TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E. 11th Street
Austin, Texas

February 21, 2019
8:00 a.m.

MEMBERS PRESENT:

J.B. GOODWIN, Chair
LESLIE BINGHAM ESCAREÑO, Vice Chair
PAUL BRADEN, Member
ASUSENA RESÉNDIZ Member
LEO VASQUEZ, Member

DAVID CERVANTES, Acting Director

I N D E X

Housing Tax Credits with another Issuer and an Award of Direct Loan Funds
18448 RBJ Phase I Austin
19409/18454 Grim Hotel Texarkana

g) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer
18445 Wurzbach Manor San Antonio

h) Presentation, discussion, and possible action on the re-issuance of a Determination Notice for Housing Tax Credits with another Issuer (#18424 Flora Lofts, Dallas)

I) Presentation, discussion, and possible action regarding site eligibility under 10 TAC §11.101(a)(2) related to Undesirable Site Features
19076 Bellfort Park Apartments Houston
19112 Hebbronville Seniors Apartments Hebbronville

HOME AND HOMELES5NESS PROGRAMS

j) Presentation, discussion, and possible action to authorize the issuance of the 2019 HOME Investment Partnerships Program Single Family Development Notice of Funding Availability and publication in the *Texas Register*

ASSET MANAGEMENT

k) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application
17204 Vista Bella Lago Vista
18015 Cambrian East Riverside Austin

l) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement
01069 Northstar Apartments Raymondville
01162 Town Park Townhomes Houston

RULES

m) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC §5.801, Project Access Initiative; and an order adopting new 10 TAC §5.801, Project Access Initiative, and directing their publication for adoption in the *Texas Register*

n) Presentation, discussion, and possible action on TAC Chapter 1, Administration, Subchapter B, Accessibility and Reasonable Accommodations; and an order adopting new Accessibility and Reasonable Accommodations, and directing their publication for adoption in the *Texas Register*

o) Presentation, discussion, and possible action on an order adopting new 10 TAC §1.410, Determination of Alien Status for Program Beneficiaries, and directing publication for adoption in the *Texas Register*

p) Presentation, discussion, and possible action on an order adopting new 10 TAC §1.411, Administration of Block Grants under Chapter 2105 of the Tex. Gov't Code, and directing publication for adoption in the *Texas Register*

q) Presentation, discussion, and possible action on an order proposing an amendment to 10 TAC §1.405, Bonding Requirements, and directing publication for public comment in the *Texas Register*

r) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §5.802, Local Operators for the Section 8 Housing Choice Voucher Program, and directing its publication for public comment in the *Texas Register*

s) Presentation, discussion, and possible action on an order proposing an amendment to 10 TAC §1.15, Integrated Housing Rule, and directing publication for public comment in the *Texas Register*

t) Presentation, discussion, and possible action on the adoption of the 2019 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 10 TAC §1.23 concerning State of Texas Low

Income Housing Plan and Annual Report, and directing their publication in the *Texas Register*

u) Presentation, discussion, and possible action regarding adoption of amendments to 10 TAC §23.24, concerning Administrative Deficiency Process, and §23.51, concerning Contract for Deed General Requirements, and directing their publication in the *Texas Register*

v) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 7, Subchapter C, Emergency Solutions Grants; and an order adopting new 10 TAC Chapter 7, Subchapter C, Emergency Solutions Grants, and directing publication for adoption in the *Texas Register*

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) TDHCA Outreach Activities, (January-February)
b) Report on the 2020 QAP Plan
c) Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act (PFIA)
d) Report on the Department's Interim Balance Sheet/Statement of Net Position for the period ended November 30, 2018
e) Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures

ACTION ITEMS

P R O C E E D I N G S

MR. GOODWIN: Good morning. I am going to call to order the February 21st Board meeting for the Texas Department of Housing and Community Affairs. We will start with a roll call.

Mr. Vasquez.

MR. VASQUEZ: Present.

MR. GOODWIN: Ms. Reséndiz.

MS. RESÉNDIZ: Present.

MR. GOODWIN: Ms. Bingham.

MS. BINGHAM ESCAREÑO: Here.

MR. GOODWIN: The man on the far end there, Mr. Braden.

MR. BRADEN: Here.

MR. GOODWIN: Here. Ms. Thomason is not here. So we do have a quorum. And we will officially start the Board meeting. Please rise and join us as David leads us in the pledge to the flags.

(Whereupon, the Pledge of Allegiance was recited.)

(Whereupon, the Pledge to the Texas flag was recited.)

MR. GOODWIN: Every time I say that pledge I am a little worried that I am going to screw the words up. Yes.

So Mr. Lyttle, I believe you have a resolution to read into the record?

MR. LYTTLE: Yes, sir. It reads -- excuse me, it reads as follows.

Whereas, February 2019 is Black History Month, and has a nationally designated theme of Black migrations, emphasizing the movement of people of African descent to new destinations and subsequently to new social realities, beginning in the earliest 20th century and continuing today, in the 21st century.

Whereas, the Texas Department of Housing and Community Affairs recognizes the significance of Black History Month as an important time to honor African Americans as they moved from the farm to the cities, from the South to the more industrialized Northeast, Midwest and West, and from poverty to the national stage in business, politics, literature and the arts.

Whereas the Department recognizes African American migration patterns and the continuous movement and relocation of these families, that such migrations have resulted in a more diverse and stratified interracial and intraracial urban population amid a changing social climate. And that such migrations have required a greater need for affordable housing in those relocated areas.

And whereas the Department recognizes that today black migrations are worldwide, and the historic trend of migration has reversed with an increase in black populations looking for jobs and affordable housing in southern cities such as Atlanta and Houston.

Now, therefore, it is hereby resolved that the Texas Department of Housing and Community Affairs recognizes the significance of Black History Month as an important time to acknowledge, better understand, and celebrate the history of African Americans, and encourages the continued celebration of this month to provide an opportunity for all peoples of the State of Texas to learn more about the migration of African Americans, its impact on African Americans in business, politics, literature and the arts, and the impact affordable housing has had on the success of African Americans in these areas, as they relocate.

