bobby.

10 We will now move on to the consent agenda. I  
11 believe I've been informed that item 2(c) is being pulled.  
12 Is that correct?

13 MR. BRADEN: Yes, Mr. Chairman. This is Paul  
14 Braden. I asked that that item be pulled today.

15 MR. VASQUEZ: Okay. So 2(c) has been pulled  
16 from the consent agenda.

17 Are there any other items a Board member  
18 requests or have we received any requests from the public?

19 (No response.)

20 MR. VASQUEZ: Okay. Hearing none, does any  
21 Board member have any motion regarding the approval of the  
22 consent agenda?

23 MR. BRADEN: I'll make a motion to approve the  
24 consent agenda as presented, except for report item 2(c),  
25 which has been moved to regular.

1 MS. BINGHAM: I'll second that motion.

2 MR. VASQUEZ: Great. Thank you. Motion by Mr.  
3 Braden, seconded by Ms. Bingham. All those in favor say  
4 aye.

5 (A chorus of ayes.)

6 MR. VASQUEZ: Any opposed, no.

7 (No response.)

8 MR. VASQUEZ: None. Let's move quickly on to  
9 the action items. Item 3 under the rules we have Spencer  
10 Duran is going to make the presentation.

11 MR. ECCLES: Mr. Chair, this is general counsel.  
12 I believe that we would proceed then directly to  
13 item 2(c), which was pulled from the consent agenda.

14 MR. VASQUEZ: Very well. Let us shift back,  
15 keep Spencer on deck, and Monica, you will present us the  
16 2(c) information.

17 MS. GALUSKI: Yes. Good morning, Mr. Chair,  
18 members of the Board. Welcome Ajay Thomas and Brandon  
19 Batch. Good to have you on the Board.

20 This item 2(c) is a report on the Department's  
21 swap portfolio and recent activities with respect thereto.

22 It's staff's semiannual report on staff's activity related  
23 to the Department's interest rate swaps.

24 The Department currently has four swaps  
25 outstanding which were all put in place between 2004 and

1 2007. The underlying variable rate bonds are re-marketed  
2 weekly, and the Comptroller provides the liquidity for the  
3 bonds.

4 The 2004B and 2004D swaps have a current  
5 outstanding notional amount of approximately \$25 million.  
6 The swap counterparties are Bank of New York Mellon and  
7 Goldman Sachs. These swaps are subject to optional  
8 redemption at par on September 1 of 2021, and staff has  
9 been working with Stifel, who is both the Department's  
10 financial advisor and swap advisor, to analyze various  
11 restructuring and refunding options. We expect to make a  
12 recommendation to the Board for a refunding or  
13 restructuring of those two swaps prior to the September 1  
14 par call date.

15 The 2005A and 2007A swaps are matched  
16 amortization swaps with a current notional amount of  
17 approximately \$29 million. JP Morgan is the swap  
18 counterparty for those swaps, which are callable only to  
19 the extent of principal and prepayments received on the  
20 underlying mortgage loans.

21 The Department's swaps are all LIBOR-based, and  
22 we have been working with Stifel, our swap advisor, with  
23 respect to the planned termination of LIBOR. With us today  
24 are representatives from Stifel, including Liz Barber,  
25 managing director of public finance. We work closely with

1 Liz on all things swap-related, and she's available to  
2 answer any questions that the Board may have.

3 That concludes my presentation.

4 MR. VASQUEZ: Thank you, Monica.

5 Paul.

6 MR. BRADEN: Thank you, Monica, I appreciate  
7 that.

8 So it sounds like all four of our swaps are  
9 LIBOR-based, two of them it looks like we might have some  
10 type of refunding opportunities in September, but on the  
11 other two what is the plan with respect to -- or do we have  
12 a plan yet -- and I realize it's a little early -- with  
13 respect to the phase out of LIBOR?

14 MS. GALUSKI: We've been working on the plan. I  
15 would actually ask -- Liz would probably be the best person  
16 to speak to this, so could someone put Liz on, please, Liz  
17 Barber?

18 MS. NORRED: We are looking to unmute her now.

19 MS. GALUSKI: Thank you.

20 MS. NORRED: Elizabeth, you are unmuted.

21 MS. BARBER: Thank you.

22 Good morning. It's an honor to be here and  
23 presenting and speaking with the Board of the Department.

24 With regard to the plan for the two swaps that  
25 are LIBOR-based that extend beyond what actually now is --

1 we're looking at a June 30, 2023, date for the permanent  
2 cessation of one-month LIBOR, which the swaps are based on,  
3 in addition to some other tenors of LIBOR, what we are  
4 working with the Department on is likely using the  
5 established protocol process that ISDA -- and ISDA is the  
6 International Swaps and Derivatives Association, and that's  
7 the trade group for the derivatives industry -- they have a  
8 standard protocol process that they have used to implement  
9 changes to existing swap contracts across the market.

10 They've used this a number of times in the  
11 recent years to incorporate changes to existing swaps  
12 contracts to, for example, incorporate new provisions  
13 required by the Dodd-Frank Act, as well as other regulatory  
14 changes that have come into place.

15 So just a couple of developments that have  
16 transpired relatively recently, just for the Board's  
17 benefit, ISDA in October of 2020 published a supplement to  
18 their standard definitions that are used in basically all  
19 derivative contracts.

20 They published a supplement to those definitions  
21 that provide for fallback to the extent LIBOR is  
22 permanently discontinued, so there are now out in the  
23 market standard fallback provisions for swap contracts.  
24 The supplement takes effect January 25, 2021 and will apply  
25 for all new contracts going forward. In order to

1 incorporate those definitions into existing swaps, the  
2 Department, as well as other market participants, would use  
3 the protocol process.

4 Just as a point of color for the Department,  
5 there's been over 5,000 entities that have adhered to that  
6 protocol to incorporate those definitions. So likely that  
7 will be a good solution for the Department and for their  
8 two existing swaps.

9 We will continue here over the next year to work  
10 with the Department to see if it is more economic to amend  
11 those swaps rather than just use that fallback protocol  
12 process, and to the extent there's an economic benefit to  
13 doing that, we'll work with the Department to do that, but  
14 otherwise, ISDA has a really standardized process to  
15 incorporate the fallback provisions into existing swaps.

16 MR. BRADEN: Okay. And I guess it's fair to say  
17 there's no anticipated mismatch between swap payments and  
18 payments we're getting on the underlying bonds?

19 MS. BARBER: Not more than the basis risk that  
20 currently exists. The swaps are LIBOR-based, while the  
21 hedged debt are tax-exempt variable rate demand bonds, and  
22 those typically track what is called the SIFMA index, so  
23 there's some basis risk already in the swaps.

24 Falling back to the identified benchmark --  
25 which the acronym is SOFR; it stands for the Secured

1 Overnight Financing Rate -- it will fall back to that SOFR  
2 plus a spread that is designed to correlate very closely  
3 with what one-month LIBOR has been historically.

4 MR. BRADEN: Okay. That's all I had, Mr. Chair.

5 MR. VASQUEZ: Okay.

6 MR. THOMAS: Mr. Chairman, I have a question.

7 MR. VASQUEZ: Sure.

8 MR. THOMAS: Liz, what are the current value of  
9 our two existing swaps that go beyond September and to the  
10 refunding plan? Like what are the current termination  
11 values for those swaps?

12 MS. BARBER: Ajay, let me just pull up the most  
13 recent report that we did for the Department. Give me one  
14 moment.

15 (Pause.)

16 MS. GALUSKI: Liz, I've pulled that up, and it  
17 looks to me like it's a negative just under \$4 million.

18 MR. THOMAS: Combined, Monica, or individually?

19 MS. GALUSKI: Combined.

20 MR. THOMAS: Combined?

21 MS. GALUSKI: Yes. One is \$2.3- and one is  
22 \$1.6-.

23 MR. THOMAS: Okay. I guess my follow-up  
24 question to that would be, you know, as we're evaluating  
25 possible changing the terms on those swaps with the change

1 in the LIBOR to SOFR rate, are we also evaluating possible  
2 plans to terminate those swaps, or does that just not work  
3 under the Department's program since we're in a maxed  
4 allocation program?

5 MS. GALUSKI: So over the years we have looked  
6 at restructuring or termination options on those two swaps.  
7 Currently those swaps are working as intended, and we're  
8 actually receiving a slight economic benefit.

9 Both of those swaps are with JP Morgan, and we  
10 haven't to this point been able to come to terms on a  
11 restructuring or refunding of those. A cancellation of  
12 those swaps that make economic sense for us, but we do  
13 continue to look at that.

14 MR. THOMAS: Great.

15 That's all I had, Mr. Chairman.

16 MR. VASQUEZ: Okay. Great.

17 I believe we have a couple more speakers that  
18 would like to chime in on this.

19 Barton Withrow.

20 MS. NORRED: We're looking for Barton to unmute  
21 him.

22 Mr. Withrow, you are unmuted. Can you hear us?

23 MR. WITHROW: Yes. I don't have anything to  
24 add. I just registered and said I was available if  
25 questions came my way. I think Liz and Monica covered it

1 very well.

2 MR. VASQUEZ: Okay. Great. Thanks, Barton.

3 And Gary Machak, does he want to speak, or same  
4 thing?

5 MS. NORRED: Yes. We are finding him to unmute  
6 him right now. It looks like he may be on the phone so I  
7 guess not.

8 MS. GALUSKI: I think he's the same as Barton, I  
9 don't know that Gary needs to speak.

10 MS. NORRED: Okay. Perfect. Then we have no  
11 one else in queue to comment.

12 MR. VASQUEZ: Okay. Great. Well, thank you,  
13 Monica and team and outside team.

14 This is simply a report item, if I understand it  
15 correctly, so the Board does not have to take any action on  
16 this, or do we have to accept the report?

17 MS. BINGHAM: Beau?

18 MR. ECCLES: You can do it either way, just to  
19 formally acknowledge it, but there's no action that's  
20 required on receiving a report.

21 MR. VASQUEZ: Okay. Well, we received  
22 everything else on the consent agenda, so let's officially  
23 get a motion to accept this report on the Department's swap  
24 portfolio.

25 MR. BRADEN: Mr. Chair, I'll make a motion to

1 accept the report on the Department's swap portfolio.

2 MS. BINGHAM: I'll second that.

3 MR. VASQUEZ: Okay. Motion made by Mr. Braden,  
4 seconded by Ms. Bingham. All in favor say aye.

5 (A chorus of ayes.)

6 MR. VASQUEZ: Any opposed?

7 (No response.)

8 MR. VASQUEZ: Hearing none, motion passes.

9 Thank you, Monica.

10 Okay. Action items now. Let's bring back up  
11 Spencer Duran for a presentation, discussion, and possible  
12 action on the order proposing the amendment to 10 TAC  
13 Section 8.7, Program Regulations and Requirements, and  
14 directing publication for public comment in the *Texas*  
15 *Register*.

16 Spencer, are you up?

17 MR. DURAN: I am. Good morning. Spencer Duran,  
18 director of the Section 811 Program. And good morning to  
19 our new Board members, and our executive director, Bobby,  
20 good morning.

21 Item 3 is presentation, discussion, and possible  
22 action on an order proposing amendment to 10 TAC Section  
23 8.7, the Program Regulations and Requirements that died  
24 with the 811 Program. So 8.7 is related to the properties  
25 that have already selected to participate in the program to

1 whatever multifamily awards they were provided previously.

2           Currently Texas has 446 households occupying  
3 units across 80 different properties, so we've been ramping  
4 up pretty quickly the last couple of years, and we hope to  
5 top out around 600 families assisted before we fully commit  
6 our funds, so we're really kind of transitioning from a  
7 ramp-up phase to a sustainability phase for the program, so  
8 we're really excited. And so with that comes a few changes  
9 that are needed as our experience of lining up the program  
10 is evolving.

11           So 8.7 will require that properties check with  
12 the Department before the property reinstates a previously  
13 assisted household back into the program. From time to  
14 time the households become ineligible for the Section 811  
15 Program's rental assistance but the family physically stays  
16 in the unit because they still qualify under the Tax Credit  
17 Program. So when that occurs the family loses their 811  
18 assistance, but then they begin paying the contract rent  
19 under the Tax Credit or other capital program.

20           So as an example, this scenario will occur if a  
21 household's income increases above the 811 income level,  
22 which is an extremely low income limit, but is still  
23 eligible under the tax credit rules, which is generally the  
24 low, moderate, or 60 percent income limit, of whatever it  
25 may be.

1           So once a household's income goes above the  
2 limit, that means their assistance is considered to be  
3 terminated from the program, which is really important, so  
4 we go ahead and terminate them out of the program when they  
5 are no longer qualified.

6           But they're still occupying the unit and if  
7 their income goes back down under the 811 income limits,  
8 then they could potentially re-qualify for the program, and  
9 they're eligible to do that, but we're simply asking the  
10 properties to check with us to make sure that there's money  
11 available to redeploy assistance to that family.

12           So while that family's income was up, we could  
13 have been moving in other assisted families and those other  
14 assisted families could have maxed out that property's  
15 commitment to the 811 Program, and so there may not be room  
16 to add that family back on to the program.

17           So we're simply asking that the property check  
18 with us to make sure there's room and there's budget  
19 authority available before we turn the assistance back on  
20 to that household.

21           Typically with most programs that's a pretty  
22 automatic thing that properties are aware of that  
23 participate in project-based assistance programs, but the  
24 811 funding is a little bit different because it's a grant-  
25 funded program, and so we have a fixed amount of assistance

1 and so we can't overcommit our funds, and so it's a measure  
2 to make sure that we don't commit more than we have.

3 And with that, I can take any questions the  
4 Board may have.

5 MR. WILKINSON: Spencer, for the benefit of our  
6 new Board members, can you just briefly talk about what  
7 kind of population we're trying to serve with the 811  
8 Program.

9 MR. DURAN: Yeah, yeah, absolutely. So the  
10 Section 811 Project Rental Assistance Program is a grant  
11 program that we have opted to participate in, and it serves  
12 extremely low income families. The extremely low income  
13 limit is at or around the 30 percent limit, if you're  
14 familiar with that with the Tax Credit Program.

15 So it's extremely low income families that have  
16 a non-elderly person with a disability in the household,  
17 and they're referred to our program from the Health and  
18 Human Services Commission or the Department of Family  
19 Protective Services.

20 And that serves people who are in nursing  
21 facilities who want to exit nursing facilities, people with  
22 serious mental illness, youth and young adults who are  
23 aging out of the state's foster care system, and some other  
24 institutionalized population such as those that are living  
25 in the state-supported living centers or state hospitals or

1 things like that.

