

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

TSAHC Offices
2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78702

Thursday,
October 11, 2012
10:00 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair
JO VAN HOVEL (absent)
WILLIAM H. DIETZ, JR. (absent)
GERRY EVENWEL
JERRY ROMERO

ON THE RECORD REPORTING
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PROCEEDINGS

MR. JONES: The Texas State Affordable Housing Corporation
October Board meeting. Jo Van Hovel, Vice-Chair.

(No response.)

MR. JONES: William Dietz, member.

(No response.)

MR. JONES: Gerry Evenwel, member.

MR. EVENWEL: Present.

MR. JONES: Jerry Romero, member?

MR. ROMERO: Here.

MR. JONES: And Bob Jones. I am here. Okay. Please
carry that. We have a quorum. Is there any public comment?

(No response.)

MR. JONES: Okay. At this time, we will go to David Long with
the President's report.

MR. LONG: Thank you, Mr. Chairman and members. This
morning, I would remind you that we would have some staff presentations after
my President's report, things that I would bring you up to speed on and just
some things that we have been doing or will be doing.

Paige participated in lender trainings: September 7, and the
18th. One was in Austin and one was in El Paso with Wells Fargo, with Mr.
Romero in attendance. Myself, Janie and Paige attended the Texas
Association of Realtors conference in San Antonio in early September. Paige
is going to be speaking more about ownership programs in October and

November.

Green Lights Conference, which was held September 20 and 21; it was attended by Janie and Katie. The tri-trade event sponsored by Wells Fargo; Paige made a presentation at that. The Texas Homeless Conference, which was late September was attended by myself and Mindy Green.

The TACDC, the Texas Association of CDCs, our neighbors over here, they have their annual policy summit. That was over at the Capitol last week. And that was attended by myself, Dave Danenfelzer, Liz Bayless and Charlie Leal. El Paso Association of Realtors convention, Paige attended that.

And, Mr. Romero, I don't think you saw them, but you were there.

Urban Affairs Committee hearing was held on Monday, on the 7th. I attended. I think that was the 8th. I attended that and gave testimony at the Urban Affairs hearing on the Corporation in general. It was invited testimony.

The CLEAT conference is scheduled for next week. And at the CLEAT conference, we will have a booth. And Janie and Charlie will be at that. And the TAHLFA conference, which will be the 24th through the 26th in San Antonio. And four staff members, myself, Liz, Dave and Tim Almquist will be attending that.

Other things that we are working on, the website redesign is in progress. And hopefully, we will have that launched in January. We recently received a \$30,000 grant from Bank of America. And that is in support of the TSHEP or Texas Statewide Homebuyer Education Program.

We have hired a new staff member; Delia Davila. And she will be working with Mr. Almquist under the single-family compliance program that we created. And she will be starting on November 1st. And we will have the single-family compliance program will launch December 1.

In the audience, I would like to just let the Board know the several professionals here. Don Mikeska, with Mikeska, Monahan and Peckham is here. Pam Stein, General Counsel with the firm of Greenberg Traurig. And Howie Herring is here with Patterson and Associates. He will be giving a presentation a little later.

The only other thing other than that, Mr. Chairman, are the actual staff reports. They are in the Board book, if you have any questions on that, or any questions on the information I just provided to you.

The last thing I am going to talk about is our next Board meeting, which will be in November. Right now, because the second Thursday is the 8th, pretty early in the month. We needed to push that back to the 15th to give us time to get financial statements in, and allow us better time to prepare for receiving all of our financial information from our different investment and/or banking firms.

MR. JONES: Remember 7E. When I come to Austin, allergies get rough. Is it cedar right now? I don't know what it is. I had to take -- go to the pharmacy last night and get some, what are those little funny looking pills for allergies 24 hour.

VOICE: Claritin.

MR. JONES: Claritin. Yes. I went and bought some last

night. It is rough up here. I thought our molds were bad down at the coast.

Any questions on Tab A, B or C, from any of the Board members.

MR. EVENWEL: I have a question on Tab C.

MR. JONES: Tab C.

MR. EVENWEL: And I don't know if the pages are numbered.

But it is the More Data, Same Gloomy View.

MR. JONES: Okay. So chart, it is the chart within the Quarterly Investment Report?

MR. EVENWEL: Yes. Just a sentence here, says actually, it is the first page. Right.

MR. JONES: Yes.

MR. EVENWEL: The first page in the quarterly investment report. Same Gloomy View. The dot before the last dot where it says, real estate sales are increased, are increasing. But so are agricultural prices, from the drought. I guess I was just wondering if --

MR. JONES: If that is apples and oranges?

MR. EVENWEL: Yes. If we combine two things there, or -- I think I read it. I think I understand what it says. But can anybody -- if somebody could add a couple of more words to that.

MR. JONES: Yes. Come talk, please.

(Simultaneous discussion.)

MR. HERRING: Good morning, sir. I am Howard Herring from -- Howie from Patterson and Associates. And Linda wrote that.

What we were talking about there is the dichotomy. You are

getting good news, on one hand, where we are starting to see an improvement in residential purchases. Prices are stabilizing, and we are starting to see returns on home ownership.

On the other hand, you are seeing one of the most important factors in the daily household maintenance, food prices rising, which reduces disposable income. And that is a negative point of the economy, because, let's face it, especially when you are talking houses and fixed income, what is the first thing a person tries to do when they move into a new home? They try to buy accessories, appliances, utility, carpeting, things like that.

Well, if their disposable income at the same time is declining because of higher food prices or higher energy prices, that gives them less opportunity to buy those goods or services. So yes, we have an improvement on one hand. But on the other hand, we are taking it, and we are giving it right back.

MR. EVENWEL: We are talking about agricultural prices. I assume that means farms and stuff like that.

MR. HERRING: Oh, that is food. I mean, the translation is --

MR. EVENWEL: The food. Okay.

MR. HERRING: The translation of agricultural goes into food. Because you know, if you look at --

MR. EVENWEL: It is not farms. It is food.

MR. HERRING: Right.

MR. EVENWEL: Okay. I have got it now.

MR. HERRING: Okay.

MR. EVENWEL: I think I understand.

MR. JONES: In the same context, on the very next page, you give a policy file. You start out with global policy, because I know it is all interconnected like the oceans are.

MR. HERRING: Yes, sir.

MR. JONES: And the US is looming a fiscal cliff, if not faced, may put the US ahead in slowing the economies, and could bring a global recession at worst.

MR. HERRING: Actually, I have that in the presentation. I was going to give it. Do you want me to jump --

MR. JONES: No. We will wait. We are going to get it later?

MR. HERRING: I actually use that same page, and I have that page in there.

MR. JONES: Okay. All right, then. Any other questions?

MR. LONG: Mr. Chairman, I do have one other thing I want to bring --

MR. JONES: Yes, sir. Thank you, sir.

MR. LONG: To the Board's attention. And that is, you should have gotten a copy of the August 16th summary of minutes.

MR. JONES: Yes.

MR. LONG: And all we are doing there is, we are making the clarification according to Pam Stein, General Counsel.

MR. JONES: Page 3?

MR. LONG: Page 3, Tab One. We just wanted to note a

correction. The actual motion and vote was for the correct information. We just had a typo and that was -- we had listed August instead of July. And so we just wanted to make sure that --

MR. JONES: Right.

MR. LONG: And it will be posted correctly on our website.

Okay.

MR. JONES: All right. Thank you.

MR. LONG: Just a clarification I wanted to have in the record.

And with that, Mr. Chairman, I think we can go to staff reports.

MR. JONES: Okay. At this time, we will go into staff reports.

I wasn't here last month, for the first time in like 30 years, I got sick. I didn't know it. I was walking around, doing my business. I had bronchitis.

But I understand the Board carried on, as I expected it to do.

Was the presentations okay, last month?

VOICE: Yes.

MR. JONES: Okay. And for today?

MR. LONG: Liz Bayless is going to start off.

MR. JONES: We have three for today. Excuse me, Ms.

Bayless. We have three for today?

MR. LONG: Four.

MR. JONES: Four, which will be --

MS. BAYLESS: Multifamily bonds, Asset Oversight and Compliance, fundraising, and education and counseling.

MR. JONES: Okay. All right. Thank you.

MS. BAYLESS: So, I am Liz Bayless, Executive Vice President. And David Danenfelzer was unexpectedly not able to be with us today. So I am standing in for him, just to tell you a little bit about what we do with multifamily bonds.

The Corporation has the statutory authority to issue tax-exempt private activity bonds to develop affordable multifamily housing. We have issued since 2003 about \$170 million worth of multifamily private activity bonds, which has created or preserved almost 4,400 units of affordable rental housing all across the state.

Behind your Tab B is a very short one-page overview of multifamily bond activity by TSAHC as well as a map indicating the locations where we have worked. And you can see, it does pretty well represent a lot of parts of Texas.

There are a lot of local issuers of multifamily bonds in Texas, who obviously focus on their own geographic areas. We are one of only two statewide issuers. And the reason that matters is, it affects the targeted housing needs that we, or actually, you the Board do establish for our work with the multifamily bonds.

We have targeted four specific housing needs to address multifamily bond financing. First, the preservation and rehabilitation of existing affordable properties. That is, try to maintain affordable multifamily properties as affordable, rather than letting them revert to market rate properties.

The second one is, financing properties in smaller urban areas or in rural areas, and that is where you get into the distinction between us and

the local issuers. The local issuers tend to be the larger urban areas. So we want to focus where they are not.

The third targeted housing need is properties serving seniors or special needs households. And the fourth is properties and areas impacted by recent natural disasters.