And recognizes that in pursuit of the goal and responsibility of providing affordable housing and equal housing opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs does hereby celebrate February 2019 as Black History Month in Texas. And encourages all Texas individuals and organizations, public and private, to join and work together in this observance of the impact and importance of affordable housing and equal housing opportunity to the success of all Texans.

MR. GOODWIN: Do I hear a motion to adopt this resolution.

MS. BINGHAM ESCAREÑO: So moved.

MR. GOODWIN: Second.

MR. BRADEN: Second.

MR. GOODWIN: It has been moved and seconded. Any discussion?

(No response.)

MR. GOODWIN: Comments?

(No response.)

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. We are moving on to the consent agenda. And we have a correction to the consent agenda and some items to be pulled. But before we listen to that correction, are there any items on the consent agenda that any Board member would like to pull?

(No response.)

MR. GOODWIN: No? Anybody in the public have any items that they would like to pull?

(No response.)

MR. GOODWIN: Okay. Marni, you go ahead.

MS. HOLLOWAY: Good morning. Marni Holloway, Directive of Multifamily Finance. On item 1(f), application 18448 for RBJ Phase I. We have a correction to the underwriting report that was published in your Board materials. There are hard copies out front. And I believe that each of you have one now.

Through the underwriting process, there was an error in the unit mix. So we have published -- or the Real Estate Analysis Division has published a revised report, that says, per the Applicant, they submitted the incorrect revised unit mix during application underwriting.

The underwritten unit mix included 81 50-percent units and 147 60-percent units. The correct unit mix includes 72 50-percent units and 156 60-percent units. There are no other changes. And this did not impact the feasibility analysis.

MR. GOODWIN: Okay.

MS. HOLLOWAY: Okay. On that same item, 1(f), we are pulling off the agenda application 19409 Grim Hotel. We will be bringing that back to you in a future meeting. We are also pulling off Item 1(g), for Wurzbach Manor. That one also will be coming to you at a future meeting.

MR. GOODWIN: Okay. Hearing no other comments, do I have a motion to approve the consent agenda? As modified; I am sorry.

MS. BINGHAM ESCAREÑO: I move to approve the consent agenda with the modifications made by staff.

MR. GOODWIN: Second.

MR. BRADEN: Seconded.

MR. GOODWIN: So it has been moved and seconded. Any discussion?

(No response.)

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. The consent agenda is approved. So we are going to move into Executive Session. I need to read this document for just a moment, please.

The Governing Board of the Texas Department of Housing and Community Affairs will go into closed, or Executive Session at this time, pursuant to Texas Government Code 551.071 to seek and receive the legal advice of its attorney. Pursuant to Texas Government Code 551.072, to deliberate the possible purchase, sale, exchange or lease of real estate.

The closed session will be held in the adjacent meeting room at the rear of this hearing room. The date is February 21st, and the time is 8:06 a.m.

(Whereupon, the Board recessed into Executive Session at 8:06 a.m.)

MR. GOODWIN: The Board is now reconvened in open session at 8:27 a.m. During the Executive Session, the Board did not adopt any policy, position, resolution, rule, regulation, or take any formal action or vote on any item.

We are moving to the action items. Item 3, Tom. Good morning.

MR. GOURIS: Good morning, Board. My name is Tom Gouris. I am a Director of Special Initiatives for the Department. This item before you is the sale of 901 North Orange Street, in Alpine, Texas, known as the Alpine Retirement Community.

This property has been before you before, about a year ago. We had a contract of offer on it, and contracted it. Unfortunately, that property -- that sale did not manifest to completion.

So we are bringing this back to you today with a new offer, a new purchaser. The purchaser is a company called Well Empowered Health. It is a nonprofit organization.

The terms of the transaction were discussed in Executive Session. And I think that they are a fair offer.

We are also asking to extend the LURA on this property for an additional 15 years. And also asking that we have the authority to continue a sale, if this sale falls out, to continue to market and sell the property, should this one fall out.

MR. GOODWIN: Okay. Do I hear a motion to accept staff's recommendation?

MR. VASQUEZ: Move to accept staff's recommendation.

MR. GOODWIN: A second?

MR. BRADEN: Second.

MR. GOODWIN: Any discussion?

(No response.)

MR. GOODWIN: All in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Thank you, Tom.

MR. GOURIS: Thank you all. Item 4, home ownership program. Cathy.

MS. GUTIERREZ: Good morning.

MR. GOODWIN: Good morning.

MS. GUTIERREZ: Cathy Gutierrez, Director of the Texas Home Ownership Division, presenting to you on

Item 4, quarterly reports for Texas Home Ownership Division activity. I will try to make this fairly quick.

I just wanted to give you guys an update on some of the modifications that we have made to the quarterly reports that have previously been presented to you. I will start off by saying that the programs are holding strong.

We are excited, and quite frankly, very proud of the affordable home ownership options TDHCA continues to make available to low- and moderate-income Texas homebuyers. The quarterly reports were initially created to provide Division activity in terms of loan volume and number of households served under the programs.

Recent modifications have been made to include newly introduced loan options, and to also provide demographic and geographic information. The aggregate summary report, which is page 3 of Item 4, provides a breakdown of each available home ownership option and related volume over the last three calendar years.

Two columns of information have been added to this report. Our newest option, the My Choice Texas Home program described to you on page 1 of your writeup, was released and opened for loan reservations in mid-October of last year. The program has been well received by the lending community, and we are now able to report loan purchase activity for this option.

The bond program option was added to the report, to report loans that have been closed and purchased under a tax exempt bond issuance. The data provided in today's report is specific to the 2018 Series A bond issue released in August of 2018.

As mentioned in the previous quarterly report, the 2019 Series A bond allocation of $143 million was fully originated in less than two months, which brings us to the most recent bond allocation. The 2019 Series A bond issue was released just last week, February 11th, making available approximately 166 million in mortgage loan options, offering a very attractive unassisted rate of 3.99 percent.

Lenders, realtors, and more importantly, Texas first-time homebuyers have certainly taken notice and are excited for the opportunity and affordability these low rates provide to the mortgage loan. In less than two weeks, approximately eight business days, just about 29, I mean, 20 percent or 29 million of those funds have been committed under this new bond allocation.