2 MR. VASQUEZ: Great. Thanks, Spencer.

3 Just to kind of summarize what this amendment  
4 is, it's really just giving us more flexibility. Correct?

5 MR. DURAN: Yes, exactly. So this used to not  
6 be a problem when we were a young program and had plenty of  
7 money; we could add people back without being at risk of  
8 overcommitting our funds, but now that we are close to  
9 topping out our grant awards, we just need to make sure  
10 that with certain properties that we have funding available  
11 under our grant authority before we add them back.

12 MR. VASQUEZ: Okay. Great. Do any Board  
13 members have any additional questions for Spencer?

14 (No response.)

15 MR. VASQUEZ: No. And I do not believe there is  
16 anyone in queue to speak on the topic. So hearing no more  
17 discussion, I would like to entertain a motion on item 3.

18 MS. BINGHAM: Mr. Chair, I'll move approval of  
19 item 3.

20 MR. VASQUEZ: Okay. Ms. Bingham moves to  
21 approve the publication of the proposed amendment to 10 TAC  
22 Section 8.7 for public comment. Is there a second to that  
23 motion?

24 MR. THOMAS: I'll second that motion, Mr. Chair.

25 MR. VASQUEZ: Motion made by Ms. Bingham,

1 seconded by Mr. Thomas. All those in favor say aye.

2 (A chorus of ayes.)

3 MR. VASQUEZ: Any opposed?

4 (No response.)

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

6 Thank you, Spencer.

7 Let's move on to item 4 on the agenda. We have  
8 presentation, discussion, and possible action on a timely  
9 filed appeal under the Department's Multifamily Program  
10 rules for Villas on Raiford. This is Exchange  
11 #15090009913.

12 Mr. Banuelos, welcome.

13 MR. BANUELOS: Good morning, Mr. Chairman,  
14 members of the Board, Bobby. I am Rosalio Banuelos,  
15 director of Asset Management. And yes, as you indicated,  
16 this item for is an appeal regarding Villas on Raiford, an  
17 exchange development.

18 Villas on Raiford received an allocation of 9  
19 percent tax credits in 2007 and an award of additional tax  
20 credits in 2008 that were subsequently converted to a tax  
21 credit exchange award in 2009 for the construction of 180  
22 units of elderly housing in Carrollton, Denton County.

23 The tax credit exchange program was created  
24 after an original tax credit application for the  
25 development was submitted and was intended to save

1 developments that were struggling to secure investors due  
2 to the economic crisis at that time.

3 As part of the tax credit exchange transaction,  
4 the owner and the Department entered into a subaward  
5 agreement dated September 1, 2010 in the amount of  
6 \$10,542,031, and a recapture mortgage dated August 31,  
7 2010.

8 Section 8.3 of the subaward agreement and  
9 Section 3.11(c) of the recapture mortgage require that the  
10 development owner fund a special reserve account intended  
11 to assist residents with expenses associated with their  
12 tenancy or other purposes as approved by the Department.

13 The subaward agreement specifies that in the  
14 event that any net cash flow is generated by the  
15 development in any fiscal year during the compliance period  
16 or the extended use period, 20 percent of that net cash  
17 flow must be deposited into a special reserve account.

18 Net cash flow is not defined in the exchange  
19 document, but it should be noted that the special reserve  
20 account requirement was created as part of the exchange  
21 program and was not part of the original tax credit  
22 application for the development.

23 Due to the emergency need for immediate release  
24 of the exchange funds, specific rules were not developed  
25 prior to the drafting of the exchange document, and

1 subsequently a section was added regarding the special  
2 reserve account to the rules in 2014 and clarified in 2015  
3 that net cash flow includes proceeds from refinancing or  
4 other fundraising from a development.

5 On October 26, 2020, the Department received a  
6 request to execute a subordination agreement as part of the  
7 refinance of the current FHA 221(d)(4) loan with a new FHA  
8 223(f) loan for the development.

9 The development's current loan is in the  
10 original amount of \$9,054,700 with a 4.23 percent interest  
11 rate, with monthly payments of principal and interest of  
12 \$39,513 and debt service of \$474,156, excluding the  
13 mortgage insurance premium. This note matures on March 1,  
14 2052.

15 On November 10, 2020, the development owner  
16 provided a copy of their loan application and term sheet  
17 dated August 18, 2020. The information provided identifies  
18 an outstanding balance of the current loan of \$8,668,375  
19 and does propose a new loan amount in a proposed loan  
20 amount of \$19,715,200, which results in \$10,624,841 in net  
21 cash to the borrower after all loan costs are considered.

22 This new loan is proposed to have a 2.3 percent  
23 interest rate and a 35-year term, and from this  
24 information, the new debt service with MIP would be  
25 \$869,911, which is an increases of \$367,986 from the 2019

1 debt service that was reported in the audited financials.

2 Since the term sheet identified a cash-out  
3 payment of over \$10 million as part of the refinance, the  
4 owner was advised that the special reserve account must be  
5 funded in accordance with the rules, as the cash-out is  
6 considered part of the net cash flow required under the  
7 subaward agreement.

8 However, the owner disputed this requirement,  
9 and in a letter dated November 25, 2020, the owner  
10 submitted a request to the executive director for an appeal  
11 of staff's determination.

12 In a letter dated December 9, 2020, the  
13 executive director notified the owner that staff's  
14 determination that the special reserve account must be  
15 funded from cash flow from the refinancing and that the  
16 determination from staff was sustained.

17 In a letter dated December 16, 2020, the owner  
18 submitted a written request to the Board to appeal the  
19 decision of staff and the executive director. The owner  
20 states that the rule was established in 2014 to address  
21 perceived overfunding of tax credits or actual cash flow  
22 generated by developments at cost certification and that it  
23 initially provided for the industry an accepted standard  
24 definition of net cash flow as being funds available from  
25 operations related to the collection of rents less

1 operating expenses and debt service.

2           However, staff notes that deposits into the  
3 special reserve account to address overfunding for exchange  
4 developments at cost certification was also an option but  
5 was not necessary for this development.

6           The owner also asserts that the development was  
7 a 2007 housing tax credit application that received a 2008  
8 forward commitment and therefore is not subject to the  
9 current definition of net cash flow in the rules.

10           The owner states that the subaward agreement  
11 does not define net cash flow but that Exhibit G to the  
12 agreement prescribes the schedule for calculating net cash  
13 flow to only include operating functions, not refinancing  
14 or fundraising activities.

15           However, staff notes that Exhibit G was used to  
16 report on the quarterly performance of developments and was  
17 not to be considered to be a full accounting of cash flow  
18 which is reflected separately in the required annual  
19 audited financial statements.

20           The owner also states that the 2007 QAP does not  
21 define net cash flow but that it is defined in the 2007  
22 Real Estate Analysis rules as funds available from  
23 operations after all expenses and debt service required to  
24 be paid have been considered.

25           But staff notes that while the QAP and exchange

1 documents do not define net cash flow, cash flow is an  
2 accounting term as reflected in the statement of cash flow  
3 in the audited financial statements for the development,  
4 and this includes proceeds from operations, financing  
5 activities and investment activities.

6 For purposes of the Real Estate Analysis rules,  
7 this term refers to cash flows from operations, as cash  
8 flow from financing activities is considered separately as  
9 part of the evaluation of the sources and uses.

10 In the case of this refinance, after all the  
11 uses for the development are considered, there will be a  
12 net cash flow from financing activities in the amount of  
13 \$10,624,841, which staff believes should be considered for  
14 purposes of the special reserve account and would result in  
15 a deposit of \$2,124,968 into that special reserve account.

16 Furthermore, as previously indicated, the  
17 proposed refinance will increase the amount of debt  
18 service, which is considered as part of the operating cash  
19 flow definition in the Real Estate Analysis rules, and  
20 therefore, the language in the rule was not really a new  
21 requirement but a clarification of the Department's  
22 existing position as to the meaning funds available from  
23 operations after all expenses and debt service required to  
24 be paid have been considered.

25 It should also be noted that 20 percent of the

1 lost operating cash flow as a result of the increased debt  
2 service would result in \$2,219,515 not being deposited into  
3 the special reserve account over the approximately 31 years  
4 left on the term of the LURA. This amount exceeds 20  
5 percent of the cash proceeds from this refinance, and  
6 therefore, staff recommends that the Board deny this  
7 appeal.

8 I'm available for any questions at this time.

9 MR. VASQUEZ: Thank you, Mr. Banuelos.

10 Do any Board members have questions on this  
11 item?

12 (No response.)

13 MR. VASQUEZ: Again, just to clarify, the  
14 requirement to deposit the 20 percent into the special  
15 reserve is explicit in our rules. Correct?

16 MR. BANUELOS: Correct. So there is an  
17 agreement that we signed at the time of the exchange award  
18 that requires that they deposit 20 percent into that  
19 special reserve account, and then our rules have additional  
20 language that specify that cash flow includes proceeds from  
21 refinancing and other fundraising activities.

22 MR. VASQUEZ: Okay. Great.

23 I believe we have a member of the -- or someone  
24 who wants to speak on this item. I guess first before we  
25 have speakers, can we put a motion on the table and then

1 entertain speakers?

2 MS. BINGHAM: Mr. Chair, I'll move to hear  
3 comment on this item.

4 MR. VASQUEZ: Ms. Bingham moves to hear comment  
5 on this item. And a second?

6 MR. BRADEN: Second.

7 MR. VASQUEZ: Mr. Braden seconds. All in favor  
8 say aye.

9 (A chorus of ayes.)

10 MR. VASQUEZ: Any opposed no.

11 (No response.)

12 MR. VASQUEZ: Hearing none, I see Ms. Anderson  
13 is already queued up.

14 Ms. Anderson, do you want to go ahead and tell  
15 us what you have?

16 MS. ANDERSON: Can you hear me?

17 MR. VASQUEZ: Yes.

18 MS. ANDERSON: Good morning, Chairman Vasquez,  
19 Vice Chair Bingham, and all of the Board members. It's  
20 been quite some time since I've seen you, and obviously  
21 it's not in person, but thank you for giving me an  
22 opportunity to speak today.

23 The real issue related to Villas on Raiford and  
24 the tax credit exchange program is our written agreement  
25 and our contract that we have with the Department.

1           Our contract was very clear and specific. It  
2 defines that the 2007 rules actually apply to our  
3 application and it applies to our subaward agreement.  
4 Additionally, it specifically states that the 2007  
5 Qualified Allocation Plan applies to our development. This  
6 is our contract and we're truly trying to rely on a written  
7 agreement with the Department.

8           So as Rosalio indicated, we entered into that  
9 agreement in 2010. At the time, according to the 2007 Real  
10 Estate Analysis rules, very specifically defined cash flow  
11 as the funds available from operations after all expenses  
12 and debt service required to be paid have been considered.

13          So it clearly states operations; it doesn't state  
14 financing activities, which are different.

15          So in addition to that, what's attached to our  
16 subaward agreement is a calculation of cash flow and how  
17 that is determined. One thing related to the development  
18 is that it is an FHA-financed transaction, so even though  
19 TDHCA has a stated -- or a prescribed calculation of cash  
20 flow, the HUD surplus cash flow is actually what's  
21 required. The TDHCA calculation would be different than  
22 what HUD would actually allow us to put into our special  
23 reserve account.

24          We have been compliant over the past few years,  
25 we have deposited our funds into the special reserve

1 account. We have only 10 percent of our residents who are  
2 able to use the special reserve account because we only  
3 have 10 percent of our units reserved at 30 percent or less  
4 of the area median family income, and the balance of our  
5 residents are either at market or at 50 percent AMI, so  
6 that fund has not been used to date. There's \$358,000  
7 currently in that account, and again, only 18 of our 180  
8 units would even be eligible to use that money.

9 As it relates to our written agreement in  
10 particular, our request is that the Department honor that  
11 written agreement which is our contract. We did agree to  
12 fund the special reserve account from cash flow.

13 Our standard understanding of cash flow has  
14 always been, up until the time the Department changed the  
15 rule or actually included the rule -- it wasn't a rule at  
16 the time we signed this agreement -- and we're being  
17 requested to have our 2007 tax credit application that has  
18 a contract signed in 2010 use 2020 rules. So the ruling  
19 from the Department and from the executive director is that  
20 the 2020 rules apply to our 2007 development.

21 The other aspect of this is when I was initially  
22 talking to our asset manager, she said that we did not have  
23 a special reserve account agreement with the Department  
24 because the special reserve account agreements that are  
25 required by the 2020 rule were not in existence at the

1 time.

2 And on March 5 of 2020, Karen Treadwell, another  
3 staff member, provided me a special reserve account to  
4 execute in order to modify our existing contract, and so it  
5 was an addendum to the existing agreement. I did not  
6 agree, I did not sign that.

7 I've also spoken with other Board members from  
8 TAAHP -- I serve on that board -- and other board members  
9 from the TAAHP Board did not receive the same type of  
10 agreement and haven't been required or requested to comport  
11 to the special reserve account agreement standard in the  
12 2020 rules.

13 Thank you.

14 MR. VASQUEZ: Okay. Thank you, Ms. Anderson.

15 Bobby or Beau or Rosalio, is there any comment  
16 you'd like to make in response?

17 MR. WILKINSON: Rosalio, we've had this happen,  
18 what, twice before when an exchange deal did a cash-out  
19 refi, they put 20 percent in the special reserve account?

20 MR. BANUELOS: That is correct, yes, and we  
21 haven't had a lot of developments that are in the exchange  
22 program come back for resubordination of new debt. There  
23 have been maybe three deals that have done this before, the  
24 amount of the new debt haven't been as significant as this  
25 one, and the owners have agreed to comply with the 20

1 percent or whatever percentage requirement from the  
2 cash-out proceeds.

3 I would also like to clarify that, again, the  
4 special reserve account requirement was not in the 2007  
5 rules; it came in as part of the exchange program. And  
6 while it provides preferences to low income tenants, it  
7 does allow the funds to be used for other purposes as  
8 approved by the Department, so yes, it might give 30  
9 percent or 50 percent tenants preference to those funds;  
10 the funds can be used for higher income tenants and for  
11 other purposes as approved by the Department, so the funds  
12 really could benefit the property, is what I'm saying.

13 MR. WILKINSON: What happens to the special  
14 reserve account at the end of the LURA?

15 MR. BANUELOS: It goes back to the development  
16 owner.

17 MR. VASQUEZ: Hang on, Ms. Anderson. I still  
18 have a couple of questions for staff.

19 So do our rules state the rules as may be  
20 amended? I mean, they have to comply with the 2007 rules  
21 even though this was not explicitly in there? If we amend  
22 rules going forward, is there a provision that developments  
23 have to follow the rules as amended going forward? Beau or  
24 Bobby?