So this has been our focus with our multifamily bond finance. Those targets dovetail nicely with many of our strategic goals, and help us fulfill our mission, which is, of course, to provide underserved populations with affordable housing.

Now to the recent past, over the past nine months, the Corporation has been working on two multifamily bond transactions. We closed one on September 21st. It is called Dalcov Affordable Housing I.

And Dalcov was to fund the acquisition and rehabilitation of six different multifamily properties scattered across Texas. That was a large transaction. And we were delighted with the teamwork of all of the partners involved, and very happy to close that transaction.

The second multifamily bond transaction this year is pending. The writeup says that Gateway Northwest is waiting on HUD approval of its FHA Mortgage. They actually just, a couple of days ago received that HUD approval. So that transaction is moving forward and expected to close, probably in January.

Attached to this one page writeup is a two-page listing of all of the multifamily bond finance properties that TSAHC has done. And you know, just letting you look that over. And you will see that the last ones there listed in

2012 are the Dalcor properties. Do you have any questions?

MR. ROMERO: Yes. We needed to have any applications or we were working through the process in 2011?

MS. BAYLESS: I thought we closed one.

MR. ROMERO: There is nothing in 2011, which seems kind of odd.

MS. BAYLESS: No, we didn't.

MR. LONG: I don't think we did. I think we closed the larger project in 2010, which was the HDSA.

MS. BAYLESS: Right.

MR. LONG: And then the transaction, the Dalcor transaction just closed, did take quite a while, because if you remember, it went from being a single transaction, multi assets, to six separate transactions.

MR. ROMERO: I know that was a complicated deal, because of the different properties, but on an average basis, how long does a deal take, from the time you get the application to finalizing it? Approximately, done.

MS. BAYLESS: Well, my experience with TSAHC is only two years old. But I would say that in my experience, it has been between six months and a year to close one multifamily bond transaction.

MR. ROMERO: Normal? Is that normal?

MS. BAYLESS: Yes.

MR. ROMERO: Okay.

MR. LONG: Depending on the size of the transaction obviously, you know, you would think the Gateway project, the one that is

scheduled for Georgetown, that we just asked approval on, that is a single asset transaction. Again, it is the moving parts.

In that case, there was tax credits, HUD approval for some financing, and our financing. Our Board moved forward with it. Gave an inducement resolution to the Board with the bonding authority on it.

But we had to wait on other pieces of the puzzle to come in for financing. So it really would vary, not just based on the size, and the complexity of the actual financing, and the number of properties, but the individual financing pieces coming together.

MR. JONES: But the bottom line is, we will never sacrifice due diligence to get it done.

MR. LONG: No. In fact, that is one of the things that I think we bring to the table is the ability to be flexible and the timing, so that we can ensure due diligence is forthright and consistent and complete before we close any transaction.

MR. JONES: How does that compare with how the market would do something like this?

MR. LONG: I don't think it is any different. We work with a lot of market partners. It is just that we are -- we can be a little more flexible in our timing, because we can we have our --

MR. JONES: Meaning, we can extend it.

MR. LONG: We can extend it. Exactly. We work within -- obviously, there are guidelines and parameters that we have to work within. The Bond Review Board has parameters. We have to close by a

certain date, from the date of authorization.

And some of the investors want to have things happen at a certain time. But again, we can be a little flexible on how quickly we move forward with things.

MR. ROMERO: Is there any way to source deals to ensure that we have some type of activity each year?

MS. BAYLESS: Well, you know the market has been a little bit upside down over the last couple of years. And there have been very little multifamily bond activity in the nation, and in Texas.

In fact, I believe in 2010, our HDSA transaction was the only multifamily bond transaction that got done. And I know that the one we just closed is either -- I am not going to go out on a limb and say it is the only one. But it may be. And it certainly is one of a very few.

MR. JONES: Forgive me, Mr. Romero, if I am being presumptuous, but it sounds like you are suggesting that we should do something every year to kind of justify what we do.

MR. ROMERO: No. I am not suggesting that. We have a product that we can make available to our community. Then if there is the ability for us to go and look for some projects, there is a lot of people out there that may not know that we can provide this service. If we can go out and try to source some deals. I mean -- I am not saying --

MR. JONES: There are just some opportunities out there that we might be able to look at.

MR. ROMERO: Right. We may not know about them, and the

people that need our services may not know about us.

MR. LONG: Well, I would suggest that there probably is some room for us to go out and be a little bit more aggressive in our marketing on that. But I would also tell you that David Danenfelzer manages this program for us.

It is a small world of developers. I mean, we work with TAAHP, which is the Texas Affiliation of Affordable Housing Providers. Which is a multifamily development organization, a member organization.

And that membership is, or the groups of people that do these investments and every once in a while, we will get a call from somebody, and we will walk through the process. But outsourcing the projects, if you will, as well as just making sure that they meet financing feasibility and programmatic guidelines.

MR. JONES: Sure.

MR. LONG: What you don't see is all of the projects that David may look at and just -- they don't fit our guidelines, or it is not brought to your table because after further discussion, it was determined that that project is not financially feasible. But there are other activities that we look at that you may not be aware of.

MR. JONES: Actually, we don't hear about the ones that are rejected, do we.

MR. LONG: No, you don't.

MR. JONES: That might be interesting at some point.

MR. LONG: We would be more than happy to you know, kind of give you a status on the application.

MR. JONES: No. Not on a regular basis.

MR. LONG: I know. But I am saying, we can certainly ask to make sure that information is given to you --

MR. JONES: Because had that been done at some point, you wouldn't have asked that question. You would have known that they were out there, and had all these projects come in, but they didn't fit. That they are out doing more outreach.

MR. LONG: And that is a good point. The other thing I would tell you is, it is a relatively small world, if you will. And so people doing it who are issuers, as Liz said, there is only two state issuers, us and TDHCA, in the State of Texas.

And it is pretty known that we are the only two state issuers. So when somebody has a project, they look to one or the other. And they also have the local issuer groups that do these projects as well.

MR. ROMERO: Do you think that David is at capacity, or above capacity at this point?

MR. LONG: I think David is at capacity, given some of the other projects and other programs he is working on. Yes.

MR. ROMERO: So there might be some opportunity for additional income producers at some point?

MR. LONG: We can certainly look at that, based on budget constraints.

MR. ROMERO: Okay.

MR. LONG: Okay.

MS. BAYLESS: So a related function here at TSAHC is asset oversight and compliance, which is the function that helps us ensure that the multifamily properties we finance remain in good condition and comply with the law. So to tell you more about that, Mindy Green.

MS. GREEN: Hello. Good morning. I am Mindy Green, Senior multifamily analyst. As Liz said, I will be talking to you about our asset oversight and compliance function. Essentially, they are an administrative function of Dave's multifamily bond program.

So what we do is, we do a site visit every year to ensure that the properties are being maintained financially, physically, and they are meeting their tax compliance. So it is a lengthy process. We spend quite a bit of time on the properties.

And then in addition to doing that annually, we also review their monthly compliance reporting. They submit a report to us every month. We make sure that they are still meeting the requirements set forth by the IRS and by our bond documents. And we work with the properties to ensure that that happens every month.

Yes. That is done online. And it is due on the 10th of every month. We spend about a week trying to work through that making sure everything is accurate and up to date. Again, this is a function of Dave's program. My properties are going to be also under Tab B. Everything that Dave provided to you is a representation of my work also.

We submit reports to you guys quarterly, regarding compliance, making sure that all of our properties are being maintained, and that they are

meeting their set-aside requirements. So you see that quarterly. And then annually, we present a report to you, typically in December or January, depending on the dates of the meetings.

There is an asset oversight findings report, and a compliance findings report. So you can see all of the deficiencies of the properties. If there aren't deficiencies noted, then we can always see that the properties are doing well, and they are for the most part. I am going to go over now the strategic plan matrix that we are -- that Asset Oversight and Compliance are responsible for. So goal one, strategy B, developing an asset management SOP for the ACG Land Trust Program. Dave and I have been working on that for a while. It is in progress. And it continues to be in progress as that program develops.

Goal one, strategy D, we are exploring incorporating habitability thresholds to improve oversight of TSAHC-financed rental properties. In January of this year, we implemented a program where each property is required to have every single resident sign a form with my name and phone number on it that says that if there is a habitability or health and safety issue, you can contact me and I can begin the process to make sure that that is remediated.

It hasn't -- I haven't gotten a lot of traction on it. I have probably had six calls since January. Everything has been resolved before it had to be escalated any further than the property manager. And usually, the calls are, my neighbor is doing this. You know, that kind of silly stuff. So I haven't had anything major happen.

Moving on, I have got Goal 1, Strategy D. Evaluating fee structure for multifamily development programs associated with asset management, compliance and asset oversight. We evaluated that fee structure last year. And we will evaluate it again this year. Minimal changes have been made.

Goal 1, Strategy D, identify nonprofits who can provide resident service-type activities or properties that TSAHC finances. We have a database being built. It should be done by the end of this year, December, and hopefully, to be uploaded onto our website, December or January. And that will be a resource for any property to get low cost or free resident services in their area. A lot of the properties -- okay.

MR. JONES: No. Go ahead and finish.

MS. GREEN: Okay. A lot of properties have financial constraints or restraints that they are -- we are looking for things to help them provide good quality services at a low cost to the property, and obviously, free to the residents.

MR. JONES: Okay. Before you go farther, how many properties do you check for compliance per month? Is it per month? You don't do everybody every month. You spread it out some.

MS. GREEN: So every property is required to report to us monthly. And so with the closing of HDSA or excuse me, Dalcor, that puts us at 36 properties a month. And then we also review --

MR. JONES: So that is the total number of properties that we do compliance for, 36?