A quick update on our mortgage credit certificate program. As recommended and approved at the January Board meeting, the standalone MCC option has been suspended, as of February 1st of this year. The decision to suspend the option is due to significant and ongoing demand for MCCs and the issue of private activity bonds being a limited resource to meet the demand.

TDHCA is extremely proud of the success the Texas MCC program has experienced over the years, assisting over 11,500 Texas first-time homebuyers to better afford home ownership through this tax savings benefit. The overwhelming demand for MCCs resulted in TDHCA providing MCCs in conjunction with approximately 1.9 billion in mortgage loans, just in fiscal years 2015 to 2018.

There are several active standalone MCC programs available in various areas throughout the state, provided by local housing finance corporations, and other entities. Staff has compiled a list of these programs to provide to mortgage lenders and consumers as stand alone MCC options to consider. TDHCA continues to offer the MCC in combination with our down payment assistance through our combo option.

Turning to page 4 of Item 4, the demographic information, this report displays the most recent twelve months data on the average household purchasing a home under the program. The intent in providing the demographic information is to give you a visual of what the average homebuyer looks like under the program.

Today, you would see a 36-year-old male in a household of two with an income of $54,958, purchasing a pre-existing single family home using FHA financing with a mortgage loan of $169,698. The income mentioned represents a household income of less than 80 percent of the average area median family income.

It is also important to note here that although the programs do allow for household incomes up to 115 percent of the area median family income, year after year, the majority of funds continue to assist households that fall into the 80-percent-or-below income range. On average, 68 percent of those served are low-income first time homebuyers.

The aggregate report on geographic distribution, which is page 5 of Item 4, includes a map illustrating a twelve-month distribution of funds across the state. Harris, Travis, Bexar, El Paso and Tarrant counties come in as a top five originating counties in the state.

However, as shown on the map, home ownership benefits have been provided to households in 146 of the 254 Texas counties, assisting approximately 57 percent of the counties in the state. The map will be considered by staff to determine future outreach efforts for underserved areas of the state.

That is pretty much my report. That sums it up. If there is anything that you all would like to see added to the report, additional information, additional data, we are happy to consider that, and bring that to you. And with that, I will answer any questions.

MR. GOODWIN: I would like to point out that in '16, we served 2,894 families, and in '17 and 18, over 7,500. So great job.

MS. GUTIERREZ: Thank you.

MR. GOODWIN: Thank you. Any questions or comments from Board members?

(No response.)

MR. GOODWIN: If not, do I hear a motion to accept this report?

MR. BRADEN: Move to accept.

MR. GOODWIN: Second?

MR. VASQUEZ: Second.

MR. GOODWIN: It has been moved and seconded. Any discussion?

(No response.)

MR. GOODWIN: If not, all those in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Thank you, Cathy.

MS. GUTIERREZ: Thank you.

MR. GOODWIN: Next, we have Item 5, Community Affairs. Mr. De Young.

MR. DE YOUNG: Good morning, members of the Board. Michael De Young, Community Affairs Division Director. Item 5 is concerning Galveston County Community Action Agency.

I will take you back to the last Board meeting, where we had a conversation about Galveston County. And there were concerns that we weren't seeing the improvements that we needed to see.

We made a recommendation to the Board. And we had public comment. And we had some good discussion at the Board level. And ultimately, the recommendation was that we give them an additional 90 days to resolve some of the issues that we have identified.

Immediately after that, we got back to our office, just a block and a half away, and realized we have a potential issue. And it is really not a big issue. But we didn't have an approved '19 contract. Galveston was still operating on their old '18 contract.

And they still had about half a million dollars left in that contract. They are going to be working, pledging funds for utility assistance over the next few months. And there is the potential risk that they could run out of funds, and we would have a disruption of services.

So the item before you today is to give them access to 25 percent of their '19 contract. It is about $830,000 roughly.

I don't anticipate that they will you know, go spend that $830,000. I think this is more preventive, just so that we don't have a disruption of services, should they expend those funds over the next two months.

With your approval, we would go back this afternoon, and immediately begin routing a contract. And it would be there. They will fully expend that '18 first.

We do, the process is for every subrecipient is spend your old contract, and then we will move into the new contract. This is just for the potential of having bills start to -- bigger bills start to come in. And they have the ability to expend '19 funds.

As an update to the last Board item, you instructed staff to come up with kind of a measuring stick of what we would like to see. And then, work with Galveston County Community Action to have check ins.

So we did our 30 day check in, in fact, this past Tuesday morning. We had a phone call with the Board Chair, Joe Compian, who is also here -- and the staff.

And Ernest will be going out, about 30 days from now, at the end of March, to do an assessment of where they stand. And then, we will come back to you at the late April meeting with a formal recommendation of where are they in this process, and what are the next steps?

So where the Board is at -- or the staff is asking for your approval to enter into a 25-percent contract with Galveston County Community Action for the 2019 CEAP funds.

MR. GOODWIN: Okay. Do I hear a motion to approve staff's recommendation?

MR. BRADEN: I'll make the motion to approve staff recommendation. And I also want to commend the fact that after we made a decision that you did not expect, you thought about it and came up with this. Thinking ahead, I appreciate it.

MR. GOODWIN: A second.

MS. BINGHAM ESCAREÑO: I will second.

MR. GOODWIN: Okay. It has been moved and seconded. Any questions or discussion?

Leo?

MR. VASQUEZ: Question. So the 800,000 roughly, that is saying, here is the entire amount? Or is it approving up to that amount, and they would --

Galveston County would ask us for, okay, we had $300,000 this month. We have --

MR. DE YOUNG: We are asking you to approve a 25-percent contract, which is the $800,000. They will -- as soon as they fully expend their '18 contract. And that may be, for example, mid-March.

They would close out that '18 contract, report all their final expenditures, and move over into the last two weeks of March. And say they expend $200,000. They would draw that $200,000 on the '19 contract.

There is a true up every month of, what do you have in cash on hand. How much do you need to make good on all the commitments you have made. And so, they would have access to 800, but they would not draw down 800. They would draw down only what they need.

MR. VASQUEZ: Right. And so, we are still having these 30-day look-ins, or whatever, to see if progress is being made towards compliance before.