25 MR. ECCLES: Perhaps I should clarify. This is

1 Beau Eccles.

2 The 2007 rules did not specify that cash from  
3 refinancing is part of the net cash flow. The proposed  
4 refinance here is going to increase the amount of debt  
5 service which is included as part of the operating cash  
6 flow definition in the 2007 REA rules.

7 The addition of the language about cash from  
8 refinancing being part of net cash flow that was added in a  
9 later iteration of the rule. The Department's contention  
10 is that that's not an actual new requirement but it's  
11 really clarification of the Department's existing position  
12 as to the meaning of funds available from operations after  
13 all expenses and debt service required to be paid have been  
14 considered.

15 So it's not that the 2007 rules or the agreement  
16 said that you're subject to the 2007 rules as may be  
17 amended; it's merely that the definition of funds available  
18 from operations after all expenses and debt service have  
19 been paid has been interpreted as including the increase --  
20 or the cash from refinancing.

21 So it's more of an interpretation that has been  
22 applied, it's not that we're saying that the 2020 rules  
23 apply, it's that it was considered within that 2007  
24 definition.

25 MR. VASQUEZ: Ms. Anderson, you have something

1 to add?

2 MS. ANDERSON: Yes, sir. I just wanted to add  
3 the corners of our contract do not include this definition  
4 that was created in 2014. The original 2014 definition did  
5 not include the statement regarding refinancing.

6 Refinancing was not added to this new rule until  
7 2015, which is carried forward into 2020 and presumably to  
8 2021 rules. So not only the four corners of our contract  
9 do not include the definition of refinanced, as an industry  
10 standard -- I am a former banker, a former TDHCA staff  
11 member, I worked for Fannie Mae, and I've been in the  
12 finance industry and have moved on to be a consultant and  
13 now a developer -- but the standard understanding of cash  
14 flow is coming from operations and that a financing  
15 activity is something different than a cash flow net.

16 Cash flow is always associated with rents, minus  
17 expenses. That surplus is included when you look at the  
18 total cost, but when we're talking about a cash-out  
19 refinance, that's not a part of your net cash flow.

20 And just to reiterate, our contract doesn't  
21 include it, the rules did not include it, and when the  
22 original rule to look at a special reserve account was  
23 created in 2014, this refinance component was not included  
24 in that rule. It was added a year later in 2015, and now  
25 the assertion is that the 2020 rule applies to a 2007

1 original application, and our contract just does not  
2 provide for that.

3 And I looked it up, I certainly read the rules,  
4 actually extending back to the time when the exchange  
5 program was created I went through the transcripts, and it  
6 is clear that that is not the case.

7 MR. VASQUEZ: Okay. Thank you, Ms. Anderson.

8 Do any Board members have any questions or  
9 comments?

10 (No response.)

11 MR. VASQUEZ: Would any Board member care to  
12 make a motion on item 4? Mr. Braden looks like he's  
13 contemplating one.

14 MR. BRADEN: I guess let me just get  
15 clarification on what I think I heard both from Beau and  
16 from Ms. Anderson.

17 So the four corners of the contract actually are  
18 basically silent on the interpretation of what this wording  
19 means. I think Ms. Anderson is pointing to the 2007 rules,  
20 which didn't include it, Beau says and staff indicates that  
21 we've always viewed net cash flow from operations to  
22 include refinancing.

23 But we didn't put it into the rule until 2015,  
24 but we've always sort of taken that interpretation, and  
25 there are two prior precedents where we took that

1 interpretation with respect to an exchange and a cash-out  
2 refi.

3 Ms. Anderson is sort of saying, well, the  
4 contract doesn't say anything about it, and if you look at  
5 the 2007 rule, which was at the time that the contract was  
6 signed, it didn't have it in that definition.

7 So I think it comes down to a contractual  
8 interpretation of what the Board thinks that phrase should  
9 mean in light of when the contract was signed, and I think  
10 people like Leo and others probably have a feel for what  
11 net cash flow from operations is supposed to mean.

12 MR. VASQUEZ: Versus a statement of cash flows,  
13 which would clearly include all cash flows, financing,  
14 operating.

15 So again, does any Board member have a motion on  
16 item 4?

17 MR. BRADEN: Well, I guess maybe -- the item  
18 that seemed a little persuasive to me is that this cash-out  
19 refi where a developer is taking \$10.6 million out of the  
20 project is going to increase the debt service for the new  
21 loan and that's resulting in the SRA not being funded at  
22 what it would have been funded at if the old loan had  
23 stayed in place.

24 So to some extent they're taking the cash out  
25 and because they're doing that, if you had left the old

1 deal in place, the SRA would have been funded at a certain  
2 rate, now that's not projected to happen now because of  
3 this cash-out increase in debt service. That sort of to me  
4 seems to argue to go ahead and allow the precedent  
5 determine that we go ahead and uphold staff's  
6 recommendation for 2.2 funding of the SRA. That seems  
7 somewhat persuasive to me.

8 So I guess on that basis I'll go ahead and make  
9 a motion that the appeal by Villas on Raiford be denied, as  
10 recommended by staff.

11 MR. VASQUEZ: Mr. Braden makes the motion to  
12 approve staff's recommendation denying the appeal. Is  
13 there a second to that motion?

14 MS. BINGHAM: Mr. Chair, I'll second Mr.  
15 Braden's motion to deny the appeal.

16 MR. VASQUEZ: Okay. Motion made by Mr. Braden,  
17 seconded by Ms. Bingham. All those in favor of approving  
18 the motion which denies the appeal by Villas on Raiford, as  
19 recommended by staff, signify by saying aye.

20 (A chorus of ayes.)

21 MR. VASQUEZ: Did I hear Ajay?

22 MR. THOMAS: Yes. Aye.

23 MR. VASQUEZ: Okay. The motion carries.

24 I'm sorry, Ms. Anderson, but I think we're  
25 sticking with what we believe is precedent on everything.

1           So that brings us to item 5 on the agenda. We  
2 have Abigail Versyp on Single Family and Homeless Programs.

3           We'll start out with item 5(a), presentation,  
4 discussion, and possible action on the dispute of EARAC's  
5 Emergency Solutions Grants Coronavirus Aid, Relief and  
6 Economic Security Act, the CARES Act, first allocation  
7 award recommendation for Galveston County Community Action  
8 Council, Inc. and approval of an award to Salvation Army,  
9 Inc. serving Galveston County.

10           Abigail.

11           MS. VERSYP: Yes. Thank you, Chairman. Good  
12 morning, Board. I'm Abigail Versyp, director of Single  
13 Family and Homeless Programs.

14           I think I might have won today for the longest  
15 title of an agenda item. I'm presenting item 5(a). It is  
16 relating to a dispute of EARAC's decision on an award of  
17 funds to the Galveston County Community Action Council.  
18 The funds total \$227,000 in Emergency Solutions Grants  
19 CARES first allocation of funds. We'll just refer as ESG  
20 CARES 1. They were awarded to Galveston at the July  
21 meeting conditioned on a favorable recommendation from  
22 EARAC.

23           In March of this year, the Department was  
24 notified that we would receive an allocation of funds under  
25 the CARES Act for ESG, and this award is from the first

1     tranche of funding. The next item includes awards for the  
2     second tranche, but this is for a prior award.

3             In order to expedite the availability of this  
4     critical funding to those experiencing homelessness or at  
5     risk of homelessness during the pandemic, TDHCA implemented  
6     a plan to award these funds as quickly as possible, and the  
7     awards were made contingent upon a previous participation  
8     review and an EARAC approval.

9             Galveston County Community Action Council was  
10    recommended for an award to the TDHCA Board based on the  
11    recommendation of the Texas Balance of State Continuum of  
12    Care. The Balance of State Continuum of Care is  
13    represented by Texas Homeless Network, or THN.

14            TDHCA contracted with THN to run a competition  
15    for the ESG CARES funds for the balance of state, which  
16    includes 215 counties. THN made their award  
17    recommendations to TDHCA based on the needs and priorities  
18    in the balance of state as well as the applications  
19    submitted by the organizations. They did include scoring  
20    criteria, and their scoring criteria determined who would  
21    be recommended by THN to receive an award of CARES funds.

22            Galveston stated in their dispute letter that  
23    they were the third highest scoring application overall,  
24    and TDHCA doesn't dispute this; however, the disapproval by  
25    EARAC is unrelated to the application score, and the merits

1 of the proposed activities in the application are not in  
2 question.

3 An organization's history with TDHCA programs  
4 was not included in the scoring recommendation from THN,  
5 and those are the issues that led EARAC to determine that  
6 awarding these funds to Galveston County Community Action  
7 Council is not in the best interests of the Department.

8 ESG CARES is unlike some other Department funds  
9 in that the timeline for expenditure is accelerated and the  
10 funds are subject to automatic recapture by HUD if they are  
11 not spent timely.

12 HUD established additional expenditure deadlines  
13 for ESG CARES that aren't even present for the regular  
14 allocation of ESG. It is critical that awarded  
15 organizations demonstrate the capacity to expend funds  
16 quickly and compliantly, else they be lost for the purpose  
17 for which they're intended.

18 Staff recommends affirmation of the EARAC  
19 recommendation to deny the award and awarding the funds in  
20 turn to the Salvation Army of Galveston. Staff consulted  
21 with the Texas Homeless Network, and THN recommended that  
22 the funds be awarded to the Salvation Army so that they  
23 would still be utilized in the area for which they were  
24 originally allocated by the CoC.

25 The award to Salvation Army Galveston would

1 supplement an existing award of ESG CARES funds that  
2 they've already received and are under contract for for  
3 emergency shelter, rapid rehousing and homeless prevention  
4 serving Galveston County.

5 Other counties, Wharton County and Brazoria  
6 County, in the service area proposed to be served by  
7 Galveston County Community Action Council are either being  
8 served or are proposed to be served by other grantees of  
9 ESG CARES and regular ESG funding, so there will still be  
10 funding available to serve those at risk of homelessness or  
11 experiencing homelessness in the service area.

12 I'm available for any questions that the Board  
13 might have.

14 MR. VASQUEZ: Okay. Thank you, Abigail.

15 Do any Board members have questions for Ms.  
16 Versyp?

17 MS. BINGHAM: Good morning, Abigail.

18 Yes, Mr. Chair.

19 Just on that last point, Abigail, so what I  
20 heard you say is that THN recommended Salvation Army as the  
21 awardee and that Salvation Army can cover pretty much the  
22 same area that Galveston County Community Action could and  
23 that whatever Salvation Army couldn't cover or doesn't  
24 cover would be covered by one of the other awardees or  
25 proposed awardees. Is that correct?

1 MS. VERSYP: That's correct. Salvation Army is  
2 only proposing to cover Galveston County. Galveston County  
3 Community Action Council also had Wharton County and  
4 Brazoria County in their application. Those counties will  
5 be covered by other grantees. Brazoria County is already  
6 covered under ESG CARES 1, and Wharton County would be  
7 covered under a grantee for ESG CARES 2.

8 MS. BINGHAM: Okay. And you don't have any  
9 hesitation with that; you feel confident that Wharton  
10 County would be covered?

11 MS. VERSYP: Yes. The next item is proposing  
12 the ESG Cares 2 awards, which includes a grantee covering  
13 Wharton County.

14 MS. BINGHAM: Great. That's what I thought.  
15 That's my only question, Mr. Chair.

16 MS. VERSYP: Thank you, Ms. Bingham.

17 MR. WILKINSON: And I don't believe this is in  
18 the Board book, but Galveston County Community Action  
19 Council were having performance issues with other funding  
20 streams. They're currently under a quality improvement  
21 plan. We were set to take back those funds last month, and  
22 they have been given a few more months to improve. We'll  
23 be back in March on that issue.

24 In the meantime they're appealing this pot of  
25 funds, but we'd like them to improve with the other funds

1 first and not award additional funds.

2 MR. VASQUEZ: Okay. I understand there are  
3 several speakers who'd like to chime in on this item, so do  
4 the Board members agree that we should hear public comment  
5 on this item? Is there a motion?

6 MS. BINGHAM: I'll so move to hear public  
7 comment before action.

8 MR. VASQUEZ: Is there a second to that?

9 MR. THOMAS: I'll second that.

10 MR. VASQUEZ: Okay. Motion made by Ms. Bingham,  
11 seconded by Mr. Thomas to hear public comment. All those  
12 in favor say aye.

13 (A chorus of ayes.)

14 MR. VASQUEZ: Let's bring up, I believe, Mr.  
15 Robert Quintero.

16 MR. QUINTERO: I am here.

17 MR. VASQUEZ: And who are you with?

18 MR. QUINTERO: Galveston County Community Action  
19 Council. I'm the executive director. Thank you for  
20 allowing me to speak, Chairman Vasquez and Board members.

21 MR. VASQUEZ: And I should bring up there's a  
22 three-minute timer that popped up and ask you to try to do  
23 your best to keep your comments within that time frame. Go  
24 ahead.

25 MR. QUINTERO: Once again, thank you for

1 allowing me to speak.

2 We have had our problems here; however, we are  
3 straightening those problems out as we speak. Things have  
4 gotten better, and it is witness to some things how we  
5 measure ourselves.

6 In the two years that we've been here, the new  
7 administration has been here, we had organizational  
8 standard scores that went from a 14 to a 74. That's mass  
9 improvement.

10 Even the standards, the monitoring review that  
11 TDHCA sends out to monitor us, we went from a lot of  
12 findings and disallowed costs to this year we had no  
13 findings -- we had one finding but it was due to the  
14 pandemic; however, we didn't have any disallowed costs this  
15 year.

16 Even our single audit where we had findings  
17 galore just a year ago -- two years ago, we had zero  
18 findings this year. We're on the road to recovery. Once  
19 again, we service four counties, although this is only  
20 three counties on this application. We know that we're up  
21 to the task; we know that we can do this.

22 It seems like we continue to get punished for  
23 things that happened prior to this current administration  
24 being here. Now, I know that we're having difficulties --  
25 we've had difficulties spending money on time, but we're on

1 the right track right now.

2 We put a quality improvement plan together that  
3 we self-imposed. We put it upon ourselves and we're  
4 meeting the task.

5 I would ask that the Board reject the staff's  
6 recommendation. We are moving in the right path, and we  
7 know the counties that we're going to service. We've been  
8 doing this for 55 years now, and I ask that y'all deny the  
9 staff's recommendation.

10 MR. VASQUEZ: Thank you, Mr. Quintero.

11 I believe we also have Joe Compion lined up to  
12 speak.

13 MS. NORRED: Yes. We are finding him to unmute  
14 him now.

15 Mr. Compion, you are unmuted. Can you hear us?  
16 Mr. Compion, you may be muted on your end. Mr. Compion can  
17 hear us but we cannot hear you.

