

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,
March 21, 2013
10:05 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair
WILLIAM H. DIETZ, JR.
GERRY EVENWEL
JERRY ROMERO
ALEX MEADE (absent)

ON THE RECORD REPORTING
(512) 450-0342

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PROCEEDINGS

MR. JONES: The March meeting of the Texas State Affordable Housing Corporation Board of Directors is now called to order.

William Dietz, Vice Chair, he called. He's in traffic. They had a big accident out there. He's on his way, but he's not here now.

Gerry Evenwel, member.

MR. EVENWEL: Present.

MR. JONES: Jerry Romero, member.

MR. ROMERO: Here.

MR. JONES: Is Alex Meade a member already?

MR. LONG: He has been confirmed by the Senate, but he has not completed training. So we have him on the list, just for purposes of showing that he has been confirmed by the Senate. But he's not going to be able to make it today, either way.

MR. JONES: So I should just put absent?

MR. LONG: Yes.

MR. JONES: And I'm present. We have a quorum.

And I will leave Mr. Dietz's spot blank for now.

I'd like to start by saying I appreciate you guys putting up with me last meeting. I was sicker than I knew. Some penicillin for an infection here killed all of the bacteria in my stomach, and I had developed a mild case of diverticulitis, and I didn't know it. And I was here with the inability to process and break down food.

But we did it, and we presented the check and everything, I

went back home and went right to the doctor. But I am well, and I appreciate it. I will thank Mr. Dietz personally for chairing the meeting for me last week.

At this time, is there any public comment?

(No response.)

MR. JONES: Okay. Then David Long, Corporation President will give us the President's Report.

MR. LONG: Thank you, Mr. Chairman and members. As always, you have in front of you, in your Board book the Tabs A through C, which are the program area reports, as well as the information related to the monthly budget investment reports.

In addition to that, I would like to give you a few updates on some things that are going on or have been -- we've been participating in. Kind of an update: I think last month, we reported that the Texas Statewide Homebuyer Education Program that we are administering, we have our first scheduled spring training in April.

At the time we only had -- we had about nine people. We were pretty excited about getting that kicked off. And I am pleased to report that as of this week, we have 43 people signed up to participate in that. That's kind of at our limit. We could add a few extras here and there, but we have maxed out on that. And we're very excited about that.

I would like to recognize that Bank of America is going to be the sponsor on that spring training and that the Corporation is partnering with NeighborWorks America to bring the training on. They're going to be providing the trainers.

We'll be offering homebuyer education methods train-the-trainer course; delivering effective financial education for today's consumer; as well as foreclosure basics. So all three of those courses will be offered.

I would also like to kind of just give you an update in general. The report is in your book, but just to kind of reiterate, the successes we had in 2012 with the single-family programs.

In partnership with all of the outstanding lenders that we have worked with, we were able to close on \$200 million worth of loans to our home loan and mortgage credit certificate programs. That equates to over 1,700 families that we were able to serve in those programs. We are very pleased with that, in providing those families the opportunity to now be homeowners.

We would like to also -- in the process of that, we went out and recognized our top lenders and our top mortgage companies that participate with us. And I would just like to kind of give you a heads up on who they were.

Kim Lewis with NTFN, Inc., Premier National Mortgage Lending, top lender across the board. She originated 136 loans for \$15.8 million in value, which we thought was pretty outstanding for one loan officer to generate.

Also recognized Nancy Moreland with Brookhollow Mortgage Services. She did about 4.8 million in loans. And then Norma Guerrero Cowes with DHI Mortgage, she did 26 loans for 3.8 million.

In addition, the top mortgage companies that we had in 2012

were Cornerstone Mortgage, DHI Mortgage, and NTFN Mortgage. Obviously, you can see the correlation there between the lenders themselves and the mortgage companies.

Again, we had announced last month that we would be launching our website -- our new website. I hope you've had a chance to go out and look at it. I received -- we put out a notice to a lot of our partners in letting them know that website was up and available.

And we received a lot of positive feedback; both email and correspondence on that. We are pleased to have that website. And if you haven't had a chance to go out, we would encourage you to go out and look at it.

MR. JONES: Yes. And if you look at the website -- and it is something that they worked very hard, very diligently, and it's a great website; it is. But they're also open to suggestions or questions on it.

Paige, and Janie and them, they more than welcome it.

One of the suggestions that I made is that a lot of times when I go around and talk to people, I will send them right to that website. But I asked them if it would be possible to put the Board members' photos on the actual site, because when we talk about these people, they go and look on the thing.

And I think the Board members, if there is any staff photos and anything, I think it's appropriate for the website, to see that there's real people, and with the quality of people, with what they do. And I think there's a place for that on the website.