MR. DE YOUNG: Right. And we'll continue that, and come back with that recommendation at the late April Board meeting. After Ernest.

MR. VASQUEZ: Okay. So it is not just, here is another -- go forward with another $800,000 and come back to us after that. We are still --

MR. DE YOUNG: We are still monitoring them.

Yes.

MR. VASQUEZ: Okay. Thanks.

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: If not, all those in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. Thank you, Mike.

MR. DE YOUNG: Thank you.

MR. GOODWIN: Item 6(a), Andrew. You are going to do 6(a) and 6(b), Andrew?

MR. SINNOTT: That is correct. Yes.

MR. GOODWIN: Okay.

MR. SINNOTT: Good morning, Board. Andrew Sinnott, Multifamily Loans program administrator. So Item 6(a) is a presentation, discussion and possible action regarding an award of direct loan funds from 2018-1 Multifamily Direct Loan NOFA for Eastern Oaks Apartments.

So this is the second time that this application has been before you. Its development site was previously found eligible with regard to poverty rate and school rating in November of last year.

This development is a 30-unit development constructed nearly 40 years ago in Southeast Austin. That is owned by the Housing Authority of Travis County, which is the Applicant.

The development was converted from public housing units to project-based rental assistance units through HUD's RAD program in 2016, along with two other Housing Authority of Travis County properties that utilized equity from 9-percent tax credits as the majority of their financing. Since Eastern Oaks Apartments was not viable as a competitive Housing Tax Credit application, it has requested $2 million from the supportive housing soft repayment set-aside by virtue of restricting all 20 direct loan units to 30 percent AMI.

The population being served is a general population. The $2 million in direct loan funds represents the only Department funding. No tax credits are being requested.

So as a result, the requirements in 10 TAC 13.8(c)(6)(A), regarding 20 percent owner equity, and (C) regarding an appraisal showing no more than 80-percent loan to value with regard to the direct loan, those two requirements become applicable. So waivers have been requested for both of those requirements.

Three direct loan only applications have previously received waivers of 20-percent owner equity, of the 20-percent owner equity requirement on their way to ultimately receiving direct loan awards. These three direct loan only applications mitigated the risk inherent in direct loan only transactions by providing a combination of owner equity, private foundation grants, local government grants, and donated labor, materials, and professional services.

Similar to two of the three direct loan applications that previously moved forward with less than 20-percent owner equity, Eastern Oaks Apartments financing is composed primarily of soft debt, with the Department's $2 million, and the City of Austin's $1 million, representing approximately 88 percent of the total housing development costs. Leaving only 12 percent of the financing subject to hard repayment provisions.

Furthermore, with regard to mitigating circumstances for the lack of 20-percent owner equity, the Applicant's most recent financial statements for fiscal year ending June 30, 2017, as well as the letter from its financial institution, reveal that it is maintaining a healthy financial position with sufficient liquid assets to cover any cost overruns or delays in funding.

It is also worth noting that the revised 2019 owner equity requirement in Chapter 13, in the multifamily direct loan rule, allows for direct loan only applicants to move forward with less than 20-percent owner equity, without needing a waiver, but rather, with Board approval of a reduced equity as a result of mitigating circumstances, like I have been describing.

While the 80-percent loan-to-value ratio requirement with respect to the direct loan has not been waived previously, the Department's loan, which is currently approximately 89 percent of the value of the property, should ultimately represent a significantly lower percentage of the value of the property once the rehabilitation is complete.

Staff is recommending the Board's approval of the waivers of 10 TAC 13.8(c)(6)(A) and (C) as a result of the mitigating circumstances described, and as a result of the Housing Authority demonstrating that they could not have foreseen or prevented needing these waivers as a result of limitations under which a public housing authority has had to operate for the past several decades.

In addition to the waivers of 10 TAC 13.8(c)(6)(A) and (C) being requested, the Applicant also requested a waiver of 10 TAC 10.302(i)(5)(B), which requires cash flow to remain positive throughout the term of the direct loan. According to staff's analysis, cash flow is projected to go negative in year ten. So that is where this waiver is coming from, or is resulting from.

So 10 TAC 302(i)(6)(B) allows a development such as this one, which is receiving PBRA, project based rental assistance, through a RAD conversion for at least 50 percent of the units to move forward without meeting several feasibility requirements, but not the positive cash flow requirement. So it is the positive cash flow requirement that they are requesting the waiver on.

All of the other feasibility conclusions, they are being given this exception in 10 TAC 10.302(i)(6)(B). Therefore, after reviewing the documentation, namely, the project-based rental assistance contract and the Housing Authority's resolution irrevocably committing to fund any operating deficits that may arise during the term of the loan submitted by the Applicant, that supports the unique circumstances that provide mitigation, the Acting Director has granted an exception in accordance with 10 TAC 10.302(i)(6)(A), with regard to the negative cash flow.

Additionally, this application is being recommended for an award of TCAP repayment funds, which is the only source of funds available to this application as a result of the set-aside, the supportive housing soft repayment set-aside under which is supplied and construction activity rehabilitation being proposed. Currently, rehabilitation is not an eligible activity under the state's National Housing Trust Fund allocation plan.

So NHTF was the only other -- NHTF and TCAP were the two sources under the set-aside. This application is only eligible for TCAP repayment funds.

Were this application eligible to be recommended for an award of NHTF, staff would not be in a position to grant the exception available in 10 TAC 10.302(i)(6)(A). For these reasons, staff recommends approval of the Applicant's requested waivers and approval of a $2 million direct loan award out of the supportive housing soft repayment set-aside, which will be sourced with TCAP repayment funds.

If you have any questions?

MR. GOODWIN: Questions?

(No response.)

MR. GOODWIN: Anybody got that 10 TAC 10.302(i)(6)(A)? Could you repeat that again?

MR. SINNOTT: This was -- yes. Quite a meaty Board item.

MR. GOODWIN: I think I understand what you are saying. But I also thought I understood my wife when she was talking to me last night, too.

MR. SINNOTT: This was a very rule oriented --

MR. GOODWIN: A rule oriented recommendation? You have checked every rule?

MR. SINNOTT: Yes.

MR. GOODWIN: You promise. Promise. Scout's honor?

MR. SINNOTT: Scout's honor.