MS. GREEN: Yes.

MR. JONES: Okay. That is the total?

MS. GREEN: Yes.

MR. JONES: And how many units would that involve?

MS. GREEN: That puts us -- I don't know the exact number; a little above 6,500, I think.

MR. JONES: Okay, 6,500, which is -- because that, when you talked about there's not a lot of traction of people calling directly with complaints. Out of 6,500, is that a good thing or a bad thing, or they just don't know to do that yet?

MS. GREEN: It is a great thing. They should all -- well, for the most part, everyone should have received this notification. When I go out to the properties, I am reviewing it to make sure that there is a copy in the file, and a copy in the file represents that they signed it.

So they know that they can call me to fix those problems. So I think that it is an excellent thing. That they are not having issues on site that require them to call me.

MR. JONES: Okay. And so everybody has to report to you online per month. But you don't actually go on site and check. You spread that out?

MS. GREEN: Yes. We do one visit a year to each property. So that is spread out over the entire year. That is why we travel.

MR. JONES: Okay. And I don't want to jump to the chase, because maybe you want to cover that for Mr. Evenwel. But will you be

discussing the revenue effect? Because that is one of the ways that TSAHC generates revenue. Correct?

MS. GREEN: Yes.

MR. JONES: Through asset compliance. Will that be a part of your report?

MS. GREEN: No. But I can throw it in there if you want.

MR. JONES: No. Go ahead and save that for us. Because I think that is going to be an important component to him. Because one of the things that we stand on is that we don't use any General Revenue funds. And people often ask, well then how does TSAHC function as a quasi-state agency that does what we do, but with no General Revenue funds?

And I think that is an important item that he would need to understand. Because we generate our own revenue. And asset compliance is -- I don't know how it fits in the frame. But when you finish your report, I want you to --

MS. GREEN: Yes. I will finish my strategic plan. And then I will go over revenue.

So I went over resident services. So the last metric we have is --

MR. JONES: Don't be nervous. Slow down. Slow down. You are all right.

MS. GREEN: Goal 3, Strategy A.

MR. JONES: Nobody is in a hurry.

MS. GREEN: Seek asset management contracts by

responding to all pertinent released RFPs and explain potential partnership opportunities. So the last two years, we have responded to all of the RFPs that have come our way that seem to fit what TSAHC is looking to do.

Both years, in 2011 and in 2012, we have responded to the PBCA RFP put out by HUD. That is Project Based Contract Administrator program. Both times it has gotten a little messy, and there hasn't been a new award issued.

So we haven't lost, we just -- no one has won. So we are still working on that. And we will continue to look at that as time goes on.

So now, I will talk to you about revenue. So when each deal is done by date for the multifamily bonds, we -- there are fees associated with that, and they are listed throughout the bond documents. And for asset oversight and compliance, there is a \$45 fee per door. So per unit on each property.

In addition to that, there is a small issuer fee each year. So essentially, the way that my function is supported is by those fees created in the bond documents, for asset oversight and compliance. So if there is a -- you know, a 100-unit property, that's \$4,500 a year. You know, so for each of those, that property. And of course, most of our properties are much larger. So there is a much bigger revenue source coming in for that. Which supports my function or this function rather, plus some. Does that answer your question?

MR. JONES: Well, and this is Jerry. But the thing about it is, it is a requirement --

MS. GREEN: Yes.

MR. JONES: -- that there be asset compliance. And I remember in some of our dealings with the Legislature and Sunset and all, one of the key components is that our model for how we do asset compliance is greatly desired. Am I correct? You have a very good model. I remember when TDHCA was thinking about doing some. They really wanted to use our model to do it. But it is required?

MS. GREEN: Yes. It is required. And I would say, of the issuers in the state, especially over the local issuers, we have a much better kind of oversight of our properties. We are there every year. We are talking to them every month. We know what is going on.

MR. JONES: That is what I am talking about.

MS. GREEN: So we can ensure that the properties are being maintained at a high standard.

MR. JONES: Do you have any questions, Jerry?

MR. ROMERO: I do have a question.

MS. GREEN: Okay.

MR. ROMERO: When they do the online compliance monthly, I am assuming that is self-reporting, basically. They are saying yes, I have done this. I have done this. Do you actually get to go back and look at these categories, to identify that they are actually doing these things?

MS. GREEN: Yes. So that is one of the major things I do when I go out on site. So they report this every month. And then when I go to my annual visit, I go through those files and ensure that they are reporting accurately.

MR. ROMERO: Okay.

MS. GREEN: And if they aren't reporting accurately, there are steps.

MR. JONES: And the determination of reporting accurately, is to look at what they are reporting, but then actually go to the unit.

MR. ROMERO: And verifying it?

MS. GREEN: Yes. We look through each of the files to make sure that they are reporting income correctly, rents correctly, move in, move out, effective dates, all of the kind of minutiae of all of the details of the compliance.

MR. JONES: Does that deal with the condition of the units?

MS. GREEN: Yes. And I also do, I inspect units. I walk in and walk the properties to ensure that they are being maintained physically. And any deficiencies I find, I put in the report that goes to the owner. And then additionally, it goes to you all annually.

MR. JONES: And if I am correct, I think that in the past that we were told that you are looking to expand the number of properties and units that we do. Is that correct?

MS. GREEN: Of course.

MR. JONES: And how is that marketing process being handled right now?

MS. GREEN: Well, any time Dave does a deal, those units come directly to me.

MR. JONES: Okay.

MS. GREEN: So of course, when another bond transaction is

completed, I get more units, more municipal, we have more work that way. But we are also exploring talking to local issuers and see if they are willing to partner with us, so that we can provide that oversight for them, where they might not have the overhead or the people to do that. We have the expertise. So that is definitely something we are looking at doing.

MR. JONES: Okay.

MS. GREEN: Exploring that avenue.

MR. ROMERO: So with the Dalcor deal, we have 36 properties, ma'am?

MS. GREEN: Yes.

MR. ROMERO: Is that correct? So that means, roughly three properties per month for you to visit, approximately?

MS. GREEN: Yes. We try not to travel, and you know, the October, November, December, January, through the holidays, I want everyone to have fair time to -- fair corrective action periods. So three. Three to five, I would say. Some months are heavier than others.

MR. ROMERO: So if we do go through this marketing process, and we get more deals, at some point in time, I mean, is that going to be feasibly possible to continue to have one person do it?

VOICE: There's not right now; there's going to be two people to do it.

MS. GREEN: That was going to be my last point. We hired someone in April, but unfortunately he has been traveling either with me or on his own to do site visits.

MR. ROMERO: Okay.

MS. GREEN: We are going to make sure he is here next month, though. He is great. His name is James Matias. He is a really good guy.

MR. JONES: Does anybody have any more questions about asset compliance?

(No response.)

MR. JONES: No.

MR. ROMERO: I think that is great that you did it to the goals that we set, too. That is good.

MS. GREEN: Yes. Good.

MR. JONES: Thank you, Mindy.

MS. GREEN: Paige.

MS. OMOHUNDRO: Mr. Jones, I am right there with you. I have got my cough drops in case I have a coughing fit, which could take place. So let's hope that doesn't happen.

MR. JONES: Okay. If it is, just take time.

MS. OMOHUNDRO: I want to build the anticipation. Good morning. I am Paige Omohundro. I am the Home Ownership Finance manager. And in addition to managing the Corporation's home ownership programs, I also oversee our housing counseling and education initiatives. So today, my goal is to update you on three services and programs that we are currently administering that help consumers achieve greater financial fitness through our educational endeavors. These services and programs also help

us achieve two goals outlined in our strategic plans.

I'm going to touch on that, Mr. Evenwel, one goal being to define our role in foreclosure prevention and the other to explore options of developing an online homebuyer education resource.

So the first component that I would like to talk about is our Texas Financial Toolbox. Oftentimes resources are available for consumers to increase home ownership or prevent foreclosures. But people don't know how to access those resources. Where to find the information. To alleviate this problem the Corporation created the Texas Financial Toolbox. This was definitely a staff endeavor. And we procured the services of a web developer as well. But whether consumers want to learn how to better manage their money, find out if they are ready for home ownership, and the programs that help them achieve home ownership, or learn how to avoid foreclosure, the Texas Financial Toolbox is a great place for that consumer to start. The Texas Financial Toolbox provides consumers with a directory of organizations with information about their specific programs and services on home ownership programs, homebuyer education classes, as well as their foreclosure prevention services, all searchable by county or city. So we are actively inviting organizations providing these specific services to their communities to join the Toolbox.

To date we have 41 organizations that participate. And these partnering organizations have the ability to update their programs and services in real time, all on their own, free of charge. So if you wouldn't mind handing out this little flyer, I want to give you -- this is a fairly new program for us, or

website for us.

What Mr. Long has provided to you is a handout that we hand out to consumers. But at the bottom is a screen shot of what the actual home page of the Toolbox looks like. So you will see, right at the top, you will see the four key services, starting with financial education, the next being homebuyer education. See those gray boxes?

So the consumer can go jump right to that specific service, type in what city they are looking for, an organization to provide that service, and a list is generated. So we think that this is a great resource for those organizations to market their programs to their communities. And you know, for the consumer to access those services; most of them free of charge.

MR. ROMERO: So Paige, is there a link on our website to it?

MS. OMOHUNDRO: There is a link on our website.

Absolutely.

MR. ROMERO: So you can get to it, directly through us, or through the TSHEP website.

MS. OMOHUNDRO: Right. It is a standalone website, but we have a link on our website as well.

MR. JONES: "The Texas Financial Toolbox, created by the Texas State Affordable Housing Corporation gives you an easy way to find the tools you need to achieve your financial and home ownership goals, connect with an organization that can help you manage your finances, purchase a home, or prevent a home foreclosure." Great.