MR. LONG: Okay. To continue, the Corporation had the opportunity to do a check presentation from the Texas Foundations Fund. Representative Kleinschmidt participated in the check presentation, along with the Texas Foundations Fund advisory council chairperson, Edwina Carrington.

We made a \$30,000 check presentation on the House floor to Easter Seals through the Foundations Fund. So we were pleased to be able to do that, and we do have photos to go with that.

The Corporation, in continuing its effort to maintain our Financial Toolbox, received a \$2,500 grant from Frost Bank in support of that website.

The Texas Community Capital -- if you remember, Texas State Affordable Housing Corporation, two of our members serve on the board, of the Texas Community Capital. We had a Board meeting the other day.

Two main topics that came out of that were Mr. Steve Carriker, if you remember, was the Executive Director of Texas Association of CDCs. He has since retired. And the new Executive Director, Matt Hull, whom you had an opportunity to meet, he introduced himself several meetings ago.

But we needed to change signature authority, because Mr. Carriker is no longer with us. So we added myself and Matt Hull to signature authority under that.

The other thing I would acknowledge is that Texas Community Capital is working very hard with a bunch of other partners to come up with a

program called the Affordable Small Dollar Loan Program. It's a consumer loan program to provide an alternative for payday and title loans. We believe that that is a product that is not serving people well, and we're trying to come up with an alternative product that will compete with that but also give borrowers a choice.

Those were the two main topics at the discussion.

MR. JONES: Are you talking about payday and title loans for --

MR. LONG: Consumers.

MR. JONES: And they are using that to get money for down payments and things?

MR. LONG: No, no. It has nothing to do with mortgage loans. It is just Texas Community Capital can do other things besides housing. And this is -- they are looking at doing -- they're looking at bringing together a program called the Affordable Small Dollar Loan Program that will be an alternative to payday and title loans.

MR. ROMERO: It's centered around an employer-based type of program where you go to large employers. And you would offer it up to the employees. The Texas Community Capital would actually lend them money through funds that they --

MR. JONES: Okay. Yes. Okay.

MR. ROMERO: Put together through payroll deduction and so forth.

MR. LONG: I update you on this, Mr. Chairman, because the

Corporation -- our Corporation has two members on that Board, as well as the Texas Association of CDCs.

MR. JONES: I understand, I understand. Those are really high-risk loans, predatory and everything else.

MR. LONG: We're just trying to find an alternative, and there's -- we've got a lot of support from that -- to do that. We've got a lot of partner organizations.

And then the other thing I was going to mention to you is that as a result of that, the Corporation actually hosted one of their -- they've been doing state -- around-the-state roundtables, talking with other organizations that might partner with us to be loan offices for the program. And the Corporation was able to host one of those meetings here in this room. And we had about 25 people attend, so I thought it was really well done.

I would want to -- I did want to take a few minutes to recognize -- you know, you always recommend, or you always comment, Mr. Chairman, how great it is, the staff we have, and the work they do. And I never ever suggest that you are not correct. We have excellent staff.

But I think what I wanted to do, given some of the hard work that has been going on around here, I wanted to recognize a couple of the staff formally right now. There's been a couple of things we have been working on really hard, and I think some of the staff needed to be recognized for that.

Sarah and Delia have been working exceptionally hard to ensure that our single-family programs, both from the training standpoint, the

program of the Texas Statewide Homebuyer Education Program I just mentioned to you, making sure that that gets fully booked up. Sarah has worked very hard to make that happen.

Sarah and Delia are now doing our lender trainings, when we do the online lender trainings, for them to learn how to access and coordinate through the single-family compliance program that we are doing.

And I think that the volume we are doing in those programs is a standout to them and the work that they are doing. Don't get me wrong. I know that Tim and Paige do a great job. And everybody works hard together. But specifically, the work that they are doing is fantastic. I also wanted to recognize Betsy, the national -- the neighborhood --

MR. JONES: Betsy and the two, Betsy, where are they?

MR. LONG: I don't know.

MR. JONES: What are you doing in the back row? Stand up for a minute.

FEMALE VOICE: And unfortunately, Sarah's out of the office today and tomorrow.

MR. LONG: She probably knew I was going to talk about her. The other person is Betsy. The Neighborhood Stabilization Program has been a long extended program with a lot of ups and downs, a lot of reporting requirements.

We partnered with the Department of Housing and Community Affairs, and I think we were one of if not their largest subrecipient. The detailed information that we have had to put together for that is just

outrageous, to be honest with you.

But because of the work of Betsy -- and I know that Melinda and Nick would support me in this, she has done a phenomenal job. And I know Dave and Jo have worked well with trying to keep sure, you know, we're keeping everything in order.

But Betsy has had to put together an outstanding level of reporting documentation, to the detail that I don't even know why we have to do it. But we are, and I wanted to recognize Betsy for doing that as well.