MR. GOODWIN: There you go. Any questions? If not, I will consider a motion.

MR. VASQUEZ: I have a question or two.

MR. GOODWIN: Sure.

MR. VASQUEZ: In plain English, the quote direct loan, what are the terms of repayment that you are recommending?

MR. SINNOTT: So this is a deferred forgivable. So as of --

MR. VASQUEZ: Zero.

MR. SINNOTT: Zero. Zero percent.

MR. VASQUEZ: It is a gift.

MR. SINNOTT: Deferred forgivable 30-year term. So yes. This is the part of that 88 percent of the total housing development costs being soft debt with really no repayment provisions. Our $2 million is part of that 88 percent of the total development costs, which are soft debt.

MR. VASQUEZ: Okay. And forgive me if I missed it, I am from Harris County, not Travis County. So I don't have these details.

So for this Eastern Oaks project, is this something that the Travis County Housing Authority or Housing Authority of Travis County is coming in to save? Or is it a project they started in the first place?

MR. SINNOTT: It is a project that they have owned for the whole period, that it has been around. Like I said, it has been -- it was constructed in 1980, or '82, I believe. And they have owned it this whole time.

So it is just a matter of, you know, there is some -- they have kept it in as good condition as they could, given the limited capital and operating funds that housing authorities have been receiving for the past several decades. But they have converted it to this RAD transaction whereby they can go out and get financing outside of HUD.

So they have come to us. They have come to the City of Austin. And they have got a small $400,000 from a private bank to fund the rehabilitation.

MR. VASQUEZ: Just so I understand. In the limited news I have been reading about, isn't Travis County and the City of Austin, aren't they dedicating all kinds of new funds to --

MR. SINNOTT: The City of Austin passed housing bonds, yes, this past year. I am not sure if this particular deal is being sourced with housing bonds passed by the City of Austin in this past, in 2018. But there are some other housing bonds passed by the City of Austin several years ago that they also may be using.

MR. VASQUEZ: It just seems odd to me that we are being tapped to be the main funding source of this project that Travis County started.

MR. SINNOTT: Sure. And the Applicant is here. She may be able to better answer this question.

MS. HICKS: Hi. Jennifer Hicks with True Casa Consulting. I am the consultant to the Applicant for this project.

So to answer your question, Mr. Vasquez, that we applied to the City of Austin back in July of 2018. That was before the new $250 million in general obligation bonds became available.

So we are up for approval of funding March 7th, by the Austin City Council for the $1 million. And that will be made up of a few different sources: the kind of leftovers of the last general obligation bond package from the City, and then, some HOME dollars that the City has. So it won't be taking advantage of the new allocation because that came -- that just opened up in January.

MR. VASQUEZ: Okay. So I am sorry. Did you say that the City of Austin's $1 million has not been approved yet?

MS. HICKS: The staff has approved it. It is on City Council agenda for March 7th approval.

MR. VASQUEZ: Okay. But as of right now, it has not been.

MS. HICKS: It has not.

MR. VASQUEZ: Is it contingent on our $2 million?

MS. HICKS: No.

MR. VASQUEZ: Okay.

MS. HICKS: And then, just going through the funding stock available, just for back history, the Housing Authority had three projects that went through the RAD conversion at the same time.

Two of those projects were packaged and applied for tax credits and were allocated tax credits, and are almost complete with their rehabilitation right now. This project didn't score well in the 9-percent round, and it wasn't eligible for -- a good fit for the tax credit funding.

And so, that is why we put together a funding package that included the NFTL funding. As a consultant, I have utilized the NFTL funding on many different applications. And I can say this tiny project, we went through a lot of different iterations to make this project work.

But you know, I think the intent of the NFTL funding, the soft forgivable funding fits well for this project that has, you know, all the rents are set at -- per the HAP contract, all the incomes of the residents are at 30-percent AMFI and below. There is just not a lot of cash flow on this project to support debt.

And I think, you know, we have really tapped the resources that are out there, to make the financing of this project work.

MR. VASQUEZ: Okay. Thank you.

MS. HICKS: Is that helpful?

MR. VASQUEZ: The other, let me just, again. This isn't a reflection on your project. I would assume that every project, a $2 million forgivable loan fits well into their financing package. Right. That is a rhetorical statement.

MS. HICKS: Sure. Right. Well, and the other thing I guess I would say is, there is money available. So I think that if there was a situation where there were a lot of projects competing for a very limited plot of money.

But there is money available. And so, I guess that was the other reason why, you know, we have gone this route.

MR. VASQUEZ: Thank you, Ms. Hicks.

MR. GOODWIN: Other questions?

MR. VASQUEZ: More internal to staff, and I think you all know I have been asking lots of questions on direct loan programs, especially after-the-fact direct loan programs.

This really isn't after the fact that one of our awards and then a tax credit award then follows. So it is a different animal. I recognize this is somewhat different. But it is still concerning, especially when there is no chance of us getting --

MR. SINNOTT: Right. So --

MR. VASQUEZ: What I am getting at, is this a slippery slope that we have gone from giving 40-year amortization, zero-interest -- I feel like we are sliding down the slope to now giving, here is zero payback as well. It just seems to be getting worse every time I hear direct loans.

MS. HOLLOWAY: Marni Holloway, Director of Multifamily Finance. So in each direct loan NOFA, there is a set-aside that is the supportive housing soft repayment set-aside.

That set-aside is composed of our National Housing Trust Fund dollars that are allocated to us by HUD annually. They come with a requirement to serve households at 30 percent of AMI, or less.

The balance of the set-aside, the other funds come from our TCAP repayment funds. These are TCAP loans that have been, we are receiving income from. And we are recycling that income.

The purpose of that set-aside is to provide funds to serve these lowest income households. Or in supportive housing transactions where the cost of providing the supportive transactions makes debt payments very difficult. That is the whole purpose of this set-aside.

So when the NOFA was previously approved, this was part of that process. Our 2019-1 NOFA has a similar set-aside composed of National Housing Trust Fund dollars and TCAP repayment funds.

MR. GOODWIN: Okay.