MS. OMOHUNDRO: Thank you. We are very proud of it.

MR. JONES: You see it, if you are going on. You see this page.

MS. OMOHUNDRO: Absolutely.

MR. JONES: Brought to you by TSAHC. Great.

MS. OMOHUNDRO: Please visit it, and take a look at it. We are very pleased with the turnout. And we already have had a lot of consumers use it. And by then visiting that website, they then visited our website, you know, just take advantage of the programs that they qualify for.

MR. JONES: Do we consult with anybody to develop this yet?

MS. OMOHUNDRO: We work with a web developer.

MR. JONES: I like the line here that says, "Toolbox, tools to get your house in order."

MS. OMOHUNDRO: Right.

MR. JONES: That is a nice little catchy. And that was our idea, here at TSAHC?

MS. OMOHUNDRO: It was our idea. And it was a staff endeavor to come up with the language and the information that was provided on it.

MR. JONES: Okay. We have got to make sure the Legislature, the legislators get it.

MS. OMOHUNDRO: We certainly notified them when we launched the program.

MR. JONES: Okay.

MS. OMOHUNDRO: We are actively working with them to

promote this website for their consumers to use.

MR. JONES: I think they need to get a follow-up.

MS. OMOHUNDRO: Absolutely. We are working on that. I am sure that maybe Janie might talk about that in her marketing update with you guys. Okay.

The second component that I want to talk about is -- did I get you in trouble, Janie?

MS. TAYLOR: No. I'm not going to do marketing.

MS. OMOHUNDRO: Oh, you're on fundraising. Sorry. So we are working on that. Charlie Leal, our government relations representative is working, has sent a letter out, or is in the process of sending a letter.

You sent it out twice. We sent out letters twice to our elected officials, state reps and senators promoting the actual website, and then how they can partner with us in getting it market in their communities.

MR. ROMERO: And by the way, I think one of the important things about this is that it is not a marketing tool. It is literally a resource tool. We are not going to have organizations that are marketing their product to be part of this process.

MR. JONES: I mean, I saw the calculator in there. That linked to the calculator, which is ours, that they can look at all of the costs associated with it, including maintenance and upkeep and all of that stuff attached. So how did you verify that what they do in real time is --

MS. OMOHUNDRO: Well, first and foremost, there is a get listed component of the website.

MR. JONES: Okay.

MS. OMOHUNDRO: So an organization -- we don't just allow anybody to list their information on the website. That is very important to know.

There is you know, some requirements that they have to meet kind of a smell test, you know, in order for us to make their information public. After that, after I have gone through that, vetted then, allowed them to participate. They then have their own log in code, where they can go in and update their services.

So if they are holding a homebuyer education fair, they can enter that information. And when they are done with it, and it is expired, they can take it off. So it is up to us, here at TSAHC to go on and make sure that the old information is taken off and new information is constantly being --

MR. JONES: Do they have to notify you in any way shape or form that they are going to be updating or changing it?

MS. OMOHUNDRO: They don't. But when an update is made, I get a prompt saying it has. So I can go in and review the information and make sure it is something you want listed on the site.

MR. JONES: Good safe vibes.

MS. OMOHUNDRO: Uh-huh.

MR. JONES: Any other questions?

MS. OMOHUNDRO: I have more. I'm not done yet.

MR. JONES: Well, I mean up to date. Up to the moment.

Don't cut me off.

MR. ROMERO: And Janie is going to do the marketing today,

you said?

MS. OMOHUNDRO: No, she is not.

MR. JONES: I know. She is back there, going oh --

MS. OMOHUNDRO: I am so sorry. I misspoke. So do not talk to Janie about marketing.

(Simultaneous discussion.)

MS. OMOHUNDRO: She is not prepared for that today. I am going to get a talking to after this. Okay. The next topic I would like to talk about is foreclosure prevention. Something very serious.

TSAHC supports families at risk of losing their home to foreclosure by ensuring they have access to a network of HUD-approved housing counseling agencies that provide free, and I want to reiterate that, free foreclosure prevention counseling services.

It is important. There is a lot of scams going on out there. And we want to make sure consumers or at-risk home owners are getting free services. Using federal funds as well as private donations, TSAHC reimburses housing counseling agencies for the services they provide to these homeowners that are facing foreclosure.

For instance, TSAHC continues to partner with the Texas Department of Housing and Community Affairs to administer the National Foreclosure Mitigation Counseling Program. The NFMC program is what it is called for short, is a federal program that funds foreclosure intervention counseling services performed by HUD-approved housing counseling agencies.

And we are currently in the sixth round of NFMC. And in this round, we are working with eleven separate housing counseling agencies that cover eleven MSAs around the state.

So we get some really good coverage with this program. And the funding received under this round, which is a little over \$360,000 has the potential to serve more than 1,100 at-risk home owners. So that is -- we are going to be able to reach a lot of at-risk home owners with these funds.

I would like to mention that Laura Ross has taken the lead on administering this program on behalf of the Corporation. And she is doing a very stellar job doing that. And we thank her for all of her hard work on that program.

TSAHC is also an active member and fundraiser and partner for the Texas Foreclosure Prevention Task Force. I know that you are aware that David Long, our president, serves as a co-chair of the task force.

And in case you don't know a lot about the task force, it is a statewide initiative that works to create and sustain affordable housing by informing at-risk home owners of the various options available to them. Mainly, linking them to those local housing counseling agencies in their area.

The task force is comprised of 90 organizations, representing state local and federal government. The financial industry, and the nonprofit sector. And they are all working toward that common goal of mitigating foreclosures across the state.

TSAHC partners with the task force as well as our elected officials in hosting events across the state where we bring local housing

agencies and link them with the consumers that may be in need. And then we also participate in task force meetings and events. And as you might imagine, foreclosure prevention counseling is critical to the recovery of the Texas housing market.

And I would like to point out that a study released in 2011 by the Urban Institute, concludes that home owners who received this foreclosure prevention counseling are 70 percent more likely to avoid foreclosure. So it is very critical that we provide this type of service, and partner with our local housing counseling agencies.

Since 2008, when we got involved with the task force, we have served over 5,000 families that are at risk. And the last --

MR. JONES: Excuse me. Is there any way that a measure of -- how many families did you say?

MS. OMOHUNDRO: Five thousand.

MR. JONES: Five thousand. Is there any percentages of success, or any tracking --

MS. OMOHUNDRO: Well, I do have percentages of success on this sixth round. I just pulled our recent, or Laura pulled the most recent data for me on this sixth round of NFMC funding money that we have.

MR. JONES: Which means --

MS. OMOHUNDRO: National Foreclosure Prevention Mitigation program. I would say that to date under that round, 28 percent have avoided foreclosure, right out participating in foreclosure prevention services.

I would also -- that number may seem small, but that is still very

significant. But I would also like to point out that 42 percent of those that are working with right now, facing foreclosure are in some -- are in negotiation of having their either loan modified or some type of forbearance implemented. So that is 42 percent is a big chunk. So we could still -- of that 42 percent, many of those could go on to avoid foreclosure. So we have very good statistics in those that are participating in these sessions.

MR. JONES: I agree. Most people just don't know what they are doing or where to go.

MS. OMOHUNDRO: That is why we created the Toolbox.

MR. JONES: Thank you.

MS. OMOHUNDRO: Okay.

MR. JONES: Sounds like a commercial. Didn't I tell you, that is why --

(Simultaneous discussion.)

MS. OMOHUNDRO: The last program that I would like to talk about is something that is very new for the organization. So this may be the first time you are hearing about it. It is the Texas Statewide Homebuyer Education Program.

The Texas Statewide Homebuyer Education Program, which we call TSHEP, another acronym for you. I am sorry. Was created by the Texas Department of Housing at the direction of the Legislature in 1997. TSHEP was created to ensure that families receive high quality homebuyer education from housing counselors in Texas. TSHEP is the only statewide education program for housing counselors.

And today, over 600 individuals have been trained as housing counselors. For several years, TSAHC has worked with TDHCA to raise funds for TSAHC. And as of September 1st, we are now administering the program on behalf of the State. We are very excited to have this opportunity to have more hands on involvement in the program.

So TSAHC, with the support from funders and sponsors will continue to invest in the education of housing counselors. That meaning, twice a year, TSAHC will hold training sessions for housing counselors, allowing them the opportunity to attend week-long training sessions where they can sharpen their skills and become certified homebuyer education providers.

We currently have a request for a proposal out to procure the educational provider who will be doing the training for our counselors. And once we procure that educational provider, we will begin scheduling our first training session, which we anticipate to hold in early January. That completes my presentation. And I certainly welcome further questions.

MR. JONES: Very interesting. A lot of new and innovative things that I didn't know.

MR. ROMERO: The individuals that will receive the training, is there some criteria that you are looking at?

MS. OMOHUNDRO: There is. There is criteria that we are looking at. The individuals that we want to train are those that are currently employed by a non profit housing counseling agency. We have had several lenders as well as realtors interested in becoming a homebuyer education provider.

Although that is not the mission of TSAHC, we will allow that on a case-by-case basis, if they are affiliated maybe with a unit of local government. For example, sometimes cities will hire a realtor or a lender to do that on their behalf. In those cases, we will let them attend the trainings.

MR. JONES: Okay. Thank you very much. We appreciate it.

MS. OMOHUNDRO: Thank you.

MR. ROMERO: Thank you.

(Simultaneous discussion.)

MR. JONES: She is telling David to get lost, and saying there will be no marketing today. The General.

MS. TAYLOR: Okay. Good morning, I think. Yes. It is still morning.