And I know Betsy's back there too. But it is just nice to know that we have not only the capacity but the quality staff to ensure that anything that comes up, we can take care of it and do it at a high level -- with a high level of professionalism and a high level of quality. And I just wanted to recognize this.

MR. JONES: And since the praise doesn't come with a ribbon or a pay raise immediately, we can --

(Applause.)

MR. LONG: Again, I'm not trying to shortchange the other staff members at all, but --

MR. JONES: No. We don't take it that way.

MR. LONG: -- but over the last several months, they have been doing an exceptional job, and --

MR. JONES: I mean, the only guy skating, that I can tell, is David Danenfelzer, but --

(General laughter.)

MR. LONG: I wasn't going to say that, but okay. The other thing I would do is just give you an update on a couple of things.

On March 6, David Danenfelzer, speaking of, attended a groundbreaking for the Rita Blanca Apartments in Dalhart, Texas. This is -- TSAHC participated through our direct lending program in that transaction, and David attended the groundbreaking. I give him kudos for making the trip.

We also hosted the state infrastructure committee, which is related to the Texas Interagency Council on the Homeless, here in our offices, on March 13, and as I mentioned earlier, we offer lender trainings on the first and third Wednesday of every month. And that is related to our single-family compliance and our single-family programs.

And again, Sarah and Delia are doing those trainings and we offer those. And I think we had one yesterday, and we had over 50 people attend. I mean, we've had upwards of 100 people on these trainings.

And it just continues to amaze me how many people are participating in training. And I think today or tomorrow, they're actually doing an individual lender training where they just wanted one on one training.

MR. JONES: When they do that, do you take any still shots or anything?

MR. LONG: It is not a training these are on. That specific training. David was supposed to take pictures in Dalhart, and he didn't. He gave the camera away.

So the infrastructure meeting, the infrastructure meeting was

kind of a conference call with people here, and we didn't take pictures.

MR. JONES: Well, I mean, all of that they do. But still it looks good on a PowerPoint.

MR. LONG: Well, we can start having somebody walk around and do that.

MR. JONES: Of all of the different things, all of the interaction with the community, with different groups and all. People have no clue of the volume of involvement and participation that this Agency has. They don't.

MR. LONG: I appreciate that, and we'll continue to try and find ways to make sure, whether we are using our phone or whatever we are doing.

MR. JONES: Document it.

MR. LONG: Document it. That is correct.

For the record, Mr. Dietz has joined us.

MR. JONES: David?

MR. LONG: For the record. I'm going to finish up.

MR. JONES: Yes. Okay. Just for the moment, Mr. Dietz has joined us, and he's present and adds to our quorum.

MR. LONG: And then, the last couple of things I would do is, Charlie Leal continues to attend the Affordable Housing Initiatives Roundtable. In fact, that's where he is at right now.

We continue to have our meetings at the Capitol with -- I think, as of now, we have met with all of the members of Senate IGR as well as House Urban Affairs, the two committees which we report to during session.

And as of this morning, we also had the opportunity to meet with the Chairman of Senate IGR. Mr. Jones made sure that that meeting was available to us. And we met with Senator Hinojosa and his staff, myself, Charlie, Janie, and Mr. Jones.

We went over and had a chance to meet with him on one of our bills. So we appreciate Mr. Jones making that happen. The last thing I always do, is let you know who is here.

MR. JONES: Let me make a comment on that.

MR. LONG: Sure.

MR. JONES: As always, every legislative session, the President and Janie, she pretty much -- that is where she gets the term General from, because she definitely develops and plans strategies for dealing with the Legislature and all of the intricate parts from the Governor's Office to the Senate side, to the House side, and to get with staff and all.

And I only did what they asked me to do. I didn't initiate anything. The General called me and said, You will do this. You will set this up. You will call this one. And I said, Yes, ma'am. Yes, ma'am. And so that's my role.

MR. LONG: It worked.

MR. JONES: It worked very well.

MR. LONG: In the audience, from a professional standpoint, Pam Stein is here as-General Counsel with Greenberg Traurig. Robert Johnson is here with First Southwest, and Chris Spelbring is here with Raymond James.

So we just would like to let you know that the professionals are here, if you have any questions. They're here to help answer any technical questions on the programs.

Mr. Dietz, welcome. Good to see you.

And with that, Mr. Chairman, I'll conclude my reports, unless anybody has questions on the staff reports.

MR. JONES: Do you have any questions, Mr. Dietz, on Tab A, B, or C in the President's Report?

MR. DIETZ: No.

MR. JONES: Anybody else?

MR. EVENWEL: I've got a couple of little ones, on C. It's the last page of the portfolio thing, the second paragraph, where it says "at least through 2012." I assume that means 2013?

MR. LONG: I'm sorry?

MR. JONES: What's the heading on that page?

MR. EVENWEL: It says, your portfolio. It is the one before --

MR. JONES: Okay. January 31st.