MR. SINNOTT: And the TCAP repayment funds, it should be noted that the TCAP repayment funds in the set-aside are the interest that we have accumulated, not the principal that we have accumulated on TCAP repayments. So this is just -- you know, this isn't cutting into the principal that we are receiving.

So we are still -- this is just the extra portion that we are setting aside for these types of deals that are not able to support hard, repayable debt.

MR. VASQUEZ: And this total size of this development is 30 units?

MR. SINNOTT: Correct.

MR. VASQUEZ: So our $2 million, the hopeful city $1 million, and $400,000 from the bank?

MR. SINNOTT: Uh-huh.

MR. VASQUEZ: So that is $3.4 million, or $113,000 a door for rehab?

MR. SINNOTT: Yes. This has been a project that, like I said, they have done the best they could, the Housing Authority of Travis County, as I understand it, with the limited resources that they have had.

But there is a lot of rehab needed. And if Robert, or Jennifer --

MR. VASQUEZ: Couldn't you just knock the whole thing down and start new?

MR. ONION: Good morning. My name is Robert Onion. I am with the Housing Authority of Travis County. You know, very good questions.

You know, this is a 40-year-old property. I think the issue that we have is the density. You know, it is about six units to the acre.

And if you look at it just strictly from a development standpoint, you would say, well, gee, why couldn't you increase the density. But of course, we are in the City of Austin. And we do have tree ordinances.

And then, we also have setback line requirements that keep the property from developing and actually doing it new.

So we do have to do it rehab. With regard to the worthwhileness of the property, again, these are at 30 percent of area median income.

And it is very different than the programs that you all administered, in that all you have to do is walk in and you pay 30 percent of your income. And so, if you make $8,500 a year, your rent is $200.

And as I said, in the last Board meeting, we are the difference between the tax credit program and homelessness. This is the only safety net.

If you have looked at City of Austin blueprint for affordable housing, there is a need for over 20,000 units by 2025, at 30 percent and below. Also, you heard testimony that the expenses are 80 percent of the income that is being brought in. Therefore, it can't support very much debt.

We, in fact, do not pay property taxes. If we did pay property taxes, then we would have no cash flow at all. So that is why we have to access these programs in order to do the rehab.

And of course, this will reposition the property for the next 30 to 40 years. And preserve housing with a 20-year HAP contract with HUD.

And to give you some idea, we are -- you know, a one bedroom apartment is the max amount that we can receive in subsidy. Not what we get from the tenant, is $387 a month. And that is in the City of Austin.

So extremely low rents. We did do the RAD conversion to keep the subsidy in place. And we are preserving the housing.

MR. GOODWIN: I don't think you answered his question.

MR. ONION: I didn't?

MR. GOODWIN: What do you think about $113,000 to rehab a one-bedroom apartment?

MR. ONION: I would say that is a lot, I think, if you compare to a tax credit program. We just did the tax credit program on the other two properties. That was $137,000 a unit for rehab. So this is actually a little bit lower, because you don't have as many of the program requirements as a result of that.

So you know, we are also doing with our Housing Finance Corporation, new properties. And they are going for $150,000 for new properties. So yes. It is very expensive. I don't know that there is an alternative to it.

MR. GOODWIN: Other questions?

MR. SINNOTT: And the costs were borne out in the PCA. Is that correct?

MR. ONION: That is correct. Yes.

MR. SINNOTT: So the PCA that they provide the property condition assessment bore out these costs, the PCA that met our rules.

MR. GOODWIN: Well, I just renovated a 6,500 square foot home with new granite counter tops, new hardwood floors, all painted, et cetera, for under $100,000. I have a real problem with $113,000 to renovate an apartment. Just to be frank with you, I just wrote those checks.

MR. VASQUEZ: So the density is six units an acre?

MR. SINNOTT: Yes, sir.

MR. VASQUEZ: And we can't change that. I mean, all right.

MS. HICKS: Because of the trees on the property. The other thing I wanted to point out. There are significant relocation costs in the development budget. So I think those were at two --

MR. ONION: Three hundred thousand.

MS. HICKS: Three hundred thousand. So that is factored into that number, that per unit cost. Just putting that out there. And in doing development in Austin, construction, $100,000 is, above $100,000 is normal.

But the other thing I wanted to point out was, we did put this application in, considering National Housing Trust Fund funding. That is what we had anticipated for this project to be. Unfortunately, rehab wasn't allowed.

In the federal rules, rehab is allowed. But the state rules have been written as such that rehab is not allowed. So I just wanted to put that out there; that we had positioned this originally for National Housing Trust Fund because of the 30-percent units.

MR. GOODWIN: Any other questions? Comments.

MR. VASQUEZ: I guess, so the -- what you are asking the Board to approve now is just the $2 million.

MR. SINNOTT: Correct. The waivers and the two million dollars, structured as a zero-percent deferred forgivable loan over 30 years.

And to be clear on the rehab, it is a gut rehab. It is everything down to the studs. So this is a higher level of rehabilitation than we typically see.

MR. VASQUEZ: Is it possible for us to add in, if this is -- if we approve this $2 million, that it is contingent upon the $1 million from the City?

MR. SINNOTT: Sure. And we'll typically underwrite or have the final costs and source and uses go back through underwriting prior to closing, to loan closing. So ensuring that that $1 million from the City is there will be part of that.

MR. VASQUEZ: Okay.

MR. BRADEN: I have a question. So this pot of money we are using is designed to be used for these type of projects.

MR. SINNOTT: Correct. Yes. Extremely low incomes. Either -- so there is two ways that you can access these funds in the supportive housing soft repayment set-aside. You can either be serving a supportive housing population, or you can be serving a general or an elderly population.

And then, limit the direct loan units to 30-percent AMI or below. So it is intended for extremely low income and or supportive housing.

MR. BRADEN: And some of these are questions for the property. So obviously you are working within limitations that are imposed on you by the City of Austin, to what you can or cannot do with this property.

MR. ONION: Yes, sir. With regard to zoning and also the ADA requirements for -- each of the units have to be ADA accessible, which creates an additional cost, along with getting around the trees.

MR. BRADEN: And when you came up with that 113 per unit, that included -- you are going to gut these properties. So you are moving people out. And then are you going to move them back in? Or is the same people going to be back in the units?