MR. JONES: Okay. Just the issue we were just talking about. Right. TSHEP.

MS. TAYLOR: Yes. So Janie Taylor, manager of development and communication. And we are going to -- Katie and I are going to be going over our development plan. And just to give you a little bit of background, as you recall, last fall we decided to hire a consulting company called Corcoran and Company.

And the ultimate goal with working with Corcoran and Company, we developed this document, actually, which is a development plan, a fundraising plan for a strategy of things that we need to do in order to fund raise for those programs that we have that are -- that lend themselves to private funding.

And we have identified four programs that we feel have potential for private investment. And we put together -- most of this is task goals that we have for this year. But you will see that some of them go into next year.

And we hope -- this is a living document. We hope to make changes to it, adjustments as we see potential opportunities and changes, in addition to Katie and I have monthly meetings with the program managers that manage the particular programs that we would be fund raising for.

So Katie and I are going to take turns, so you don't just hear me, or hear her. And so I will start off with the very first one, which is what Paige just talked about, the last program she mentioned, the TSHEP or the education program.

And you will see annual giving is underlined. Those are kind of the strategies that we are going to use for fundraising for the particular programs. And so for this, for TSHEP, we are going to have two different strategies.

The first one is what we call an annual giving campaign. TSAHC has never done an annual giving campaign. I am sure you know what that is. You may not know that you know what that is. But that is -- you, I am sure, get something in the mail around Christmastime or at any other time of the year from a nonprofit that is hoping to get a donation from you.

We are going to try that for the first time. Not only through mail, but also through email. We currently now have an online donation system. So if you go to our website, and you see a big button towards the middle of the page that says, Donate now.

And that takes you to a donation page, which is actually managed by a company called Network for Good. And it looks really good. It is actually an interface with Network for Good. But you wouldn't know it, because it looks just like our website.

And so this is -- you know, I am not going to go step by step. But this is a list of the strategies, the tasks that we are actually going to do in order to try to do an annual giving campaign. We have a small goal for the year, because frankly, we have never done it. We have no idea how it is going to work.

If we are going to get anything at all, or we are going to get more. So we are excited to see how it works out. And we will obviously keep you up to date in knowing --

MR. JONES: The LOAs means?

MS. TAYLOR: And I apologize for that. It means Letter of Appeal. I am sorry. Letter of Appeal.

MR. JONES: Okay.

MS. TAYLOR: I'm used to a Letter of Interest, which is what we do for the funders. Letter of Appeal, that is what that means. And I apologize for not spelling it out.

MR. JONES: That is okay.

MR. ROMERO: He will be signing all of these?

MS. TAYLOR: He is going to sign it. Actually, I also have his signature on them. Yes, he will be signing these. All of them. No.

MR. ROMERO: About 5,000 of them.

MS. TAYLOR: Yes. So this is something we hope to implement by the end of the year. This particular strategy. And then just moving on into the other strategy we have for this particular program is, you know, traditional grants and sponsorships. The actual training courses.

And our goal for this year is to raise \$30,000. And as David mentioned in his President's Report, we did get a \$30,000 grant last week from Bank of America. And they are going to be funding our first TSHEP course, seminar, education seminar in January.

So we achieved that goal already. But we do have -- if we turn the page, we have other grants that we are trying to procure for this program, either for the current cycle we are in, or for the next education seminar, which would probably be in the summer of next year, after the January one.

MR. ROMERO: So Janie, you have already met your goal for this particular piece of this program? Is there a goal, Paige, for the number of counselors you want to have certified for the program?

MS. TAYLOR: Well, that is an excellent question for Paige. And I would defer to her for that, for an answer to that.

MR. ROMERO: You don't have to answer right now. But you can get back.

MS. TAYLOR: Okay. We can get that information to you. Okay. And I am going to pass it over to Katie.

MS. HOWARD: Hi, everyone. I am Kate Howard, TSAHC's senior development coordinator. And I am going to talk about direct lending. Our goal for our direct lending program is to expand our current lending capacity

from about \$3.5 million to \$7 million by 2017.

And to do this, we are going to rebrand our program as a social investment fund that we are hoping will appeal to corporations and foundations, and financial institutions, as well as individuals. And we have two different strategies for expanding this fund.

First, we are going to approach corporations and financial institutions as well as foundations for program-related investments. Which, as you know, are zero or low interest rate loans. We currently have PRIs from Wells Fargo and the Meadows Foundation. And we are going to be increasing our efforts in this area.

And second, we are going to start approaching individuals, what we call social investors, who may have the capacity to give at a large level, say \$100,000 or half a million dollars. But they are not yet comfortable parting with that money forever.

So they are looking for a place to park their money for several years where it might do some good, but they can still recoup their investment down the road. Yes?

MR. JONES: This is different from what Ms. Taylor just described. Correct?

MS. HOWARD: Correct. Yes.

MR. JONES: Is there any overlap of appeal, the same people going to the same institutions? Other than the personal giving. Or is it that, let's say, Wells Fargo bank but different doors, different departments, different criteria?

MS. HOWARD: Exactly. Yes.

MR. JONES: So you are doing a lot of coordination to make sure that one area doesn't get three letters from three different aspects of what we are doing.

MS. HOWARD: Exactly.

MR. ROMERO: If I could add some context, and I will speak for Wells Fargo. Wells Fargo has several different contribution pots. So we have the Housing Foundation, which gives money.

We have our community lending, which gives money. And then we also have our CLI group, which does the equity investment sort of PRIs. So you have three different pots of money that target different programs that we might administer.

MR. JONES: And you could qualify for more than one?

MR. ROMERO: Sure. Yes.

MR. JONES: Okay. Even though the Housing Foundation denied this one?

MR. ROMERO: Well, they denied this one. But we have also given --

MR. JONES: No. I am just saying --

MR. ROMERO: No. We talked about this last night. It is like anything else. The Housing Foundation will stop funding certain organizations because they have come back several times, we have funded them.

MR. JONES: And you will do somebody else.

MR. ROMERO: And then we will give to somebody else. And

then we will come back, in sort of like a rotation.

MR. JONES: Understood. Got to have some kind of process to spread it around.

MR. ROMERO: If you will notice, right below that, there is another application for giving from Wells Fargo.

MS. HOWARD: Good question. So to accomplish our goals successfully, there is quite a bit of startup that needs to be done. And you can see each of these activities outlined in our development plan.

First, we need to define the demand for the program, and determine any staffing needs that we will need to accomplish each of these activities. We also need to standardize how we are going to communicate about this program. And this will include writing a compelling program success story to communicate the benefit of the program to Texas communities.

We will of course be doing quite a bit of research on potential donors, both corporate and individual. And we are hoping to enlist our advisory council in this endeavor. We will also be creating cultivation strategies for each donor identified. And we will plan to begin the cultivation of new donors by next summer.

And finally, we are going to need to create some individual investment policies which will dictate how an individual's funds will be utilized and the rate of return that our investors can expect. We are currently scheduling a meeting with the Austin Community Foundation, who is very experienced in attracting social investors. And we are hoping they can provide some insight on these policies for us.

MR. JONES: This is sort of like a clearinghouse, or they have just done it successfully?

MS. HOWARD: Well, they have kind of become a clearinghouse in the Austin community for social investors. What they do is, if an investor is looking to commit a large amount of money, but they don't have the time to identify a nonprofit themselves, what they will do is, they will go to the Austin Community Foundation who will take that money, invest that money, and then dole that money out to organizations, nonprofits that they feel meet the mission of the investor.

MR. JONES: We haven't had any relationship with them in the past. You are developing it now?

MS. HOWARD: We are trying to. Yes. They are notoriously -- they are very busy. And we have been working with corporate to schedule that meeting.

And we are also hoping to speak with Austin Ventures, which is a local venture capital group, who we think could also provide some insight for us. And it is also important to note that once these policies are drafted, we will be bringing them to the Board for approval.

MR. JONES: And in the past, we have noticed some, and we have applied to some. But this is the most probably ambitious that we have had to date. Correct?

MS. HOWARD: It is ambitious. But we are very positive about it.

MR. JONES: Well, there is an old biblical adage that says, you

have not because you asked not.

MS. HOWARD: Right.

MR. JONES: So, okay.

MS. HOWARD: Are there any questions about our direct lending plan?

(No response.)

MS. HOWARD: Okay. Then I will pass it over to Janie for ACT.

MS. TAYLOR: Great. Well, ACT, we are following a similar approach that we are for direct lending.

As you may recall, the ACT program, which is a program that Dave Danenfelzer and Jo Ropiak manage, is our land banking land trust program, which essentially, up to this point has utilized federal dollars, the Neighborhood Stabilization Program dollars that came to the State of Texas. We have utilized that money to purchase mostly foreclosed properties around the state.

We partner with organizations that work in the community. And they act like a developer. So we own the property, and we partner with them, with a local nonprofit developer. And they either build a home if it is a vacant lot, or they rehab the home, if it's an existing home, and then try to sell it or rent it to a low income family.

And that funding source is pretty much coming to a close. And so we are now faced with you know, how do we continue this great program, this very much needed program. And one of the ways that we have identified is

there is a lot of financial institutions out there that have a lot of properties in their portfolio foreclosed properties.

And we are now receiving a lot of donated properties straight from the financial institutions. And so, and that is great. There are some costs, then. Associated possible costs of upkeep of the properties, of you know, maintenance of the lawn, things like that. And then finding the partner and whether there are any additional funding that is needed to be able to rehab the home and things.

MR. JONES: Two things, you said that we are receiving a lot of that. Do we -- there is a value associated to the properties also that go to our report. What happened to that report?