18 MR. COMPION: Can you hear me now?

19 MS. NORRED: Yes.

20 MR. COMPION: Okay. Very good. Thank you. I'm  
21 an older person when it comes to technology. I apologize.

22 And Chairman Vasquez, it's a pleasure to see you  
23 again, and congratulations on being the chairperson. And  
24 Commissioner Bingham and Commissioner Braden, it's good to  
25 see you guys.

1 I'm sorry you haven't heard from me, but with  
2 COVID I literally have isolated myself. I've been on a  
3 ventilator before, and I know those risks, but I can say  
4 that I participated in a clinical trial, and in October I  
5 received the Moderna vaccine and so I feel energized again.

6 And this is an interesting situation here that  
7 Robert and the staff has set. The board encouraged Robert  
8 and the staff to get out and meet the unmet needs of our  
9 community, and he did that and staff has done that, and one  
10 of the things was going out and dealing with the  
11 homelessness issue.

12 I'm in a different role today as well, too.  
13 Previously I've had the pleasure of serving as a justice of  
14 the peace in our community. Today under this very unique  
15 environment of COVID at the beginning of 2020 I was asked  
16 to run for city council in my community and that would have  
17 been a May election and that extended over to December. In  
18 December I was elected to city council here and my council,  
19 I guess feeling a bit sorry for me for an honor that's  
20 usually reserved for older senior members, I was elected  
21 also mayor pro tem of my community.

22 And I have a story where this money would have  
23 already been utilized had we had access to it. A week and  
24 a half ago this community was struck by an EF-1 tornado  
25 here in the city of Texas City.

1           The new mayor here is a good friend of mine. I  
2 was called out, I was asked -- remember I have my Moderna  
3 vaccine and I wasn't shy to get out -- that night we  
4 housed -- I'm a leadership volunteer for the American Red  
5 Cross as well -- we immediately housed three families.  
6 That was on our nickel, that was on our nickel.

7           And I am, I guess, you call it the homeless  
8 coordinator as well now. And the next morning we were  
9 informed that all 129 units had to be evacuated, and I was  
10 asked where are we going to put all 110 residents that were  
11 in that unit.

12           Once again, working with my relationship with  
13 the American Red Cross and the United Way, we found  
14 immediately housing for all of those individuals at a local  
15 hotel, and it happened to help that I also knew the hotel  
16 owner.

17           MR. VASQUEZ: Mr. Compion, I hate to interrupt  
18 you, but you're burning through your three minutes. I'll  
19 let you go a little more. Could you speak to this specific  
20 item, please?

21           MR. COMPION: Okay. I'm asking the commission  
22 to go ahead and vote against the staff recommendation. We  
23 are out competing for these grants. There wasn't a do not  
24 compete signed when we submitted this grant. We were  
25 awarded it in a fair and honorable fashion. Let us perform

1 on this grant.

2 I appreciate your time. Thank you, sir.

3 MR. VASQUEZ: Thank you, Joe.

4 Do we have a Laurie Chinn in the queue to speak  
5 or not?

6 MS. NORRED: We are looking to unmute her now.

7 Laurie, you are unmuted. Can you hear us?

8 Laurie, you are self-muted.

9 MS. CHINN: Can you hear me?

10 MR. VASQUEZ: Yes, we can hear me.

11 MS. NORRED: Yes, we can hear you.

12 MS. CHINN: Thank you so much for giving me the  
13 opportunity to speak on this item. I am here to speak  
14 against Galveston County Community Action Council receiving  
15 this award.

16 I am a former board member of GCCAC, and I'm  
17 also the director of LFC Empowerment Center. I would like  
18 y'all to know that this agency should not have been  
19 considered for any funding in the first place due to the  
20 fact that they never legitimately -- you know, Michael De  
21 Young never really looked through their final processes and  
22 made sure that the QIP was adequate, they met all the  
23 recommendations. Since then they have not been adequately  
24 servicing the community here in Galveston County the way  
25 that they said.

1           Now, Salvation Army, yes, they have been doing  
2 work here, and I can see them getting the money; however,  
3 there are other organizations on the mainland that could  
4 assist them and assist in helping the community as well.

5           So with that being said, I would like to  
6 strongly suggest that you all do not allow them to get that  
7 money due to the fact they're misappropriating the funds  
8 and all the stuff that's going on with that agency right  
9 now that should be shut down.

10           So I have also some other issues with needing to  
11 speak with Michael De Young and Ernest Hunt about some of  
12 the issues that I did research on and saw that this agency  
13 they kind of dropped the ball on.

14           So with that being said, I just want to make it  
15 clear that this agency should not be in existence and that  
16 they should not even be trying to go after any more grant  
17 funding due to the fact that the same people that were  
18 misappropriating the funding back when we were on the board  
19 are still there. There's missing money now that needs to  
20 be accounted for.

21           So don't put that kind of situation on this  
22 community. We need help here. Yes, there was a tornado  
23 that hit, and yes, those people were helped, but that's  
24 just to show you that there are other organizations that  
25 can also assist the community at a time of need. Okay?

1 Thank you.

2 MR. VASQUEZ: Great. Thank you, Ms. Chinn.

3 Renee, is there anyone else queued up to speak  
4 on this item?

5 MS. NORRED: No, sir, there is not.

6 MR. VASQUEZ: Okay. Do any Board members have  
7 any comments or questions for staff?

8 MS. BINGHAM: Mr. Chair, I'm prepared to make a  
9 motion if there's no other questions.

10 MR. VASQUEZ: Okay. Great.

11 MS. BINGHAM: And just hearing --  
12 congratulations to Mayor Pro Tem Compion and Mr. Quintero  
13 too. And I think Mr. Braden and you and I have  
14 participated in some of the prior Board meetings with  
15 Galveston County Community Action, and it does sound like  
16 they're making progress.

17 I do understand that staff did hear the dispute  
18 and believes it was in the community's best interests to  
19 move forward with the award to Salvation Army, and so I'm  
20 going to make a motion to approve staff's recommendation  
21 that after hearing the dispute that they remain with the  
22 recommendation to award to Salvation Army.

23 And I hear the impatience, which is, I think, a  
24 good sign, from Mr. Quintero, and I do want to acknowledge  
25 their progress, but I do believe that this is what we ask

1 the staff to do, is make difficult decisions in the best  
2 interests of the community, and I know we look forward to  
3 hearing from Galveston County Community Action in the  
4 future, but at this point I agree with staff's  
5 recommendation and would so move.

6 MR. VASQUEZ: Thank you.

7 Ms. Bingham makes a motion to accept staff's  
8 recommendation to deny the GCCAC's dispute with the EARAC  
9 recommendation, deny the ESG CARES 1 Act to GCCAC, and that  
10 the \$257,000 of ESG CARES 1 funds be instead provided to  
11 the Salvation Army, Inc. serving Galveston County. Is  
12 there a second to that motion?

13 MR. BATCH: I'll second the motion, Mr.  
14 Chairman.

15 MR. VASQUEZ: Seconded by Mr. Batch. If there's  
16 no further discussion, all of those in favor of the motion  
17 say aye.

18 (A chorus of ayes.)

19 MR. VASQUEZ: Any opposed?

20 (No response.)

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

22 And I would also echo Ms. Bingham's statements  
23 to Mr. Quintero and Mr. Compion. We are cheering your  
24 progress and sincerely hope that you will continue down  
25 this path at GCCAC and get out those funds that are already

1 under your control and encourage you to keep going down  
2 this path, show us how you're making that actual progress,  
3 and we hope that we can work together more in the future.

4 So with that, let's move on to item 5(b). Ms.  
5 Versyp.

6 MS. VERSYP: Yes. Thank you again.

7 Item 5(b) is the presentation of award  
8 recommendation for the funds that we received under the  
9 second round of ESG CARES funds for your consideration.  
10 This item awards more than \$61 million to organizations  
11 across the state spanning each of the eleven Continuum of  
12 Care regions to provide funding for persons at risk of or  
13 experiencing homelessness.

14 Two of the awards, one for Brighter Tomorrow and  
15 one for Salvation Army of Amarillo, are being recommended  
16 conditioned upon EARAC approval. One award to the Tracie  
17 Andrews Foundation is recommended conditioned upon an  
18 update with their status with the Secretary of State. The  
19 remaining awards have been recommended by EARAC with no  
20 conditions.

21 This second allocation of funding is programmed  
22 primarily for rapid rehousing and homelessness prevention,  
23 with some funds for Homeless Management Information System,  
24 which is a database that HUD requires everyone to use, and  
25 administration.

1 Under ESG CARES second allocation, rental  
2 assistance can be provided for up to twelve months with an  
3 additional six months' worth of rental arrears and late  
4 fees in a one-time payment, which is a critical need for  
5 these populations right now.

6 Another funding category that's closely related  
7 to rental assistance under ESG is called housing relocation  
8 and stabilization services. We can use those funds to pay  
9 fees and costs associated with obtaining or maintaining  
10 housing. Both rental assistance and housing relocation and  
11 stabilization services are covered under the board category  
12 of homeless prevention and rapid rehousing.

13 Just like the first round of ESG CARES, TDHCA  
14 contracted with local CoCs when possible to coordinate  
15 these awards based on their recommendations. For CARES 2,  
16 coordinators developed and used scoring criteria that  
17 included minimum threshold criteria and other criteria  
18 developed by the CoCs.

19 Nine of the eleven CoCs opted to run a local  
20 competition, and staff extends our sincere appreciation to  
21 these organizations for these efforts. The coordinators  
22 selected entities to receive an award and also entities  
23 that would serve as backup recommendations if an award was  
24 not approved by EARAC.

25 Entities that are recommended in the two other

1 regions that did not have a CoC coordinator were identified  
2 by TDHCA and were offered awards because they had a history  
3 of operating similar programs under another HUD funding  
4 stream called the Continuum of Care Program, which is how  
5 the CoCs get their name.

6 All recommended awardees for homeless prevention  
7 and rapid rehousing are reflected in attachment A. Funds  
8 under this round were also offered to the CoC lead agencies  
9 and the lead agencies that run and operate the HMIS system,  
10 and the funds were offered to them for those tasks because  
11 there are additional reporting requirements with ESG CARES  
12 funds, so the recommendations for HMIS support are  
13 reflected in attachment B.

14 This item also includes recommendations related  
15 to how the Department is going to utilize any funds  
16 returned after awards are made. Unfortunately, the reality  
17 of funding grantees is that sometimes all the funds don't  
18 get spent, sometimes there may be disallowed costs, and so  
19 we want to proactively address that now because the funding  
20 timelines are so tight.

21 So what we're asking the Board to do is grant  
22 Bobby authorization to reallocated funds that are returned  
23 to us to other entities that received ESG CARES funds with  
24 high performing contracts.

25 In addition, recognizing the CoCs that worked to

1 run a local competition, staff would like to give special  
2 recognition to the Texas Homeless Network and Family  
3 Endeavors. These organizations collaborated with one  
4 another to ensure that access to ESG funding, either from  
5 CARES or from the regular ESG allocation, is going to be  
6 available in all 215 counties in the Balance of State CoC  
7 region.

8 I also would like to recognize the efforts of  
9 ESG CARES staff, in particular Naomi Cantu, our Homeless  
10 programs manager, for her innovation and her tireless  
11 effort in ensuring that the ESG CARES allocation is awarded  
12 and in place as quickly as possible to serve our most  
13 vulnerable populations.

14 I'm available for any questions that you might  
15 have.

16 MR. VASQUEZ: Great. Thank you, Abigail.

17 Do any Board members have questions for Ms.  
18 Versyp?

19 (No response.)

20 MR. VASQUEZ: No, and I do not believe there is  
21 anyone in the queue for 5(b); therefore, the chair will  
22 entertain a motion on this item.

23 MR. THOMAS: Mr. Chairman, I move the Board  
24 approve the awards for ESG CARES second allocation as  
25 outlined in the Board action request and attachments for

1 this item, including any conditions expresses therein.

2 MR. VASQUEZ: Thank you.

3 Motion made by Mr. Thomas. Is there a second?

4 MR. BRADEN: Second.

5 MR. VASQUEZ: Seconded by Mr. Braden. All those  
6 in favor say aye.

7 (A chorus of ayes.)

8 MR. VASQUEZ: Any opposed?

9 (No response.)

10 MR. VASQUEZ: Hearing none, motion carries.  
11 Thank you, Abigail.

12 MS. VERSYP: Thank you. Happy New Year.

13 MR. VASQUEZ: Happy New Year.

14 Moving on to item 6, the Housing Resource  
15 Center, Ms. Yevich will present on presentation,  
16 discussion, and possible action on the dispute of  
17 EARAC's -- I'm not reading the right thing.

18 Item 6 will be presentation, discussion, and  
19 possible on adoption of the second substantial amendment to  
20 the 2019 State of Texas Consolidated Plan One-Year Action  
21 Plan relating to Community Development Block Grant funding  
22 under the CARES Act; authority to request waivers of HUD;  
23 and delegation of authority to the Department's executive  
24 director to make awards to subrecipients.

25 With that, Ms. Yevich, you can go ahead.

1 MS. YEVICH: Good morning. I'm assuming you can  
2 hear me, Board Chair, members, Bobby. My name is Elizabeth  
3 Yevich, I am director of the Housing Resource Center, and  
4 I'm here this morning for item 6. And I might add, with  
5 all due respect, to Ms. Abigail Versyp, who just presented  
6 on item 5, item 6 just definitely wins the award for the  
7 longest agenda item this morning. I even did a word count  
8 there.

9 So with this item, TDHCA coordinates the  
10 preparation of HUD's State of Texas Consolidated Plan, and  
11 that includes our One-Year Action Plan, and any amendments  
12 to the plan are then submitted to HUD. In the initial CDBG  
13 CARES plan amendment, it was approved by this Board just a  
14 few months ago in October 2020, the \$141 million in CDBG  
15 CARES -- we sometimes call it CDBG CARES or CDBG-CV, as I  
16 think how it's referenced in your Board book today -- those  
17 funds focused significantly on rental assistance. In  
18 addition to rental assistance, these funds were also  
19 approved for food distribution activities, relief  
20 assistance for providers for persons with disabilities, for  
21 legal services for persons with disabilities, and for  
22 broadband planning.

23 Now, today's CDBG-CV substantial amendment  
24 proposes changes to the uses of that \$141 million. As  
25 mentioned, they were previously primarily proposed to be

1 used for rental assistance but are now being proposed to be  
2 used for rental assistance but primarily for mortgage  
3 payment assistance.