MR. ONION: Yes, sir. We will be moving them out. We probably will move out, say 15 residents or 15 buildings, rehab those. Soon as they are finished, we will bring them back in, and start with the second phase.

MR. BRADEN: So all of that relocation is caught up in these numbers we are talking about.

MR. ONION: Sure. It is built into the budget. And it is a requirement of HUD under the relocation plan that we do that. And it is a very extensive cost associated with that.

MR. BRADEN: So it is not remodeling as we think of remodeling, since it is additional costs that you are covering.

MR. ONION: Absolutely.

MR. BRADEN: I will make a motion to accept staff recommendation and approve the resolution.

MS. BINGHAM ESCAREÑO: I will second the motion.

MR. GOODWIN: Made and seconded. Any other questions or discussion? With conditions.

MR. BRADEN: What condition is that?

MR. GOODWIN: With the condition of the $1 million.

MR. VASQUEZ: With the condition that the City of Austin approve their million.

MR. BRADEN: I will accept that.

MR. GOODWIN: Okay. Any other questions or discussions?

(No response.)

MR. GOODWIN: I have got a question, Andrew. What is the problem if we table this for 30 days. Does that create any problems for us?

MR. SINNOTT: Not for staff, necessarily. I am not sure if it would cause anything for the Applicant.

MR. ONION: Of course, the City of Austin is ready to go, and they want to approve it March 7th. Of course, they are saying that we would like for you to close in April.

You know, there is still a lot of development work that we need to do in order to you know, engage the general contractor, et cetera, to do that. That will cause a delay in the process.

You know, we have been working on this for an awful long time. As you know, Mr. Goodwin, time kills deals. And you know, I would hate to delay things any further than we have to.

MR. GOODWIN: I understand. How does this deal get killed if we delay it 30 days?

MR. ONION: Well, things get -- things change. I am sure the City of Austin is going to make it contingent upon you approving, since you are 2 million.

MR. GOODWIN: I thought we heard earlier that it wasn't contingent.

MR. ONION: Well, you know. We represented that we were going to the Board today for approval. At this point, it is not contingent upon that. If it is delayed, they could go back and have the same discussion that you all are having. And say well, we would really like to have TDHCA.

But that is you all's decision. And we certainly will stand by it. And we are just very appreciative of the efforts that you all have made in this regard.

MR. GOODWIN: Yes. Any other questions? My reason for asking that question is simply, I find the 103,000 when you take the 10,000 out for relocation preposterously high.

And I am going to vote no against the motion, which I will tell the Board members but would like to have the opportunity to see the costs. At this stage of the game the six units to an acre does not have any impact whatsoever on costs.

It is just an underutilized piece of property that I understand the City of Austin will not allow you to maximize. But it surely doesn't increase your costs. And getting around trees is a project dilemma with everybody.

With that being said, if the other Board members would approve, I would just like to see our staff -- and personally, I would like to review those cost numbers a little bit closer, and go take a look at the property.

I am just telling you, I just spent this money out of my own personal checking account to this rehabilitation. And it was in Travis County. And it was under the guides of the City of Austin.

And it was almost everything that you mentioned that was going to be done in these apartments. But it was done under a lot more square footage. So that is my position.

MR. BRADEN: I mean, since staff said there is no harm in tabling it, I move we table it for 30 days. I will retract my motion, if that makes sense.

MR. GOODWIN: Okay. Would you retract your second. Motion to table for 30 days? Come back at our next Board meeting?

MR. BRADEN: So moved.

MR. GOODWIN: Second.

MS. BINGHAM ESCAREÑO: I will second.

MR. GOODWIN: It has been moved and seconded. Marni, do you have comments about that you would like to make?

MS. HOLLOWAY: I would just ask for some clarity around what the Board would like us to do in this next 30 days, and what would you like us to bring back to you next month.

MR. GOODWIN: Okay. What I would like to see is a verification of these costs in a complete breakdown to the Board members of what these costs are, and how they compare with other. It just seems completely out of line to me.

MS. HOLLOWAY: We have a property condition assessment that is where those costs come from, that of course we can provide to you. It is up on our website right now. But we can make sure that you have all of that.

When you say comparison, what would you like us to be comparing to? I mean, REA has looked at those costs, and compared them to information that we have.

MR. GOODWIN: Okay.

MS. HOLLOWAY: So is that the kind of --

MR. GOODWIN: That is what I would like to see and have brought out.

MS. HOLLOWAY: Okay.

MR. GOODWIN: And I will do my own comparisons with it as well, and provide it at the next Board meeting, too.

MS. HOLLOWAY: Certainly.

MS. BINGHAM ESCAREÑO: Doesn't REA then have like, if we wanted to see the last three years of rehabs, and costs per door or per square foot or whatever. I just want to make sure that -- so I work in hospitals, where I just did a project where patient rooms were 70 grand to redo a patient room.

And I did the same thing. I was like, wow. You can buy a small house for near that. And those weren't even ORs or anything.

But I just want to make sure that you know, this development stands on its own merit, you know. It is not -- I think it is -- we all agree that it is a meritous development and initiative. And that maybe the Board could benefit from some overall education on what rehab project costs typically are.

And I know that would vary widely -- you know, that it would be hard to just come up with one average number of rehab per square foot or per unit or whatever. But I am assuming that we have plenty of that data that may just educate the Board moving forward.

MR. GOODWIN: Brent.

MR. STEWART: Hi. Brent Stewart, Real Estate Analysis. So if there is a weakness in our underwriting process, it is rehab deals.

We rely on a third-party condition assessment report to tell us, not only scope of work, but the cost of that scope. They vary so widely that it is difficult to make comparisons from one rehab property to the next. They all require such a different scope of work.

The only way that we would have sure confidence in the numbers is to have a third-party cost review. That is outside of the property condition report.

We have had rehabilitation developments that haven't been particularly adapted -- reuse developments that have had substantial cost increases between the PCA report that is underwritten and when the deal comes back in for either a loan closing or an amendment or cost certification. Which says that, you know, the PCA reports up front either miss the scope -- there was work that was not picked up in the scope, because it was unknown at the time it started out.

There could have been conditions in the walls, conditions elsewhere. New construction deals, we are pretty good at costing rehabilitation deals. We rely on third-party information.