This might be off base. If it is, we would do it. That had like oil rights or something. Do you remember that thing, David? Did that go away? Did that disappear?

MR. LONG: David Long. I think what happened was is that the actual value of that potential gas lease ended up not being quite as valuable as they thought it might. And I think the company actually stopped doing what they were doing and the lease never came to fruition.

MR. JONES: Okay.

MR. LONG: I mean, that is my understanding. And I can't tell you for sure. And I can't tell you they won't come back. But at this point in time, that never came to anything that needed executing.

Is that correct, Pam?

MS. STEIN: Right.

MR. JONES: I understand. And so we have like a -- the properties that they give us, some we just sit on and hold, right. And keep it in decent shape, so that the value of the surrounding properties and the community don't go down. That helps in that way.

MS. TAYLOR: Right. And I believe the number is closer to 40 that we have received of donated properties straight from financial institutions, and we see the potential of that number increasing in the near future.

So going back to the development plan, what then our job is, is to find either -- finding funding sources for either purchasing or upkeep of the properties. And then as well as continuing the donated properties program.

And so for this year, as Katie mentioned, for the direct lending program, some of the things that we need to do are tasks to create the infrastructure of the program is what is the demand for this type of program in the State of Texas. What is our funding need for it. And how do we classify the activity, whether it is a land banking or a land trust. What type of properties are we looking?

We need to have those type of things, that type of information that we can then relate to a potential funder, and be able to answer all of their questions. And at the same time, Katie and I are -- they are going to take that information to research and identify potential funders. Develop those success stories.

What are the success stories that we have had, so we can show them pictures, you know. This family was put into this home. This is how it connects back. Not just like, here is the donated property, but how does that

connect back to a family that it is helping.

MR. JONES: Excuse me. This seems like it could be pretty time consuming. You work in -- because once you really -- with the deadline and things started. This is going to be --

MS. TAYLOR: It is. And I think I have shared this with Jerry. Katie put together, once we put this together, to get a master list for ourselves. And there is a lot of deadlines for us, but not only for us, but also for the program managers, for our executive staff. For Advisory Council members.

There is a lot of things that we are hoping to accomplish. And so we have monthly meetings to hopefully ensure that people are -- that we are all staying as close to accomplishing those tasks at the deadlines that we have set for ourselves.

But it is a working document, so we expect that there may be -- not everything will go as we hope it will go, but we certainly felt we needed to identify deadlines for ourselves. So this one has a very short task list for right now. But it will grow as we gather some of that information that we really need to have. Because this is a program that we really haven't fund-raised for, necessarily.

And so we received some seed money so to speak from the Heron Foundation early on, a couple of years ago, two or three years ago, to get it started. But since then, there hasn't been active fundraising other than the federal program that we received. And so we sort of need to have -- create a lot of the documentation and information that we need in order to start figuring out who is a good potential funder for it.

MS. HOWARD: And the last one that I am going to talk about is Texas Foundations Fund. And as you will recall, the Texas Foundations Fund is the grant-making program that we have, in which we identify through an application process qualified and excellent nonprofit organizations who are providing critical housing needs in their communities, and provide those organizations with \$50,000 to support their programs.

And there are two strategies that we will be adopting to continue to fund our Foundation Fund going forward. The first one is we will continually look for grants of 25- to \$50,000, roughly, to continue to support the yearly awards that we give away. We will be continuing these efforts.

And the second one is much more ambitious. It is a longer term strategy. And what we are hoping to do is to create a \$5 million endowment for the Foundations Fund by the year 2017. And this endowment will have the potential to fund the Texas Foundations Fund in perpetuity, since each year, the endowment will create interest.

And then we will give away the income from this interest as awards. But we won't touch the principal of this endowment. So it will be there for the next year. While this process is going to take five years, it is important to note that our plan only includes activities through 2013.

So most of the activities in this plan are laying the groundwork for our endowment campaign. So you won't see asking a specific organization or individual within the context of this development plan right now.

So to pull this off, we are going to be engaging our advisory council very heavily. Therefore, our first steps in this endeavor are to create a

plan to expand our advisory council to ten members, and increase their engagement in TSAHC and in the Texas Foundations Fund.

MR. JONES: Excuse me. Increase the Advisory Council to ten. And we have only got three to five?

MS. HOWARD: Correct. We will actually --

MR. JONES: We have got all five now?

MS. HOWARD: Yes. We do.

MR. JONES: Okay.

MS. HOWARD: We have approved --

MR. JONES: Somebody last month?

MS. HOWARD: Yes.

MR. JONES: Okay.

(Simultaneous discussion.)

MR. JONES: All right.

MS. HOWARD: But thank you for bringing that up. We will actually be coming to the Board next month to amend the Advisory Council document to approve the expansion of the Advisory Council.

MR. JONES: Okay. Great.

MS. HOWARD: So you will be involved in that process.

MR. JONES: You know, cut to the chase. This stuff here, it answers Jerry's question a couple of months ago, what are we doing to raise funds.

MR. ROMERO: Yes.

MR. JONES: We have had that discussion.

(Simultaneous discussion.)

MR. JONES: Here it is.

MR. ROMERO: Yes. They have done a great job. They really have.

MS. HOWARD: Great. So I guess, continuing on, we are also going to be conducting a donor prospect assessment to help us determine the giving capacity of our current donors, and help us identify prospective donors.

We are hoping to hire a consultant to help us in this endeavor. And it is important to note that we are looking for grant opportunities to help fund this cost. So you will see that activity in the development plan.

We are also planning to conduct research to identify prospective donors. We are going to focus this research primarily on home and multifamily builders in Texas initially. And we are going to engage the Advisory Council very heavily in this process. Once donors are identified, we are going to then create individual cultivation plans for each donor.

And similar to direct lending, we will also need to create investment policies that will dictate how a donor's funds will be invested. And once these policies are complete, we will bring them to the Board for approval.

And some more detail for all of these strategies is available in our development plan. If you have any questions, feel free to contact either Janie or I at any time.

MR. JONES: Okay.

MR. ROMERO: I don't have a question. I just have a comment. One of the challenges that I saw in looking at this \$5 million

endowment fund is that our current interest rates today won't support a sufficient amount of return to cover what we are already doing.

MR. JONES: That is correct.

MR. ROMERO: So I had a discussion with David last night. And that is something that I am sure that can be brought back to the Board at some point in time.

Should we get to this \$5 million or more in the next three or four years. If there should be a time when we don't generate sufficient interest earnings to cover what we have been given in the past, I would like the Board to consider that we would make up that difference, up to that \$250,000.

MR. JONES: Well, we have been doing it anyway.

MR. ROMERO: Right.

MR. JONES: I mean, we have been generating and funding it from our own revenue anyway. So that, I think that we would continue to do that without any specific necessary to change anything. Because you are right, it is not going to generate a lot of interest at today's interest rates.

MR. ROMERO: And it might change three years from now. Hopefully.

MR. JONES: We should have brought goals four years ago.

MR. ROMERO: No kidding.

MR. JONES: Thank you very much.

MS. TAYLOR: Okay. Great. Appreciate it. Thank you very much.

MR. JONES: Ambitious. Very well done. A lot of work. I

hope it doesn't take away a lot from all of the others hats that you wear, Ms. Taylor. We will find out.

MS. TAYLOR: This one is very important.

MR. JONES: Okay. All right. And do we have something next meeting also?

MR. LONG: Say what?

MR. JONES: Some additional staff reports? Or does that cover most of it?

MR. LONG: That covers all of them to date.

MR. JONES: Okay. And that will get updated periodically from different ones.

MR. LONG: That is correct.

MR. JONES: Okay. I like the fact that we did this. I think it is great. Okay. Thank you again, staff. We appreciate it. At this time, we will go into the action items. The presentation, discussion and possible approval of minutes of the Board meeting held on September 13, 2012. Is there a motion?

MR. EVENWEL: Move to approve.

MR. ROMERO: Second.

MR. JONES: Moved and seconded. All in favor?

(A chorus of ayes.)

MR. JONES: All opposed?

(No response.)

MR. JONES: It is approved. The minutes are approved. Tab 2, presentation, discussion and possible approval of a resolution regarding the

submission of one or more applications for allocation of private activity bonds at the Texas Bond Review Board for qualified mortgage bonds and containing other matters incident and related thereto.

Ms. Omohundro.

MS. OMOHUNDRO: Thank you very much. Paige Omohundro. I almost said McGilloway again. Home ownership finance manager. The resolution before you is asking your permission for us to go to the Bond Review Board to ask for additional funds for us to continue fulfilling our Mortgage Credit Certificate program.

As you may recall, a few months ago, we came before you asking for your permission to convert some of our bonding authority into Mortgage Credit Certificates. You granted that, and we will be utilizing that in our next round of Mortgage Credit Certificate program funds.

That being said, we no longer have any mortgage revenue bonding authority at our disposal. This resolution will allow us to go to the Texas Bond Review Board and ask for that additional authority, so we can continue fulfilling the funds, the allocation for our Mortgage Credit Certificate program.

We are asking for \$100 million. And we need to submit this application by November 15. Hence you having this resolution before you this month.

MR. JONES: So this is basically a time- sensitive matter?

MS. OMOHUNDRO: Yes, sir.

MR. JONES: And the history of the staff is not to ask for

anything that they don't anticipate they will use.

MS. OMOHUNDRO: That is correct.

MR. JONES: Simple as that. Any questions or discussion on this item?

(No response.)

MR. JONES: Okay. Hearing none, the Chair will entertain a motion.

MR. ROMERO: I will move to approve as presented.

MR. EVENWEL: Second.

MR. JONES: Moved and second. Any further discussion?