4 Mortgage payment assistance for households  
5 impacted by the COVID-19 pandemic is an area of assistance  
6 which is greatly needed, and it's also eligible under the  
7 CDBG-CV.

8 Now, the reason for this change is that a  
9 significant amount of federal resources have recently been  
10 funded by Congress under the Coronavirus Relief Act,  
11 specifically and only for rental assistance. It is  
12 estimated that Texas will receive approximately \$1.9  
13 billion for rental assistance from this new funding source.

14 Therefore, TDHCA is re-prioritizing the use of  
15 the more flexible CDBG-CV funds to be used to support the  
16 planning of and establishment of also a statewide homeless  
17 information management warehouse system or initiative.

18 Now, all those other proposed activities for  
19 CDBG-CV funds remain unchanged. That would be the food  
20 bank distribution expenses, relief for providers for  
21 persons with disabilities, legal services for persons with  
22 disabilities, and broadband planning. That all remains  
23 unchanged.

24 So again, in light of the new dedicated funding  
25 for rental assistance only, TDHCA has reconsidered the

1 highest and best use of the all the flexibility CDBG-CV  
2 funds, re-prioritizing them mostly for mortgage assistance  
3 payments, with a portion remaining to be used to sort of  
4 fill a temporary gap right now for rental assistance until  
5 the larger influx of the Coronavirus Relief Act funds can  
6 be released.

7 Now, as required by HUD, the second CDBG-CV  
8 substantial amendment was released for an eight-day public  
9 comment period on December 31, 2020. Public comment was  
10 accepted through January 7, a virtual public hearing was  
11 held on January 5, 2021.

12 Prior to the comment period announcements were  
13 made, notices of the proposed plan amendment and the public  
14 comment period, the public hearing were released on the  
15 website as well as listservs.

16 Comment was received from three organizations:  
17 Texas Homeless Network, Houston-Galveston Area Council  
18 Resource Center, and the North Texas Aging and Disability  
19 Services. All comment received is included in your Board  
20 books. No changes were made to the proposed amendment  
21 based on these comments of support.

22 And with that, staff recommends approval of this  
23 second substantial amendment to the 2019 State of Texas  
24 Consolidated Plan One-Year Action Plan as related to the  
25 CDBG-CV Funds. Staff is also requesting at this time that

1 the executive director has the authority to release needed  
2 competitive notices of funding availability, those NOFAs,  
3 for funds to make awards to both competitive and non-  
4 competitive recipients, enter into contracts or other  
5 agreements as deemed needed as soon as possible. So thank  
6 you for that. Are there any questions?

7 MR. VASQUEZ: Thank you, Ms. Yevich.

8 Do any Board members have any questions? Or  
9 would Bobby like to make any clarifying comments?

10 MR. WILKINSON: I think Elizabeth did a great  
11 job. As you know, we got CDBG designation from the  
12 governor from the CARES Act, the first time the Department  
13 has had CDBG in over a decade because it was kind of a  
14 unique situation.

15 It wasn't providing bricks and sticks; it was  
16 more like what we can do to help people that are hurting  
17 now. We held our powder dry waiting to see when the  
18 packages were coming -- this was in consultation with the  
19 Governor's Office and Appropriations members on the Senate  
20 and House side -- and then we decided to go ahead and put  
21 it towards rental assistance, and as we got started, then  
22 the second package finally came, which is a better fit.

23 CDBG is limited to six months' arrears plus  
24 going forward, and we can go up to 15 months with the new  
25 money; it's a lot more money.

1           It's not a good idea to run multiple duplicative  
2 programs with different funding streams, so some of our  
3 CDBG rental assistance is already going out the door to the  
4 larger entitlement cities, cities that get their own money  
5 from HUD, but we held back on the rest and we're switching  
6 to make it a mortgage assistance program which will be the  
7 first mortgage assistance program, so we're excited about  
8 that.

9           At the same time, Elizabeth mentioned \$1.9  
10 billion; that's for the state as a whole, but locals over  
11 200,000 can apply. Applications were due two days ago on  
12 the 12th. I don't think we know exactly what cities and  
13 counties applied, but whatever they don't take down, they  
14 get up to 45 percent of that \$1.9 billion, and whatever  
15 they don't take down adds to our 55 percent, so we'll have  
16 as a state, specifically as a state, a billion-plus to  
17 administer. We're moving quickly on that.

18           This is another piece. I know we zigged and now  
19 we're zagging but I think it's the best course.

20           MR. VASQUEZ: Great. Thanks, Bobby. And I  
21 applaud staff for seeing what's coming down in the future  
22 and making adjustments so that we can have the greatest  
23 impact as soon as we can and help get this money out there.

24           So if no Board members have any comments, and I  
25 believe no one is in the queue to speak, is there a motion

1 on item 6?

2 MR. BRADEN: Mr. Chair, I'll make a motion. I  
3 move that the Board approve the second substantial  
4 amendment to the State of Texas Consolidated Plan One-Year  
5 Action Plan and all related action items as stated in the  
6 Board action request on this item.

7 MR. VASQUEZ: Thank you.

8 Mr. Braden makes the motion. Is there a second?  
9 Don't be shy.

10 MR. THOMAS: I second the motion.

11 MR. VASQUEZ: Okay. Mr. Thomas makes the  
12 second. All those in favor say aye.

13 (A chorus of ayes.)

14 MR. VASQUEZ: Any opposed?

15 (No response.)

16 MR. VASQUEZ: Hearing none, motion carries.

17 Thank you, Ms. Yevich.

18 MS. YEVICH: Thank you.

19 MR. VASQUEZ: Moving on to item 7 on the agenda,  
20 Bond Finance, 7(a), and Teresa Morales will be here for  
21 presentation, discussion, and possible action on Inducement  
22 Resolution No. 21-008 for multifamily housing revenue bonds  
23 regarding authorization for filing applications for private  
24 activity bond authority for Meadowbrook, #21604.

25 Teresa.

1 MS. MORALES: Thank you, Mr. Chairman and Board  
2 members, and welcome to the Board, Mr. Batch. Teresa  
3 Morales, director of Multifamily Bonds.

4 Item 7(a) involves the adoption of an inducement  
5 resolution for the proposed Meadowbrook Apartments. This  
6 development would involve the new construction of  
7 approximately 216 units, which includes some market rate  
8 units, in Dallas. The inducement resolution is to  
9 authorize a reservation of bond volume cap for up to \$40  
10 million.

11 During one of my presentations before you last  
12 month, I indicated that the TDHCA set-aside for multifamily  
13 reservations has effectively been met for 2021.

14 We are a statewide bond issuer but only get  
15 approximately \$169 million in authority to issue from  
16 January through August. Today there is only approximately  
17 \$11 million that is currently available.

18 Meadowbrook will be placed on the Department's  
19 waiting list, and unless some of the current applications  
20 in the pipeline withdraw, Meadowbrook will not likely see a  
21 bond reservation until August of this year, which means  
22 that consideration of the housing tax credits and the bond  
23 resolution will not be before you until sometime after  
24 that.

25 Staff recommends adoption of Resolution 21-008.

1 MR. VASQUEZ: Great. Thank you, Ms. Morales.

2 Do any Board members have any questions?

3 (No response.)

4 MR. VASQUEZ: And I do not believe there's  
5 anyone in the queue for this item.

6 MS. MORALES: That is correct.

7 MR. VASQUEZ: Okay. So hearing no discussion,  
8 the chair will entertain a motion on item 7(a).

9 MR. THOMAS: Mr. Chair.

10 MR. BATCH: Mr. Chair.

11 MR. VASQUEZ: Let's have Mr. Batch. I recognize  
12 Mr. Batch for a motion.

13 MR. BATCH: I move that the Board to approve the  
14 Inducement Resolution No. 21-008 to proceed with the  
15 application submission to the Bond Review Board for  
16 possible receipt of state volume cap issuance authority  
17 under the Private Activity Bond Program for pre-application  
18 #21604 Meadowbrook.

19 MR. VASQUEZ: Just like an old pro, who's done  
20 this many times, Mr. Batch makes the motion. Well done.

21 MR. BATCH: Thank you.

22 MR. VASQUEZ: Is there a second to his motion?

23 MS. BINGHAM: I'll second Mr. Batch's motion.

24 MR. VASQUEZ: Okay. Motion made by Mr. Batch,  
25 seconded by Ms. Bingham. All those in favor of approving

1 item 7(a) as presented say aye.

2 (A chorus of ayes.)

3 MR. VASQUEZ: Any opposed?

4 (No response.)

5 MR. VASQUEZ: Hearing none, motion carries.

6 Bobby, maybe you could get a little framed  
7 certificate that you could send to Mr. Batch as a memento  
8 of his first motion.

9 MR. WILKINSON: Sure.

10 MR. BATCH: Yeah, I'd actually like one of  
11 those, if that's okay.

12 (General laughter.)

13 MR. VASQUEZ: All right. Let's move on to item  
14 7(b), presentation, discussion, and possible action  
15 regarding the issuance of multifamily housing revenue bonds  
16 for The Montage, Resolution No. 21-009 and a determination  
17 notice of housing tax credits.

18 Ms. Morales, can you present?

19 MS. MORALES: Item 7(b) involves the issuance of  
20 multifamily tax-exempt bonds by the Department for the new  
21 construction of 216 units in San Antonio serving the  
22 general population.

23 Under the proposed structure, the Department  
24 will issue unrated tax-exempt multifamily bonds in the  
25 amount of \$34 million that will be initially purchased by

1 Red Stone, who will be serving as both the construction and  
2 permanent lender.

3 In June of 2020, when the inducement resolution  
4 was considered and adopted by the Board, there were  
5 opposition letters included in the Board book. Some of  
6 those same letters, along with new letters and petitions,  
7 are included in your materials today.

8 In response to some of those opposition letters  
9 received and to address some of those concerns noted, the  
10 applicant provided their own response, which is also  
11 included in your package.

12 As required by federal law, staff held a public  
13 hearing to solicit public comment on this proposed bond  
14 issue. Given restrictions related to COVID and having on  
15 in-person hearing, the Department held a telephonic  
16 hearing, which is in accordance with IRS guidance. This  
17 hearing was held on December 8, 2020. A copy of that  
18 hearing transcript is included in your package. There were  
19 on individuals on the call line other than Department staff  
20 and representatives of the development team.

21 For this item staff recommends approval of Bond  
22 Resolution No. 21-009 in the amount of \$34 million and a  
23 determination notice of housing tax credits in the amount  
24 of \$1,914,402.

25 MR. VASQUEZ: Okay. Are there any initial

1 questions of Ms. Morales? I know we have several people  
2 lined up ready to speak.

3 (No response.)

4 MR. VASQUEZ: Okay. Do I hear a motion to hear  
5 public comment on this item before voting?

6 MS. BINGHAM: I'll move to hear comment before  
7 action, Mr. Chair.

8 MR. VASQUEZ: Motion made by Ms. Bingham.  
9 Seconded by?

10 MR. BATCH: I'll second that, Mr. Chairman.

11 MR. VASQUEZ: Seconded by Mr. Batch. All those  
12 in favor say aye.

13 (A chorus of ayes.)

14 MR. VASQUEZ: Any opposed?

15 (No response.)

16 MR. VASQUEZ: Hearing none, let's open it up to  
17 public comment.

18 Renee, who do we have set up first, Mr. Calvert?

19 MS. NORRED: We are looking to unmute Mr.  
20 Calvert.

21 MR. VASQUEZ: I guess Commissioner Calvert.  
22 Right?

23 MS. NORRED: Yes. He is self-muted. Can you  
24 unmute yourself so that we can hear you?

25 MR. CALVERT: Okay. I'm so sorry. My first

1 time using your system. Good morning, everyone.

2 Thank you, Mr. Chairman, and thank you to the  
3 members of the Board for your service to the people of  
4 Texas. I'm Bexar County Commissioner Tommy Calvert of San  
5 Antonio, and I'm coming today to state my opposition to the  
6 Herman & Kittle development before the Board today. This  
7 is the first time that I have publicly come to speak on  
8 behalf of constituents about a development.

9 In spite of the standards that have been set  
10 forth by the Texas Department of Housing and Community  
11 Affairs, one of my constituents visited the Herman & Kittle  
12 property managed at 35 in New Braunfels and found it to be  
13 in bad repair, provided photographic evidence to over 200  
14 residents at Calvary Baptist Church, and these images  
15 showed everything from windows having broken pieces,  
16 porches unkept, and the property really didn't look like  
17 what anyone would want to live next door to.

18 Another resident found a two-star-rated property  
19 with photo images in the headquarters city of the applicant  
20 today in Indiana. It was rated at two stars out of five in  
21 their own corporate hometown in Indiana, and many  
22 questioned if the property had such a low rating there in  
23 their backyard that they wouldn't maintain it quite to our  
24 standards.

25 Now, in fairness, we did have a resident who

1 drove all the way to Taylor, Texas, to find a senior  
2 citizen property that was well managed and well maintained,  
3 and we asked the applicant to consider a senior facility,  
4 but it fell on deaf ears.

5           This community knows that you have standards to  
6 hold these properties to, but we have seen a pattern of  
7 deaf ears. We felt, based upon the problems we  
8 photographed in their properties they needed to have some  
9 higher standards, and what we were looking for were things  
10 with respect to nightly towing of folks who are not  
11 registered tenants so that we don't have the property  
12 become a place for riffraff, cameras in the four corners of  
13 the perimeter fencing in order to have increased security,  
14 a program for an onsite manager or security person to live  
15 on the property and make sure that it's maintained, and  
16 creating a program for law enforcement.

17           This is not just a NIMBY situation. We have  
18 recently approved LBG development on 1518 through the Texas  
19 Department of Housing and Community Affairs, as well as NRP  
20 Group development in the area, and we just see markedly  
21 different standards and believe that the best course for  
22 the Board is to vote it down, send it back, and get it  
23 right.

24           If I had the powers of a councilperson, I would  
25 deny this particular applicant based upon a lot of factors

1 we haven't even talked about: 500,000 people living in  
2 this very densely populated area and the fact that I do  
3 have other properties with good school districts that meet  
4 the criteria of TDHCA that would be, I think, much more  
5 suitable.

6 We were concerned that there wasn't a compromise  
7 on senior living in particular because this is a retirement  
8 community for many people at Randolph Air Force Base and  
9 Fort Sam Houston.

10 So I think what you'll find today is you have a  
11 number of elected officials who are in opposition. I am a  
12 person who is actually the strongest champion for  
13 affordable housing of elected officials. I've proposed a  
14 \$100 million affordable housing bond.

15 I am not reflexively against affordable housing  
16 at all, and I'm going to continue to support affordable  
17 housing. But this particular developer, even though we met  
18 with them, the follow-up from those three minutes didn't  
19 include some very critical things that the community had  
20 asked for.