MR. GOODWIN: Okay. Any other questions?

(No response.)

MR. GOODWIN: If not, we have a motion to table for 30 days, and a second. All those in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. We will bring it back up at the next Board meeting.

MR. VASQUEZ: Before we move on. Just given that. Again, I want to make it clear, at least from my perspective. I don't know if I am talking for the -- I am not talking for the rest of the Board.

I am just talking for myself. That obviously, we want to encourage as many of these rehab deals in getting affordable housing out in our communities, across the state.

It just, at the same time, again, these per -- bang for our buck, I think, is just extremely important. And not, again, I am not just focusing on this deal. It is across the board that I think it is really important.

And then, that is one aspect of this. The loan aspect of what we are doing, I mean. If we are having grant programs, let's talk about it being grant programs and don't disguise it under this misnomer of loan programs.

And then a final thought, that I am wondering if staff can somehow keep conveying to the City of Austin and Travis County that if they really care about affordable housing, which I am sure they do, do you want to keep two trees growing, or do you want to have five families in the housing? I mean, it just -- you know, making a waiver of these restrictions on affordable housing.

Especially the really low-income affordable housing, it seems like a fair trade off, that perhaps we can convey that feeling to the Austin and Travis County. And anyplace else around the state.

MR. SINNOTT: Sure. I am sure that the development community is making that argument pretty hard for prioritizing housing.

MR. GOODWIN: Welcome to Travis County, Leo.

MS. HICKS: Right now, as we speak, there is a City Council meeting happening right now with the resolution on the board that would do just that. Kind of waive a lot of zoning requirements, set backs, to get affordable housing units on the ground.

So after this, I am going there. And I will share those remarks.

MR. SINNOTT: All right. So Item 6(b) is presentation, discussion and possible action regarding the 2019-2 multifamily direct loan special purpose Notice of Funding Availability. And to give you all some background, we have been hearing from potential nonprofit direct loans applicants for several years --

MR. ECCLES: Andrew, just one second. I have to let the record reflect that Board member Leslie Bingham is not on the dais right now.

MR. SINNOTT: Sure. Just to give you all some background. So we have been hearing from potential nonprofit direct loans applicants for several years about the need for pre-development funding for the smaller nonprofits that -- where the costs to putting together an application are prohibitive, in terms of putting together an application for our products, our tax credits, our loans.

While pre-development is an eligible activity within the CHDO set-aside for HOME funds, staff has been unwilling to use those HOME funds in such a way, since there are repayment risks to HUD if a project does not progress from the development stage, from the pre-development stage, to the development stage. TCAP repayment funds, however, do not carry any repayment risk to HUD.

So with repayments from TCAP loans now generating upwards of $6 million annually, and with the interest portion representing approximately $2 million of that $6 million, staff believes programming a small portion of the TCAP interest payments for pre-development to be worthwhile, in order to expand the universe of potential applicants for HOME and National Housing Trust Fund. And thereby, be in a better position to meet the federal commitment and expenditure deadlines that accompany those fund sources.

Under this NOFA, we will have $200,000 in TCAP repayment funds available for private 501(c)(3) or 501(c)(4) nonprofits to undertake pre-development activities, which will hopefully lead to the submission of applications to develop multifamily affordable rental housing under one of our annual NOFAs for multifamily development. Each nonprofit will be limited to one application under this special purpose NOFA with a maximum per application request of $50,000.

Applications will be prioritized based on date received, with additional priorities for applications with development sites in counties declared by FEMA to be eligible for individual assistance in 2017, '18, or '19, and applications in which the nonprofit can be certified as a CHDO. We plan on having the pre-development application available on our website next week, with applications beginning to be accepted March 11th through November 26th.

And before I conclude, I just want to acknowledge the contributions of Marni and Elena Morgan in our Multifamily Division in bringing this pre-development NOFA to fruition. Thank you.

MR. ECCLES: And before, just have to note for the record, that Board member Bingham returned to the dais early in your presentation.

MR. GOODWIN: Do I hear a motion to accept staff's recommendation?

MR. VASQUEZ: Well, so moved.

MR. GOODWIN: Second?

MR. BRADEN: Second.

MR. GOODWIN: Moved and seconded. Questions?

MR. VASQUEZ: Question. So the period that you are accepting applications, it says March 11th through --

MR. SINNOTT: November 26th.

MR. VASQUEZ: Oh, through November 26th. Okay. Good. Thanks.

MR. SINNOTT: You are welcome.

MR. GOODWIN: Any other questions?

(No response.)

MR. GOODWIN: All those in favor, say aye.

(A chorus of ayes.)

MR. GOODWIN: Opposed?

(No response.)

MR. GOODWIN: Okay. The motion passed.

MR. SINNOTT: Thank you.

MR. GOODWIN: That brings us to the end of our agenda. We are now open for any public comments for future agenda items.

Joe?

MR. COMPIAN: Chairman Goodwin and TDHCA Board members, I would be a terrible person if I would not be here to say thank you for the extensions you granted to Galveston County Community Action.

There is a change in the attitude among staff. Morale is great. We did have that little hiccup on finalizing our board. I still have two positions that we are still working on.

We communicated that with Mr. Hunt and Mr. De Young yesterday. And we hope to very quickly have those finalized.

So please, I apologize to you if in any way I may offend you. But I plan on being here during this period, every time you have your Board meetings, to keep you updated. And once again, thank you so much.

MR. GOODWIN: Thank you for what you are doing, Joe. We appreciate you coming. Okay. Any other comments?

(No response.)

MR. GOODWIN: If not, I will entertain a motion to adjourn.

MS. BINGHAM ESCAREÑO: So moved.

MR. BRADEN: Second.

MR. GOODWIN: And seconded. All in favor, aye.

(A chorus of ayes.)

MR. GOODWIN: See you next month.

(Whereupon, at 9:22 a.m.,the meeting was concluded.)

C E R T I F I C A T E

MEETING OF: TDHCA Board
LOCATION: Austin, Texas
DATE: February 21, 2019

I do hereby certify that the foregoing pages, numbers 1 through 57, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Department of Housing and Community Affairs.

DATE: February 27, 2019

(Transcriber)

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