(No response.)

MR. JONES: Any public comment?

(No response.)

MR. JONES: Hearing none, all in favor of approval, signify by saying aye.

(A chorus of ayes.)

MR. JONES: It is unanimous. It is approved. Thank you.

MS. OMOHUNDRO: Thank you.

MR. JONES: Presentation, discussion and possible approval of the Texas State Affordable Housing Corporation investment policy.

MR. LONG: Mr. Chairman, I am going to have the CFO and Mr. Herring come back up and give you a presentation on the next two tab items.

MR. JONES: Okay. You were going to cover this up.

MS. SMITH: My name is Melinda Smith. I am the Chief

Financial Officer. I am joined today by Howie Herring with Patterson and Associates. And he is going to give you just a brief overview of kind of the state of the economy right now, before we jump into the agenda item.

MR. HERRING: Good morning once again. If you will go with me to the handouts that I provided, I actually pulled that same slide out, because I think it carries a lot of points of discussion. I was told to keep this to about ten minutes. And we could probably spend ten hours if not more.

MR. JONES: True.

MR. HERRING: So I will try to be brief, and then answer questions that you may have, such as I can deal into a crystal ball. The world is basically in a significant economic transition point. And it is -- the transition we are seeing is towards a negative growth. I am not going to use the R word. I am not going to use the D word.

But the fact is, is that we have in virtually every part of the planet adopted policies where governments are spending more than they are taking in, promising more than they can deliver. And then when the time comes to pay the piper, they find themselves caught between civil unrest and having to make changes that are so grievous to lifestyle that they don't know what to do. And so the popular phrase right now is we will come kick the can down the road.

Because what they are hoping for is that tomorrow will be a better day. They will have all of a sudden, they will win a lottery someplace or something will come up with the funds they didn't have before, to try to pay for the sins of their predecessors, if you will.

We have seen the European situation erode rather rapidly. And

it actually is based upon what happened here. So hence, the comment on the first page, where we talk about policy of the US is the economic engine that runs the planet.

We are by far the world's largest consumer. We are the world's largest producer at the same time. But the fact is, that both of those energies create growth elsewhere.

And many economies grew to the point where they became as reliant on us as almost like an addictive drug. That they would say, oh, we will sell it to the Americans. Or you know, they will buy anything from us, at almost any price.

And that is what we saw going on in Europe. The ECB was created -- an ECU I should say, was created as a response to NAFTA.

When the Europeans as a continent heard that we were going to unify between the United States and Canada, they tried to come up with an alternative that would have equal if not better bargaining power. Because they were going to say, we have all of these countries.

Well, if you look at the history going back, I am going to talk a little geopolitics just for a second. There is 27 nations currently involved in one way shape or form in the ECU.

And every one of those countries speak different languages, have different traditions, have different political philosophies and agendas. And they all want to maintain their own sovereignty. But they have come to rely on some type of central bank to give them things that they don't have.

When it comes down to fixing things, the sovereign pride of

these nations, that are saying, well, okay. We can't pay our debts. We are just going to default on them.

And hence we have seen issues like this in Greece and Spain, and even potentially Italy. And for years, Italy has been the economic butt of jokes when they talk about how things are done over there.

But what has to be kept in mind is the fact that is the Italian sovereign debt is the third largest issuance in the world. They are only are behind the United States and Japan, as far as how much debt they have issued. And that is held by banks all over the globe.

So if there is a significant problem in Italy, then that would lead to significant banking problems once again. And their political infrastructure prevents changes from being made in any wholesale way that they need to do.

I think that the telling chart is actually on the second page of Europe. When you look at the rate of unemployment --

MR. JONES: Where are we looking at right now? At the top of the page?

MR. HERRING: It is actually page 4, if you will. The second book over. The chart on that page is the continental rate if you will. The EC rate of unemployment over the last several years.

And if you will note unemployment there spiked in conjunction with the US's great recession of 2008-2009. And what they found was, that they had become so tied to selling to the United States as the US markets have faded away and not recovered, they now have unemployment that is well over 10 percent.

In some sectors of the job force, there -- for example, in Spain, they talk about 25-year-old males, 25- to 40-year-old males, the unemployment rate is as high as 25 percent. So recovery for these governments is going to be extremely difficult. And they also talk about austerity, where the government is cutting spending.

Well, to give you an example how deep the cuts are, the Greek government is in the process of selling the national power grid to private enterprise, all of the airports to private enterprise, and basically eliminating their military forces, and just turning them into a national police force. That is still not enough. Yes.

France is seeing the type of economic deterioration based on the same consumption, more than taking in pattern. They just have a proposal for their government that the highest tax rate in France is now going to be made 75 percent.

MR. JONES: Didn't Sweden or somebody try that, and lost a lot of people.

MR. HERRING: Yes, sir. That is what I -- you know, in a global society, that is what happens. And capital flows where it can be best utilized. And historically, sovereign governments are the worst utilization of capital there is. Private enterprise is the best.

You know, some type of a public private enterprise, that works too. But the fact is, that for profit organizations do it better, when it comes right down to it. Profit is a great job creator.

MR. JONES: Excuse me. You made a comment about a

national police force to hire unemployed people.

MR. HERRING: No. They will convert the military. They will get rid of the air force and you know, heavily armed --

MR. JONES: But basically, because of US foreign policy, they don't get a lot necessarily allotted to their military defenses anyway. A lot of the European countries.

MR. HERRING: Right.

MR. JONES: So if we go down there and put more into it, then that is going to go -- okay.

MR. HERRING: Yes, sir. It is --

MR. JONES: Dominoes.

MR. HERRING: Yes. Exactly. And you know, what they are saying is they will basically leave themselves defenseless against an outside force, because given where they are, the NATO agreements and everything else, everyone else will rally around Germany and the US for example, and get rid of all their tanks and fighter planes and things like that. Just have a military force that is made up of like a state police force if you will.

So that engine alone has stalled. And when you consider the population and the size of Europe, the growth there is coming to a screeching stop.

MR. JONES: Well, I know this is probably not the time and place to talk about it, but as many of the Mideastern countries all start to unite, then that would be where the danger would come from; from the European countries. So they are like a second move of the Ottoman Empire. If you are

defenseless -- if you are sitting in Europe defenseless.

MR. HERRING: Well, I would tend to agree with you in that regard on a macro-politics basis, except for the fact that the US is still the 800-pound gorilla in that room, and Germany and England, you know, and France.

You know, you talk about nuclear powers or large-scale military forces. You know, those are the guardians of the gate, if you will.

MR. JONES: So if you are saying financially, it is almost like if a butterfly flaps its wings, it is felt on the other side of the planet.

MR. HERRING: Yes, sir. And the perfect example of that is the next slide. Okay. China. The PRC evolved their economy from an absolute communist economy into a something in between. We call it social communism or whatever you want to call it. When there is a profit motive on certain levels.

Their biggest counterparty for trade is not the US. Their biggest counterparty for trade as a group is the European Bloc. And as Europe has stalled, now we are seeing growth in the PRC slow rather quickly.

The point there is that we don't know the economy that they built the structure of it, if it can withstand an economic slowdown on it. You know, just their population growth alone gives them an automatic GDP increase of about 4 percent each year.

So if you hear PRC's annual growth rate is 6 percent or even 8 percent, that is not good for them. And their industrial complexes are still so draconian no one can understand. If you remember the old Rube Goldberg

things where you have a little ball that rolls down the ramp, and knocks over the --

MR. JONES: Used to be in the papers.

MR. HERRING: Okay. There are many industrial districts in the PRC where they are run by colonels and generals in the Army. And those colonels and generals use the profits made by the factories in their industrial district to pay for their military equipment. So if that is not Rube Goldbergesque as far as how you have a -- some type of a national spending force.

But that is the way that they are used. Because the generals and colonels are keeping the profits as well. They are spending it back into the government as they choose.

MR. JONES: As well as prison labor.

MR. HERRING: Yes, sir. So the internal politics are still unbelievable. And but you know, yet, the fact is that we have adopted a very strong trade policy with them in both directions. And in moving along, you can see what I did here, as Roy said.

I paraphrased Ronald Reagan's term for the United States Marine Corps, where he said, there is no greater friend and no worse enemy. Because in a sense, they are our greatest friend economically, when the fact is, that they buy our big ticket items. Boeing is a huge seller of aircraft to them. Computers, software. Services. Agriculture. You know, you name it, we sell it to them.

They also use -- that the money that they get from their exports,

not just to the US, but around the world, they invest it here. There are numerous banks now being allowed to be started here, as fresh sources of capital in the United States for investments that are run by companies that are headquartered in Shanghai. They are headquartered in Beijing.

And they are bringing money into the United States for lending and construction and things like that. So that is a good thing as well. They also are buying into businesses. They are becoming copartners with businesses here. So on that side of it, there is a lot of positive points to the relationship.

On the other hand, you go back to the other side, and what we talk about things that they have done that have hurt the United States in a macro basis. Constant patent violations. Talk about anything from Dell Computers down to movies being bootlegged, and printed. You know, the list could go on and on.

The fact is, is that they threaten on boycotting the US dollar, converting -- you know. They want to get paid for their exports. And they want to say they want to get paid in euros instead of dollars, which is an idle threat. It is not going to happen. But it is something that gets the world markets roiled up.

And what happens if their government policies have to change? If they get to the point where their economy slows to the point, and the way they are creating profits and jobs and whatever they are doing starts to fail. We don't know.

Their real estate market is leveraged to the point where it makes

ours look like every house in the United States is bought for cash. There are houses over there that are again, multiple times bought with no money down, no investments. So if the populace over there has a significant problem, then that could drift into their economy.