21 Either we ask the Board to enforce those things,  
22 but most importantly, this community just really wants to  
23 see a denial, vote it down, let's send it back, let's talk  
24 with the developer, and let's try to get it right in the  
25 future.

1 Thank you very much for your time.

2 MR. VASQUEZ: Thank you, Commissioner Calvert.  
3 Appreciate your input and support of more affordable  
4 housing throughout Bexar County and Texas at large.

5 Renee, who do we have set up for the next  
6 speaker?

7 MS. NORRED: We are looking to unmute Lisa  
8 Pfeiffer.

9 You are self-muted, Ms. Pfeiffer. Could you  
10 please unmute yourself?

11 MS. PFEIFFER: Can you hear me?

12 MS. NORRED: Yes, ma'am.

13 MR. VASQUEZ: Go ahead.

14 MS. PFEIFFER: Good morning, everybody. Thank  
15 you for the opportunity to speak. My name is Lisa  
16 Pfeiffer, and I'm the vice chair of CONEN, the Coalition of  
17 Northeast Neighborhoods, and we represent 8,400 households,  
18 and half of them are in the vicinity of the Herman & Kittle  
19 application property. We strongly oppose, and I stand by  
20 my original comments of my letter from January 4 to TDHCA.

21 I just listened to Precinct 4 Commissioner  
22 Calvert, and I endorse and support his comments and  
23 objections he voiced to you against the Herman & Kittle's  
24 property application.

25 You've also received a number of petitions from

1 people in the general community surrounding area objecting  
2 to Herman & Kittle. Also, in my letter I referred to a hot  
3 zone determined by our local sheriff of criminal activity,  
4 shootings, fights, et cetera, and there was another  
5 potential incident yesterday afternoon at noon in the  
6 vicinity of this property.

7 And the only thing I would like to do at this  
8 point is caution TDHCA not to oversaturate an area. We all  
9 understand the need for affordable housing, as the  
10 commissioner said, but it has to be the right fit.

11 You can go check your records. If you look at  
12 the intersection of FM 78 and Walzem Road, the LDG  
13 community is being built, the NRP Group at O'Connor and  
14 Kittyhawk is being built as affordable housing, and the  
15 Lofts at Venture by Cohen-Esrey are right at the corner of  
16 this intersection. There are three affordable housing  
17 complexes being developed, with community support and  
18 cooperation, within a four-mile radius of that  
19 intersection.

20 Herman & Kittle is responsible for their own  
21 demise. Go check the TDHCA records where they pulled their  
22 initial application on their own back in November 2019, and  
23 the reason why is because they could not work or refused to  
24 work with the surrounding community.

25 And the last thing I'd like to say is thank you

1 to Renee and Teresa Morales for all their help during this  
2 process. Thank you.

3 MR. VASQUEZ: Great. Thank you, Ms. Pfeiffer.  
4 Renee, who do we have up next?

5 MS. NORRED: We have Steve Glover and we are  
6 looking to unmute him.

7 Steve Glover, you are self-muted. Can you  
8 please unmute yourself? Mr. Glover, can you please unmute  
9 yourself?

10 (No response.)

11 MS. NORRED: I think we can probably move on to  
12 the next presenter, or next comment. We're looking for  
13 Barry Palmer to unmute him.

14 Mr. Palmer, you're unmuted. Can you hear us?

15 MR. PALMER: Can you hear me now?

16 MS. NORRED: Yes.

17 MR. PALMER: Good morning, everyone. I'm Barry  
18 Palmer with Coats Rose, speaking on behalf of the  
19 developer, and I would ask you to support staff's  
20 recommendation for The Montage Apartments.

21 This project is being developed by Herman &  
22 Kittle, who is a national developer with a strong Texas  
23 presence. They operate ten communities in Texas with two  
24 more under construction.

25 This community is 216 units, all serving 60

1 percent AMI working families making between \$24,000 and  
2 \$50,000 a year. The developer has worked with the  
3 community over the last two years and had four meetings and  
4 has made a number of concessions to try to get community  
5 support.

6 They reduced the size of the project and the  
7 density in an effort to get support, but we've been unable  
8 to satisfy all of their demands. For example, you heard  
9 the commissioner mentioning having a towing service where a  
10 towing service would tow anyone's car who isn't registered  
11 as living there.

12 I mean, who wants to live in a community where  
13 if you invite somebody over for dinner, their car gets  
14 towed while they're with you? So there's some things that  
15 we just haven't been able to agree to. You know, there are  
16 other things that we would willing to entertain, and we  
17 hope to continue to work with the community to satisfy  
18 their concerns and will endeavor to work together.

19 But much of the opposition is, if you read  
20 through the letters, it's the standard opposition that you  
21 see to affordable housing, that they don't want the project  
22 because there will be more crime and it will reduce  
23 property values.

24 The opposition has said they'd be fine if it was  
25 elderly but they don't want families with children. But

1 it's historically been proven across the country that  
2 affordable housing does not increase crime or decrease  
3 property values, and we'd ask you to reject that as grounds  
4 for opposition and to approve staff's recommendation.

5 MR. VASQUEZ: Okay. Thank you, Mr. Palmer.

6 Do any Board members have any questions?

7 Actually, I guess one last check if Mr. Glover was going to  
8 try to speak.

9 MS. NORRED: He's still inattentive, and he is  
10 also self-muted.

11 Mr. Glover, if you can hear us, we are ready for  
12 your comments. Will you please unmute yourself?

13 (No response.)

14 MR. VASQUEZ: Okay. I guess hearing none there,  
15 let's move along.

16 If no Board member has any comment, I just want  
17 to clarify that this is not a 9 percent competitive tax  
18 credit application.

19 I mean, this is private activity bonds and such,  
20 so I think some of the concerns that were addressed in  
21 those commenters who said we would prefer to have other  
22 units built or other projects built, they doesn't really  
23 apply in this case because it's a bond request.

24 Is that right, Bobby or Teresa?

25 MS. MORALES: That's correct. The 4 percent

1 program, those are non-competitive credits, and so you  
2 don't technically have a waiting list, meaning that there's  
3 other projects within the same region. I will say that the  
4 one project that they spoke of, the LBG property, that's  
5 not actually one that the Department has received yet, but  
6 it could be coming over the next few months.

7 MR. VASQUEZ: Okay.

8 MS. MORALES: And I'll also point out for the  
9 Board's reference that within your package there's the  
10 Department's underwriting report, and within there it talks  
11 about the demands of households within this particular area  
12 as well as what units are already on the ground.

13 And then there's also what we call a primary  
14 market area map that also provides you with a one-mile  
15 radius and shows the projects that have already been  
16 approved, and then those that are still out there.

17 MR. VASQUEZ: Okay.

18 MR. THOMAS: Mr. Chairman, I did have a  
19 question.

20 Ms. Morales, in our packet obviously there's a  
21 lot of community opinion with regard to this project, and  
22 Commissioner Calvert has obviously taken up this cause and  
23 has written the Department three times to bring to our  
24 attention his views. What is our purview here? I mean,  
25 could we work with the developer at all in an effort to try

1 to address maybe creating a bridge between the community  
2 and the developer to meet some of those things that  
3 Commissioner Calvert noted in his letter that seem fairly  
4 reasonable and he was willing through his office to be  
5 accommodative and work out solutions with regard to the  
6 towing and some other things.

7 I mean, I think the community has been fairly  
8 vocal about they're not against affordable housing, and  
9 they've sort of raised these concerns about the developer,  
10 and Mr. Palmer's comments notwithstanding -- and I'm  
11 sensitive to those as well -- I'm just concerned that  
12 there's just so much opposition to this being vocalized and  
13 now being voiced by the commissioner there in Precinct 4  
14 that what is our role here in terms of sensitivity in  
15 moving forward with the bond financing resolution for this  
16 project versus sending it back and having them look at  
17 opportunities to work this out and bring it back to us?

18 MS. MORALES: So a couple of things. Just  
19 looking straight at what the Department's responsibilities  
20 are, primary among those is to hold a public hearing, and  
21 that was what I referenced in my presentation where we  
22 allow interested individuals the opportunity to provide  
23 comment.

24 There's a member of the development team that's  
25 present to, you know, answer questions that staff may not

1 be able to. If there are concessions to be made, obviously  
2 the Department cannot necessarily enforce those, but if  
3 there are sort of a meeting of the minds between the  
4 community members, elected officials, the development  
5 owner. Clearly the Department has our own requirements  
6 with respect to threshold, with respect to certain things  
7 that we're looking for properties to have.

8 As it relates to some of the items on the  
9 commissioner's letter, those aren't necessarily things that  
10 the Department can enforce or require, because if that were  
11 the case it would have to be included in our land use  
12 restriction agreement, and so what we're really looking for  
13 and what we're responsible for is monitoring those  
14 requirements that the Department has. It doesn't mean that  
15 those individuals can't have a separate agreement with the  
16 borrower to provide some of these other items.

17 And I will say for as long as I've been doing  
18 this, which is about 20 years, in every bond transaction I  
19 have always encouraged developers to reach out to community  
20 members, to reach out to elected officials, and show that  
21 that communication is taking place.

22 And again, as long as I've been doing this I  
23 don't know that I've seen where every single thing or every  
24 single person is happy, so to speak, but again, we as an  
25 issuer definitely encourage applicants to reach out and

1 show that you've been communicative and that you've held  
2 meetings, which the information in your package does  
3 demonstrate that that is the case here.

4 MR. THOMAS: Very good.

5 Ms. Morales, one other thing, just to clarify.  
6 So it's staff's view and recommendation that as far as the  
7 Department's purview and standards, this project has met  
8 our guidelines.

9 MS. MORALES: That is correct. And I mentioned  
10 the underwriting report and the review that we do for  
11 financial feasibility, to speak to some of the concerns  
12 that were raised by both the commissioner and members of  
13 the community.

14 Part of our review before we bring applications  
15 before you is the previous participation review where we  
16 look at all of the properties that this applicant is  
17 affiliated with and ensuring that none of those properties  
18 have any events of non-compliance that have not been  
19 corrected.

20 And what I can tell you from this particular  
21 review, there are approximately 10 properties that Herman &  
22 Kittle have in Texas, and based on those 10 properties  
23 there were no events of non-compliance that have not been  
24 corrected.

25 Also worth noting is the UPCS inspections, the

1 physical inspections that the Department does on each of  
2 the properties within our portfolio, the scores on the  
3 Herman & Kittle properties range from a low of 74 to a high  
4 of 96, and that's out of 100.

5 So I'm not trying to speak for Compliance, but  
6 based on the information presented as part of their  
7 previous participation review, it didn't raise any red  
8 flags with respect to staff.

9 MR. THOMAS: Very helpful, Ms. Morales, I  
10 appreciate it.

11 Mr. Chairman, I would just say that, you know,  
12 as a comment, given the community's feelings about the  
13 project and certainly those expressed by Commissioner  
14 Calvert, I would highly encourage the developer here to  
15 revisit some of the concerns the community has raised and  
16 Commissioner Calvert has raised and see if some of those  
17 requests can be met, just so that there's a little more  
18 community spirit behind this project going into it.

19 But given staff's comment, I'm certainly  
20 satisfied with what staff is recommending.

21 MR. VASQUEZ: Great. Thank you, Mr. Thomas and  
22 Ms. Morales.

23 I understand from Renee that we have another  
24 speaker who wishes to weigh in. Is that still the case?

25 MS. NORRED: Yes, sir. We have Andrea Williams,

1 and we are looking to unmute her right now.

2 Andrea, you are unmuted. Can you hear us?

3 MS. WILLIAMS: Yes, I can.

4 MR. VASQUEZ: And, Ms. Williams, before you get  
5 going here, I'm hoping you have something new or different  
6 to add. If you are just reiterating what other speakers  
7 have said, go ahead.

8 MS. WILLIAMS: Well, from I've heard, I feel  
9 like it's additional. I actually living in the Ventura  
10 housing area, which is directly across the street from  
11 where the Herman & Kittle development is wanting to build.

12 I've actually -- I'm not sure -- I'm pretty sure  
13 y'all have seen the map, but the Cohen-Esrey development  
14 that's building the apartments really right in our  
15 neighborhood -- because when we get ready to go out, we  
16 have one way out, so right to our left we are getting a  
17 three-story apartment complex right there.

18 So I have actually been working with -- the  
19 gentleman's name is Jay, and they have been very helpful in  
20 agreeing to what the neighbors were asking for, which was  
21 pretty much no entrance from the apartment complex coming  
22 into our neighborhood, and then also with the type of fence  
23 that would pretty much help, you know, with security a  
24 little bit.

25 But that area, we have a lot of seniors and we

1 have a lot of retired military and on my street alone --  
2 I'm also a veteran of the U.S. military, and I have had at  
3 least five neighbors that have moved because of the one  
4 apartment complex, so that's about 2,000 people being put  
5 right in an already pretty much dangerous intersection.

6 On top of that, I have talked neighbors out of  
7 moving just to give it a chance that the apartments of  
8 Cohen-Esrey development is agreeing to a lot of terms to  
9 help with safety.

10 Now, directly across the street we're getting  
11 another 2-, 3,000 people put right in, like she said, an  
12 already saturated neighborhood, and they're not willing to  
13 come to terms like the other apartment complexes to assure  
14 our safety, that we're going to have to deal with pretty  
15 much almost 5,000 people being put in a little intersection  
16 that's surrounded by housing.

17 There's more suitable land on 78 that would  
18 accommodate that kind of apartment complex with the amount  
19 of people that they want to put in there without causing  
20 even more congestion to put us in an inconvenience.

21 Not only that, we just had someone killed at  
22 Whataburger, which is right in the intersection, so we're  
23 seeing the crime rate go up. And my neighbors are too old  
24 to move, and I've been here for 16 years and I moved here  
25 for a reason. And you know, we have to adapt to changes,

1 and the changes that are being forced on us without us  
2 having any say-so I don't think is fair.

3 MR. VASQUEZ: Again, Ms. Williams, thank you for  
4 your comments and input.

5 I believe we have the speaker queue cleared out.

6 MS. NORRED: That is correct.

7 MR. VASQUEZ: Would any Board members like to  
8 make a motion on item 7(b)?

9 (No response.)

10 MR. VASQUEZ: I'll make one more comment, while  
11 y'all are contemplating your motion, that again while I  
12 hear the community's concerns, they still have an  
13 opportunity to work with the developer, and there's a lot  
14 of hoops that the developer still has to go through after  
15 this even if we do approve it, but it does appear that they  
16 have checked all the boxes required by the Department.