And we just don't know what will happen there. But they are definitely slowing in their economic activity with the United States. And we have proved once again, that we have met the enemy, and it is us. I am not going to make --

MR. JONES: Pogo. The Okefenokee Swamp.

MR. HERRING: Yes, sir. The fact is, is that if you go back to last year, and I am totally independent. Okay. I don't point fingers at any party. I think we are all messed up right now.

You look at the debate that took place over something as important as raising the US debt ceiling. Okay. We had bills to pay. And we needed to issue more Treasuries to pay those bills. And Congress delayed and argued and hassled and made every talking points about everything under the sun from you know, roads to nowhere to --

MR. JONES: But in reality, I mean, and I know we need to move on to say how this relates to our own finances, I mean, how do you just keep raising the debt ceiling and not -- never have a budget? I mean, that is crazy.

MR. HERRING: Yes, sir. Okay. But you know --

MR. JONES: We have a budget.

MR. HERRING: But those are -- and so does every state and

local government in the country.

MR. JONES: The US hasn't had one in four years now.

MR. HERRING: Yes, sir. But the fact remains is that they are appropriating money as a Congress to spend. And if you don't appropriate the way to pay for it, you need to appropriate the way to borrow to cover your checks. You can't just cut and write checks.

And the point was that their debate was so rancorous, that is what caused S & P to downgrade the United States to Double A plus. Not our financial condition. Okay. But it was just the fact that they were going to use a -- make a political argument with something as important as the debt ceiling. From both sides of the aisle. So you know, that is a problem.

MR. JONES: And that relates back to us in that we are not going to get a lot of interest on our investments.

MR. HERRING: Yes, sir.

MR. JONES: Okay. The butterfly.

MR. HERRING: Yes, sir. And again, you know, some of the talking points, and again, the Government is involved with this, on the very last page.

And just to give some ideas of what we are facing, there was an article in Business Week online yesterday that the head of Darden Restaurants has announced that they are going to cut back their staff nationwide in the anticipation that the Affordable Health Care Plan will not be revoked.

And they are not going to have any workers that work 30 hours or more, which would require that they be provided medical care. They are

going to take everybody to 28 hours, and that's the restaurants like Olive Garden, Red Lobster, all over the nation.

MR. JONES: How many people is that?

MR. HERRING: I didn't have a number on their staff. Okay. The fact is, is that they are one of the largest restaurant chains. We are seeing more and more of that.

And then you know, the term we call the fiscal cliff. The fact is, is that business, if you own a business, and even in an organization here, when you talk about the future, it is based on stable tax policy. Knowing what tax policy is going to be. Knowing what labor costs are going to be. Knowing what your fixed costs are going to be when you create a budget for next year, the year after, and the year after.

And your forward outlooks. Business doesn't have that option right now. They don't know what 2013 is going to be, or 2014, because the bait is Senator Chuck Schumer coming out and saying, we are not going to compromise. You know, let it kick in, or whatever.

So they are stopping spending. If you look at the durable goods orders and the spending schedules that have come up lately, they are all stopping. Okay. We have got hiring issues, where people are not being hired.

Long-term unemployment is the worst it has been since World War II. Because companies are not looking to put people back on payroll, if they don't know what their cost is going to be. The true cost of the impact on hiring is going to be.

MR. JONES: That is the environment we find ourselves in.

MS. SMITH: Might as well to move on to our --

MR. HERRING: Yes.

MR. JONES: This is still fascinating stuff. Because it does -- it gives us a big picture. And I don't think we get to hear it so succinctly very often. Would you agree, Mr. Romero?

MR. ROMERO: (No verbal response.)

MR. JONES: Your conclusion.

MR. HERRING: My conclusion is that we respond. You know, it's basically we no longer can be very proactive, because what has happened is that the Federal Reserve has said, We are not changing anything until 2015. So the market has already moved to say, These are our rates. It is going to be this way until 2015 or until the Fed says, we see things better now; we can tighten that horizon.

So you know, we are basically playing the same hand of cards over and over again and just trying to find little values here as far as investment performance goes. That is my job. That is what I do. That is why my hair, which was once dark brown, is now completely grey.

MR. JONES: Thank you. Appreciate it.

MS. SMITH: Agenda Item 3 is the approval of our investment policy. And the Public Funds Investment Act is the framework in which the Corporation, or all public funds are invested.

And that is what the investment policy lays out for us; what investments are authorized. What investments are not authorized. What our strategy is. Who the investment officers are. What the training requirements

are for those people in the Corporation that make the investments.

And we are required to review and renew the investment policy annually. This year, we didn't make any changes to the policy other than just some organizational changes.

We just sort of moved some sentences from one place to another. Those changes were on pages 9, 11 and 13. We didn't make any substantive changes to the policy at all. No changes to the wording.

MR. JONES: Excuse me. You have got tab, but -- there have already been changes in what we have, and that is the pink that we see. Right?

MS. SMITH: It is redlined.

MR. JONES: Yes. I have got it. Okay.

MS. SMITH: Where we just moved it from one section onto another.

MR. JONES: Right.

MS. SMITH: So we are asking the Board to approve the investment policy for fiscal year 2013, with these changes.

MR. JONES: Does anybody here have any problems with any of the changes?

Mr. Romero, Mr. Evenwel?

MR. ROMERO: They are minimal.

MR. JONES: Pardon me?

MR. ROMERO: They are so minimal.

MR. JONES: Right. That is what they appear to be to me,

minimum changes. Okay. Is there -- the Board will entertain a motion.

MR. ROMERO: Move to approve the investment policy as presented.

MR. EVENWEL: Second.

MR. JONES: Moved and seconded. Any further discussion?
(No response.)

MR. JONES: Any public comment on this item?
(No response.)

MR. JONES: Hearing none, all in favor, signify by saying aye.
(A chorus of ayes.)

MR. JONES: It is unanimously passed. Thank you both very much.

MS. SMITH: Thank you. I am also here to present Tab Four, which is the approval of our broker listing.

MR. JONES: Approval of the Texas State Affordable Housing Corporation broker listing. And I see the list. And there is only one in red.

MS. SMITH: Right. We added one, Cantor Fitzgerald. And correct me if I am wrong. I believe we have to have a minimum of three on the list. And we have nine possible brokers. And these are the folks that Howie and Linda use to obtain bids and make our investments.

MR. JONES: Any questions of investment.

MR. ROMERO: Pam, how do I vote for this, and abstain from number seven?

MR. JONES: We will take it out separate.

MR. ROMERO: You want to take it out. Okay.

MR. JONES: We are going to vote on number one through six and eight and nine. Seven will be voted on separately.

MR. ROMERO: I move to approve the one through six and eight and nine.

MR. JONES: Is there a second.

MR. EVENWEL: Second.

MR. JONES: Moved and seconded. Any further discussion?

(No response.)

MR. JONES: Any public comment?

(No response.)

MR. JONES: All in favor?

(A chorus of ayes.)

MR. JONES: Any abstentions?

(No response.)

MR. JONES: Okay. And in terms of the Texas State Affordable Housing Corporation authorizing the broker dealer list number seven, is there a motion?

MR. EVENWEL: So moved.

MR. JONES: And I will second it. Any further discussion?

(No response.)

MR. JONES: Any public comment?

(No response.)

MR. JONES: Hearing none, all in favor?

(A chorus of ayes.)

MR. JONES: Any noes?

(No response.)

MR. JONES: Any abstentions.

MR. ROMERO: I will abstain.

MR. JONES: One. It carries. The list is approved.

MS. SMITH: Thank you so much.

MR. JONES: Thank you. There is nothing else on the agenda. Right?

MR. LONG: That's right, Mr. Chairman.

MR. ROMERO: Mr. Herring is more than welcome to stick around for lunch.

MR. JONES: Yes.

MR. EVENWEL: The next date.

MR. JONES: The next date, he just said, I think, was the 15th.

MR. EVENWEL: The 15th of November.

MR. ROMERO: It is a week later than what it is --

MR. LONG: It is a week later, and that is because the first is a Thursday, which puts the 8th, which would be the next Thursday.

MR. EVENWEL: I just wanted everybody to understand that.

MR. LONG: It just gives us a chance to have a little bit more time for financial statements to come in, and be incorporated into our reporting to the Board. So the 15th of November.

MR. EVENWEL: The third Thursday. Yes.

MR. LONG: So that would be the third Thursday, which is the 15th.

MR. EVENWEL: Yes. I just wanted everybody to realize that it is correct.

MR. JONES: Okay. Thank you. Yes.

MR. LONG: And we will certainly --

MR. JONES: So that is what it is tentative. And again, you will survey the Board.

MR. LONG: Make contact with all of the Board members and firm it up. And then just let you all know. And then if you all respond affirmatively, once we send out the email, everybody can -- we will make sure we have a quorum.

MR. JONES: Okay. All right.

MR. LONG: And with that, I have no other business.

MR. JONES: All right. If there are no other comments, I want to personally once again thank Penny Bynum for dutifully, faithfully, professionally recording our minutes of our meeting. And quietly. And the staff, because their presentations were really great, and they always are.

MR. ROMERO: It was really helpful to me to have that.

MR. JONES: If he said that, I mean, then they were really looking good. Thank you for your presentation too. Okay. Hearing no other business, the meeting is adjourned.

(Whereupon, at 11:45 a.m., the meeting was concluded.)

CERTIFICATE

MEETING OF: TSAHC Board

LOCATION: Austin, Texas

DATE: October 11, 2012

I do hereby certify that the foregoing pages, numbers 1 through 73, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas State Affordable Housing Corporation.

10/15/12
(Transcriber) (Date)

On the Record Reporting
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