17 Would anyone care to make a motion?

18 MS. BINGHAM: Mr. Chair, I'll make a motion.  
19 I'd like to recommend approval of staff's recommendation on  
20 the issuance of multifamily housing revenue bonds for The  
21 Montage, Resolution No. 21-009, and the determination  
22 notice of the housing tax credits.

23 MR. VASQUEZ: Thank you.

24 Motion made by Ms. Bingham. Is there a second?

25 Do either of the other Board members wish to second Ms.

1 Bingham's motion to approve staff's recommendation?

2 MR. BRADEN: Can I ask a question before that?

3 I should have probably asked this earlier. If we were to  
4 table this and not act on it, to give the developer and the  
5 county commissioner or other people a chance to kind of  
6 work through a few of these remaining items -- I understand  
7 what Mr. Palmer said with respect to the towing service,  
8 but some of the other things the commissioner put in his  
9 letter seem, at least on reading it, innocuous enough or  
10 easy enough to accommodate -- if we were to table this to  
11 see if they have another opportunity, how does that affect  
12 the timeline or the deal and everything else?

13 MS. MORALES: As it stands right now, this  
14 particular transaction is scheduled to close at the end of  
15 this month, and as I understand it, there are timing  
16 constraints under the purchase contract.

17 Perhaps Mr. Palmer or the applicant can correct  
18 me if I'm wrong, but I believe that expires on the 29th of  
19 January, and I'm not sure if there are extension options  
20 that are available.

21 As far as the bond reservation goes, once that  
22 reservation is issued, an applicant has 180 days to get  
23 through our process on the credit side, the bond side, and  
24 ultimately close all of that financing. That bond  
25 expiration deadline is March 15.

1           So it would seem that there would be time to  
2 take it to a February Board meeting, report back, see  
3 what's happened, but again, I don't know if that's an  
4 option from just the purchase contract standpoint.

5           MR. BRADEN: And while Mr. Palmer may be lining  
6 himself back up to respond, Teresa, can I ask you an  
7 additional question? When you said there were 10  
8 communities in Texas that this developer has developed, of  
9 all those 10 are those communities that went through us or  
10 they went through a variety of different housing  
11 organizations?

12           MS. MORALES: All of the properties that are in  
13 Herman & Kittle's portfolio, they were done through local  
14 issuers. This is the first Herman & Kittle transaction  
15 where TDHCA is the bond issuer.

16           MR. BRADEN: And then one of the commentators  
17 made some comment about a New Braunfels property that they  
18 went and looked at and said they didn't think it was up to  
19 TDHCA standards, but you indicated that it sounds like they  
20 all were up to some level of standard?

21           MS. MORALES: Correct. And again, not to speak  
22 out of turn for Compliance and what those requirements are,  
23 but we are required to do onsite inspections at least every  
24 two to three years, and the last UPCS onsite inspection for  
25 that particular property was in 2017, and they scored a 96

1 out of 100.

2 So I can't speak to what condition that property  
3 was in when the community representative went out to visit,  
4 and then obviously while this property is probably coming  
5 up on another inspection, those have been halted due to  
6 COVID.

7 MR. VASQUEZ: Okay. So if I understood the  
8 closing transaction or financing is due at the end of this  
9 month, so if we put it off to another meeting, that could  
10 trouble the whole financing portion.

11 MS. MORALES: If they are not able to  
12 [inaudible] the purchase contract, correct.

13 MR. BATCH: Mr. Chairman, could I make a quick  
14 comment?

15 MR. VASQUEZ: Please.

16 MR. BATCH: Really, it's rather a question, I  
17 suppose, but in this situation -- obviously tabling this  
18 for now would put everybody in a little bit of a weird  
19 predicament. How often is this the case when dealing with  
20 these bonds that at the end of the day could end up being  
21 pretty controversial?

22 Because my point of view, which I know is  
23 limited being the new person on this Board, but it seems as  
24 though we're all kind of being -- we've kind of put  
25 ourselves in the corner with the issuance of these bonds

1 given that the closing date is at the end of this month and  
2 obviously our next Board meeting won't be till, you know,  
3 February, but how often is this the case when you're  
4 dealing with these bonds typically?

5 MS. MORALES: I've been doing this for quite a  
6 while, and it's definitely not unheard of to have, back  
7 when hearings were done in person, to have 2- to 300 people  
8 who were not happy with the proposed property, and they  
9 maintained their opposition throughout the entire process.

10 I've also been witness to applicants who would  
11 work with them, and really all they wanted was more  
12 landscaping or they wanted more of a buffer between the  
13 single-family subdivision and the multifamily property, and  
14 the developer conceded, gave them that and they were fine.

15 So obviously over the years I've seen a number  
16 of transactions where, you know, there were concerns like  
17 this raised, the applicant met whatever items that they  
18 put.

19 I guess for this particular transaction, some of  
20 the items that were noted in the commissioner's letter I  
21 think that the applicant would have to speak to whether  
22 those are possible. For example, the purchase of a fire  
23 truck or a ladder truck, I'm not sure how much those are,  
24 whether the applicant will do that.

25 And then also with respect to the cameras,

1 again, that would be a development cost, but I don't know  
2 that has been factored in to what's before you. And then  
3 again, as Mr. Palmer mentioned, the towing service, whether  
4 that's an option or would even make sense for this  
5 particular transaction.

6 MR. WILKINSON: So Mr. Batch, I would just add  
7 we will see local opposition like this and greater than  
8 this multiple times, over and over and over again.

9 This kind of opposition is not unique or rare.  
10 It is possible that their minds might be changed, with  
11 additional concessions, cameras, for instance, but I am  
12 skeptical that that would be the case.

13 MR. VASQUEZ: Again, echoing what Mr. Wilkinson  
14 said, every application that we have is going to have  
15 opposition, as well as those obviously in favor of it.

16 MR. BATCH: Sure. Mr. Chairman, I'll go ahead  
17 and second the motion, but I think it is important that  
18 everybody continue to communicate in an effective manner  
19 just to make sure that to the extent they can -- whatever  
20 concerns the community has, the developer is doing their  
21 best to help alleviate those. But I'll go ahead and second  
22 the motion.

23 MR. VASQUEZ: Thank you, Mr. Batch.

24 Okay. So we now have a motion made by Ms.  
25 Bingham, seconded by Mr. Batch, to approve item 7(b), and

1 so I'll call for the vote. All those in favor say aye.

2 (A chorus of ayes.)

3 MR. VASQUEZ: Any opposed?

4 (No response.)

5 MR. VASQUEZ: Okay. Motion passes unanimously.

6 Thank you. And we obviously encourage the developer to  
7 continue reaching out to the community and working with the  
8 commissioner and other constituencies in the area.

9 So thank you, Teresa. That moves us on to item  
10 7(c), Bond Finance, so presentation, discussion, and  
11 possible action regarding the issuance of multifamily  
12 housing revenue bonds Oso Bay Apartments, Resolution No.  
13 21-010, and a determination notice of housing tax credits.

14 Ms. Morales, you're still on.

15 MS. MORALES: Still on. Item 7(c) involves  
16 issuance of multifamily tax-exempt bonds by the Department  
17 for the acquisition and rehab of 104 units in Corpus  
18 Christi serving the general population.

19 Under the proposed structure, the Department  
20 will issue multifamily bonds in an amount not to exceed \$14  
21 million. The transaction involves an FHA 221(d)(4) loan  
22 originated and underwritten by Regents Bank.

23 The bonds will be short term and will be fully  
24 cash collateralized throughout the construction period. As  
25 bond proceeds are drawn, the proceeds from the FHA loan

1 will simultaneously be drawn and placed into a collateral  
2 account which is offering protection for the bondholders.

3           Once the rehab is complete, the bonds will be  
4 redeemed using the FHA loan proceeds on deposit in the  
5 collateral fund.

6           There has been no public comment received on  
7 this application, and as it relates to the public hearing  
8 that staff held relating to the bond issuance, there was no  
9 public comment made at that hearing, and a copy of the  
10 hearing transcript is included in your package.

11           For this item staff recommends approval of Bond  
12 Resolution No. 21-010 in an amount not to exceed \$14  
13 million, and a determination notice of 4 percent housing  
14 tax credits in the amount of \$869,817.

15           MR. VASQUEZ: Thank you, Ms. Morales.

16           Does any Board member have any question on item  
17 7(c)?

18           (No response.)

19           MR. VASQUEZ: And I do not believe there are any  
20 speakers in the queue for this item, so would a Board  
21 member care to make a motion on 7(c)?

22           MR. BRADEN: Mr. Chair, I'll make a motion. I  
23 move the Board approve the issuance of the Series 2021  
24 multifamily housing revenue bonds, Resolution No. 21-010,  
25 Oso Bay, and issuance of a determination notice of 4

1 percent housing tax credits, as reflected in the Board  
2 action request on this item.

3 MR. VASQUEZ: Thank you.

4 Mr. Braden makes a motion. Is there a second?

5 MR. BATCH: I'll second that motion, Mr.  
6 Chairman.

7 MR. VASQUEZ: Seconded by Mr. Batch. Hearing no  
8 further discussion, all those in favor say aye.

9 (A chorus of ayes.)

10 MR. VASQUEZ: Any opposed?

11 (No response.)

12 MR. VASQUEZ: Hearing none, motion carries.

13 Moving on to item 8, and Ms. Morales is our star  
14 for today.

15 MS. MORALES: Under item 8, I'd like to note  
16 that items 8(a) and 8(b) have been pulled from the agenda,  
17 so I would move on to item 8(c).

18 MR. VASQUEZ: Correct.

19 MS. MORALES: Item 8(c) involves the issuance of  
20 determination notices for two different 4 percent tax  
21 credit applications. If it pleases the Board, I believe  
22 both of these applications can be taken together.

23 Application #20493 is The Ridge at Lancaster.  
24 It proposes the new construction of 300 units for the  
25 general population in Dallas. The majority of these units

1 will serve 60 percent of area median income households,  
2 with 30 units leased at market rate. The Dallas Housing  
3 Finance Corporation is serving as the bond issuer.

4 Application #20703, Cove in Odessa, proposes the  
5 new construction of 200 units to serve the elderly  
6 population in Odessa. This development proposes to serve  
7 households ranging from 30 percent to 70 percent of the  
8 area median income. The Odessa Housing Finance Corporation  
9 is serving as the bond issuer.

10 Because I'll never shy away from highlighting  
11 activity on the 4 percent side, included in your Board  
12 materials is an application log from 2020 as we continue to  
13 finish out awards that have bond reservations from that  
14 program year.

15 Also included is an application log reflecting  
16 the 2021 applications that have been submitted. When you  
17 see this application log in next month's materials, you'll  
18 see at least another 15 applications listed.

19 For item 8(c) staff recommends that a  
20 determination notice in the amount of \$2,707,319 in 4  
21 percent tax credits be issued for The Ridge at Lancaster,  
22 and a determination notice in the amount of \$1,598,402 be  
23 issued for Cove in Odessa.

24 MR. VASQUEZ: Great. Thank you, Ms. Morales.

25 Do any Board members have questions on this

1 agenda item 8(c)?

2 MR. BRADEN: I actually have a question of Ms.  
3 Morales since she brought up the 4 percent program in  
4 general, which is obviously a great program, and you do a  
5 great job.

6 There was legislation passed at the end of last  
7 year, the Housing Coalition Act, where it also included  
8 CARES Act funding, and one of the things that legislation  
9 did is it actually made 4 percent tax credits actually 4  
10 percent or that they would float and they wouldn't  
11 necessarily be 4 percent, but I think the legislation  
12 provides that the tax credits have to be awarded after  
13 December 31 in order for them to get that sort of status.

14 Do we have anybody like in the queue that we  
15 awarded tax credits in the last quarter who might be coming  
16 back to see if we can do something so they can get that  
17 sort of firm 4 percent level? Have you heard about  
18 anything?

19 MS. MORALES: Yes. So the legislation that was  
20 passed specifies that it's tied to when those bonds have  
21 been issued, so bonds that are issued for those 4 percent  
22 credit transactions, if those bonds are issued after  
23 December 31 of 2020, then those transactions can get the  
24 benefit of that 4 percent fixed rate.

25 Obviously there's a number of 2020 transactions

1 that you have already approved, some of which have not  
2 closed and have those bonds issued that would be eligible  
3 for that 4 percent credit.

4 What the Department has decided is because the  
5 rules require the Board to approve those determination  
6 notices and those 4 percent credit amounts, we don't have a  
7 window before those bond reservations expire to bring all  
8 of those transactions back before you that have that 4  
9 percent rate factored in, and so what we have decided is  
10 those transactions can go ahead and close, assuming that it  
11 happens after 12/31, and then when they come back at cost  
12 certification, then that's when we can factor in that 4  
13 percent rate.

14 But for those applications that are under review  
15 and have not been before you -- and these two are included  
16 in that batch -- those we went back to the applicants and  
17 had them revise certain exhibits within the application to  
18 take that 4 percent rate into account, and so the  
19 determination notices on the agenda today do that.

20 MR. BRADEN: Okay. But the new law provides  
21 that as long as the bonds are issued after 12/31, then they  
22 get the benefit of that 4 percent.

23 MS. MORALES: Correct. So if you had a 4  
24 percent deal and you already issued bonds, if you didn't  
25 lock that applicable percentage, it's our understanding

1 that you would not get the benefit of that 4 percent rate.

2 MR. BRADEN: Understood. Thank you. That was  
3 all.

4 MR. VASQUEZ: Okay. Are there any other Board  
5 member questions or comments on item 8(c)?

6 (No response.)

7 MR. VASQUEZ: We do not have anyone in the queue  
8 to speak. Hearing no further questions, the chair would  
9 entertain a motion regarding 8(c).

10 MR. THOMAS: Mr. Chairman, I move that the Board  
11 issue determination notices in the respective amounts for  
12 The Ridge at Lancaster and Cove in Odessa, subject to  
13 underwriting conditions as found in the Real Estate  
14 Analysis report posted to the Department's website and  
15 subject to any EARAC conditions, as reflected in Exhibit A  
16 of the Board action request for this item.

17 MR. VASQUEZ: Thank you.

18 Motion made by Mr. Thomas. Is there a second?

19 MS. BINGHAM: I'll second the motion.

20 MR. VASQUEZ: Seconded by Ms. Bingham. All  
21 those in favor say aye.

22 (A chorus of ayes.)

23 MR. VASQUEZ: Any opposed?

24 (No response.)

25 MR. VASQUEZ: Hearing none, motion carries.

1                   Thank you, Ms. Morales. You've done a fine job  
2 today.

3                   MS. MORALES: Thank you.

4                   MR. VASQUEZ: Okay. The Board has addressed the  
5 posted agenda items, and now is the time of the meeting  
6 when members of the public can raise issues with the Board  
7 on matters of relevance to the Department's business or  
8 request that the Board place specific items on future  
9 agendas for consideration. I believe that we have  
10 commenters who wish to address the Board today.

11                   I'll remind everyone to please keep it relevant  
12 to Board or Department areas/issues, keep it concise, and  
13 we'll have the three-minute timer up on the screen, and be  
14 aware that this Board is not allowed to actually engage in  
15 discussion during the non-agenda items.

16                   So with that, Renee, who do we have up first,  
17 Ms. Roehm?

18                   MS. NORRED: Yes. We have Elizabeth Roehm. We  
19 are looking to unmute her now.

20                   Ms. Roehm, you are unmuted.

21                   MS. ROEHM: Hello. This is Elizabeth Roehm. We  
22 have another speaker on the same matter as me that we're  
23 hoping to speak, Antoinette Gray. Is she not logged on  
24 now?

25                   MS. NORRED: That is correct.

1 MS. ROEHM: Okay. Well, I will go ahead, and  
2 hopefully she can hop on quickly and speak as well.

3 Hello, Mr. Chairman and members of the Board.  
4 I'm Elizabeth Roehm. I've spoken before you before. I'm  
5 an attorney at Texas Housers, where we work with tenants  
6 who live at Sandpiper Cove Apartments, a TDHCA-supported  
7 property in Galveston, Texas.

8 I'm actually really excited. I feel like you  
9 really queued up what we wanted to bring up today by the  
10 conversation that you had on item 4(b) today about the  
11 process for input on bonds and tax credits, and today we're  
12 here providing you an opportunity to look ahead when you're  
13 not in a corner, as Mr. Batch put it, to ensure that things  
14 are done right for current tenants in a property with a  
15 proposed rehab.

16 So today's agenda doesn't address this project.

17 It looks like next month you'll be presented with an  
18 agenda item asking you to vote on a determination notice  
19 for 4 percent tax credits for a rehab in place at Sandpiper  
20 Cove, which is application #20705 that's an active  
21 application with your Department.

22 And we want you to take note that this should  
23 not be automatically approved and that the Board and staff  
24 should seriously consider the ramifications for tenants  
25 living at the property, and hopefully we can all work

1 together to ensure that tenants are really being heard in  
2 this process.

3 We want to give you kind of an interim report  
4 today to let you know that this situation at Sandpiper Cove  
5 is a dire problem that needs a systemic solution and not  
6 just a run-of-the-mill rehab.

7 So first the tenants need an immediate solution  
8 that gives them an opportunity to move out, not just get  
9 shuffled around during a redevelopment.

10 A whole year ago my colleagues spoke before you  
11 in person at your January 2020 meeting, discussing the  
12 terrible conditions at this property and providing you with  
13 media and other avenues on the conditions.

14 And the current owner, Millenia, is in debarment  
15 action through TDHCA enforcement now, but that process has  
16 not come to fruition due to COVID delays, so while various  
17 agencies and developers are going through these lengthy  
18 processes, the tenants are being forced to continue living  
19 there in unhealthy conditions.

20 And unfortunately, HUD is refusing to meet with  
21 tenants about vouchers to leave the property because HUD is  
22 waiting to see what happens with the rehab plans with the  
23 tax credits and with the bonds which are before TSAHC right  
24 now.

25 So we really need HUD and the developer and

1 TDHCA to all cooperate to find a real answer to this  
2 problem. TDHCA, we would hope could tell HUD to talk to  
3 the tenants and to consider issuing vouchers in the  
4 meantime as this property is in improper condition right  
5 now for tenants to be there, regardless of what happens in  
6 the future with bonds and tax credits.

7 We're talking to the developer, so we are  
8 working with them, and we'll be reaching out to new people  
9 at HUD, and we hope that when this item comes back to your  
10 agenda probably next month that everyone will have gotten  
11 together to find out how to help tenants now and not merely  
12 put a band-aid on the property.

13 Thank you for so much for taking the time in the  
14 coming weeks to consider deeply how Sandpiper Cove  
15 residents can be served by your agency's action.

16 We're open to talking, the residents' tenant  
17 council is open to talking and would love to work with you  
18 in figuring out how to push HUD to get current tenants  
19 vouchers to leave the property while it remains in poor  
20 condition for the time being. Thank you so much.

21 MR. VASQUEZ: Thank you, Ms. Roehm.

22 Renee, we have next up?

23 MS. NORRED: Adrienne Littlejohn. We are  
24 looking to unmute her right now.

25 Adrienne, you are unmuted. Can you hear us?

1 You are self-muted. Can you please unmute yourself?

2 MS. LITTLEJOHN: Can you hear me?

3 MS. NORRED: Barely but we can hear you.

4 MS. LITTLEJOHN: [indiscernible].

5 MR. VASQUEZ: I can't understand anything that's  
6 being said. Can you make sure your microphone is cleared?

7 Ms. Littlejohn, can you try again?

8 MS. NORRED: Hold on just a second. We're still  
9 trying to unmute her, I guess. I could barely hear her. I  
10 don't know if it was feedback on her end.

11 MR. VASQUEZ: It sounded muffled like the  
12 microphone was covered up.

13 I tell you what, do you want to try to get the  
14 next speaker, Ms. Bowman, up and then we can try to come  
15 back to Ms. Littlejohn.

16 MS. NORRED: Yes. We are looking for Ericka  
17 Bowman.

18 Ericka Bowman, you are self-muted. Will you  
19 please unmute yourself?

20 MS. BOWMAN: Hi. Can you hear me?

21 MS. NORRED: Yes, ma'am.

22 MS. BOWMAN: Okay. Hi. My name is Ericka  
23 Bowman. I am a community navigator for Texas Housers. I  
24 am thankful to be here to speak to you the Board today on  
25 behalf of those tenants that live in Sandpiper Cove

1 Apartments.

2 My job I take very seriously, and I am very  
3 thankful to have this position to where I'm able to take  
4 the voice of the community and bring it to those that are  
5 in positions to make changes for those that are in need.

6 The tenants at Sandpiper Cove have been  
7 suffering for a very, very long time. They've experienced  
8 some of the most horrible living conditions that anyone  
9 should be living in. They have voiced and waited and hoped  
10 for a change to come and each time a promise has been made  
11 and nothing has been done.

12 While I've been visiting that property and  
13 helping tenants galvanize, I've witnessed an elderly lady  
14 tell me that, this place is going to kill me, the mold is  
15 horrible, it's within the walls, proper repairs are never  
16 done properly.

17 I've witnessed people extremely sick, I've  
18 witnessed a single parent mother working extremely hard to  
19 take care of her children have to live with sewage coming  
20 out of her kitchen sink. I've witnessed children playing  
21 in sewage.

22 I know that a lot of repairs have been done, but  
23 a lot of these conditions are beyond refurbishing, which is  
24 a big concern for some of these residents. Refurbishing  
25 won't do. They've had situations where these conditions

1 have been painted over and ignored for a long amount of  
2 time.

3           So I know you the Board would wonder or are  
4 wondering why would you ask us to stop an opportunity for  
5 financing to be delivered to your property where something  
6 can be done, and they're asking simply that you look into  
7 the history of what's been promised by developers to  
8 continuously come in and make all these wonderful  
9 suggestions and promises but in the end result a lot of  
10 these things aren't done.

11           We're asking -- the tenants are asking that the  
12 Board step back and communicate not only with the developer  
13 but hopefully look at the whole spectrum which includes  
14 HUD, includes you the Board, includes the new developer,  
15 and making sure that this is not one of those properties  
16 that the developer is given the money and the tenants are  
17 left to suffer and living in horrible conditions.

18           Things have to change. I know that it's  
19 difficult, and sometimes the book says one thing, but we  
20 have to understand that there has to be a time when we all  
21 have to understand that something has to be done  
22 differently if it's not working for the best interests of  
23 those that are in the most need, those citizens that depend  
24 on you the Board and other people that make these important  
25 decisions for them to step in and say: What can we do to

1 make sure these tenants aren't left suffering for another  
2 year, another five years, another ten years, how can we  
3 change this, what can we do?

4 So I thank you for your time and your listening,  
5 your willingness to have this on the agenda, and I hope  
6 that this next Board meeting that's coming up where this is  
7 on the agenda that this conversation has been made and  
8 something is brought to the table to where not only the  
9 developer has been given an opportunity to get a chance but  
10 that there is an outcome for these tenants that is going to  
11 allow them to be able to live in quality, safe conditions  
12 for them and their children. Thank you.

13 MR. VASQUEZ: Thank you, Ms. Bowman.

14 I believe the staff still cannot actually get a  
15 connection with Ms. Littlejohn, but there are still a  
16 couple of other folks in the queue.

17 Who do you have up next, Renee?

18 MS. NORRED: We have Bobken Simonians we are  
19 looking to unmute.

20 Bobken, you are able to speak. Can you hear us?

21 Bobken, can you hear us?

22 (No response.)

23 MR. VASQUEZ: I hear what sounds like a new mic  
24 open.

25 MS. NORRED: I don't know. The light is green

1 that they are unmuted, but we cannot hear.

2 (No response.)

3 MR. DARUS: We've got another speaker lined up  
4 that is from the same group, ITEX, so maybe we could see if  
5 Mr. Simonians can get his audio working.

6 MR. VASQUEZ: Let's move on to the next speaker  
7 then.

8 MS. NORRED: We're looking to unmute Miranda.  
9 Miranda, you are unmuted.

10 MS. SPRAGUE: Hi. Good morning -- well, good  
11 afternoon. I'm on the East Coast so I'm in between lines.

12 I appreciate the time to take a second to give  
13 our update for Sandpiper.

14 MR. VASQUEZ: I'm sorry. Ms. Sprague, who do  
15 you represent?

16 MS. SPRAGUE: I am so sorry. Miranda Sprague  
17 with ITEX Development. We're a co-developer for Sandpiper  
18 Cove. My apologies.

19 MR. VASQUEZ: Okay. Go ahead.

20 MS. SPRAGUE: We hear what Texas Housers and the  
21 residents have to say. We've been doing thorough testing  
22 out at the site to really hone in on what really needs to  
23 be incorporated into this rehabilitation.

24 This isn't just going to just be paint on the  
25 walls. We want to ensure that the safety of these

1 residents are ensured. We actually intend to have a  
2 meeting with Texas Housers next week, so we want to  
3 continue to listen to them and be able to collaborate and  
4 make sure that life out at Sandpiper Cove is good for those  
5 residents.

6 In the meantime, JLM Management took over this  
7 property in April of 2020. At the time that they took  
8 over, the property was in non-compliance with HUD and with  
9 TDHCA. They have worked over the course of 2020 to get  
10 everything back into compliance with both agencies.

11 They have spent thousands of dollars to get  
12 units back online that have been offline prior with the  
13 other management company. They've strived to make sure  
14 that every resident's unit is in safe conditions. I know  
15 that they've spent a ton of time replacing several, upwards  
16 of over ten AC units.

17 They're currently trying to make sure that while  
18 we are working to secure the financing to do the  
19 rehabilitation of this development that it is still in good  
20 working order for them as they continue to live there, and  
21 I know that they will continue to do so.

22 JLM Management was unable to be on this call --  
23 well, I shouldn't say on it, they're actually listening,  
24 but they were unable to be unmuted to speak because they  
25 are on their phone and not on their computer, so I

1 apologize that there isn't a representative actually  
2 speaking for themselves about all of the repairs and things  
3 that they've done to get things back into compliance for  
4 these residents.

5 So I assure you we'll be speaking to you again  
6 at the next Board meeting and give more information as  
7 needed to show that we are looking to ensure that  
8 everything gets done that needs to get gone and keep  
9 residents safe. Thank you.

10 MR. VASQUEZ: Great. Thank you, Ms. Sprague.

11 I do not believe we have any new speakers still  
12 set up to make a presentation.

13 I would say, within the limits of what our  
14 public comment response can be, is that this is obviously  
15 an area of great concern to the Department.

16 And, Mr. Wilkinson, I'd ask that you ensure  
17 staff is following up with this and is staying in touch  
18 with Texas Housers, the Sandpiper Cove management, and  
19 ownership. I'd also be interested in getting a report on  
20 understanding what local authorities are doing to jump in  
21 on this project, because there are some big-picture items  
22 on funding rehab projects, but it sounds to me like there's  
23 some immediate issues that are more local health department  
24 kind of activities that aren't necessarily in our direct  
25 jurisdiction and need more immediate attention, obviously.

1           So please ensure that there's lots of  
2 communication going on over the course of the next month,  
3 and if necessary, if appropriate, let's have a report item  
4 next Board meeting for this.

5           MR. WILKINSON: Yes, sir. Staff will do that.

6           MR. VASQUEZ: Great. Okay. Well, it looks like  
7 we have come to the end of another meeting. I thank all  
8 for participation, and now is a good time to remind Board  
9 members and the constituencies in the audience that with  
10 the tax credit pre-applications being submitted, we are now  
11 in the in-round part of our calendar, so ex parte  
12 communication prohibitions in Government Code Section  
13 2306.1113 and the QAP rules at Section 11.202 are now in  
14 effect.

15           So in other words, please do not try to talk to  
16 Board members about any matters regarding your applications  
17 outside of meetings when we're not on the record. It can  
18 and will cause us to disqualify your application.

19           So just a friendly annual reminder that we're in  
20 the round, and please don't go to Board members with  
21 discussions, and obviously you all know the staff members  
22 that you should be communicating through and with.

23           So again, I thank everyone for participating.  
24 Welcome, Mr. Batch, to the team. And the next scheduled  
25 Board meeting is on February 11, 2021.

1                   Hearing no other business, I guess I need a  
2 motion to adjourn.

3                   MR. BRADEN:    So moved.

4                   MS. BINGHAM:    Second.

5                   MR. VASQUEZ:    Y'all aren't bashful about that  
6 motion and second.

7                   Okay.  Motion made by Mr. Braden and seconded by  
8 Ms. Bingham.  All in favor of adjourning say aye.

9                   (A chorus of ayes.)

10                  MR. VASQUEZ:    Any opposed?

11                  (No response.)

12                  MR. VASQUEZ:    None.  It is 11:44, and the  
13 meeting is adjourned.  Thank you.

14                  (Whereupon, at 11:44 a.m., the meeting was  
15 adjourned.)

C E R T I F I C A T E1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

MEETING OF: TDHCA Board  
LOCATION: via GoToWebinar  
DATE: January 14, 2021

I do hereby certify that the foregoing pages, numbers 1 through 109, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

DATE: January 18, 2020

\_\_\_\_\_  
(Transcriber)

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