MS. SMITH: You are probably right. I will check on that.

MR. JONES: Are you talking about the second bullet from the bottom?

MR. EVENWEL: The second bullet from the top, where it says "at least through 2012."

MR. JONES: Okay.

MR. EVENWEL: I just assumed it means 2013.

MR. LONG: Is that correct, Melinda? We'll make that change. Thank you, Mr. Evenwel.

MR. EVENWEL: And the page before that, the third bullet, the Federal Reserve positions keeping the rates low -- I thought it was neat that there is no change that came out of last week's --

MR. LONG: Yes.

MR. EVENWEL: -- announcement, so that's good. I guess that's good for us.

MR. LONG: And also I guess that would express continued concern in the economy still, if they're willing to do that.

MR. EVENWEL: Okay.

MR. JONES: Thank you for your very appropriate observance.

MR. LONG: With that, Mr. Chairman, I will conclude reports.

MR. JONES: Okay. Thank you, David.

Tab 1, presentation, discussion and possible approval of the minutes of the Board meeting held on February 14, 2013.

MR. ROMERO: Move we approve the minutes.

MR. JONES: There is a motion to approve.

MR. EVENWEL: Second.

MR. JONES: And a motion to second. I would like to ask your indulgence on the -- beside the fact that I slept in David's office for 35 minutes and then I slept in this Board room in this chair, for another three hours before the check presentation, and went back home.

I would like if the Board approves, on line 1, on page 2 of the minutes, after roll call, Mr. Jones passed the gavel to Mr. Dietz to run the meeting and left the room because of illness.

MR. LONG: Okay. We can make that change.

MR. JONES: And that's sufficient, because I didn't just leave the room, but I left the room in good hands. When I came back -- remember, when I came back to take it, he wouldn't give me the gavel back?

(General laughter.)

MR. LONG: We'll note that change, Mr. Chairman.

MR. JONES: Okay. So there's a motion. Is there amended motion for approval with that change?

MR. ROMERO: Yes.

MR. EVENWEL: I second.

MR. JONES: Okay. Any other -- is there any public comment?

(No response.)

MR. JONES: Hearing none, all in favor?

(Chorus of ayes.)

MR. JONES: Any opposition?

(No response.)

MR. JONES: Okay. Item 2, presentation, discussion and possible approval of a resolution authorizing the issuance of Texas State Affordable Housing Corporation multifamily housing revenue bonds for the Gateway Northwest project, Series 2013, a trust indenture, a finance

agreement, a bond purchase agreement, an asset oversight, compliance and security agreement, a regulatory agreement, a preliminary official statement, and a final official statement authorizing the institution of documents and instruments necessary or convenient to carry out the issuance of the bonds and other provisions in connection therewith.

MR. DANENFELZER: Good morning.

MR. JONES: Good morning.

MR. DANENFELZER: David Danenfelzer, Manager of Development Finance. I am here to -- we're bringing back this development. This is the Gateway Apartments project, which you all looked at back in August of 2012.

And essentially over the last several months, we've continued to work on the development. There was a significant setback in December of 2012. FHA, who was the permanent financing entity for the development, withdrew the application and rejected it.

There was some concerns over how and why that was done. It appeared that there were some other deals within the same region of this project for FHA, and FHA decided to leapfrog those over our project. However, FHA has come back and actually committed to look at this deal once again.

It is in underwriting. We understand it will be going to their loan committee next month, in April. And we're hopeful that it will get a commitment at that time. My understanding is that the underwriters and the developer have provided FHA with all of the necessary data, numbers, and

changes they need. The project will have to go back through underwriting at TDHCA for tax credits, which is generally not very difficult because of the fact that this has already gone through once and there are very minor changes. But TDHCA will have to update the tax credit award.

And we do have the developer here -- Mark Mayfield, a representative of the developer, available for any questions that you all may have. But staff at this time is asking to simply update the resolution that we approved last August.

The bond world works on a very strict set of rules, and our resolution last year said Series 2012. Well, because we're now in 2013, we cannot issue 2012 bonds. And that is essentially the only change. That is actually the only change that was made to the resolution, was the date of both -- the series date, going from 2012 to 2013, as well as a small change on the actual body of the resolution, changing the date that we plan on closing to May of 2013.

So that was amended as well, but my understanding from bond counsel is there's no other changes other than those dates.

MR. LONG: I might add that this is actually a new resolution. And while we are talking about it's an update and a change to what was originally approved, the Board did approve the past resolution in 2012. So you're approving a new resolution. David's just pointing out that there aren't any other changes. But this is not a substitute or an amended resolution. This is a new resolution for this same transaction for 2013.

MR. JONES: But I am saying no substantive changes.

MR. LONG: That is correct. Other than the date on the bond issuance itself.

MR. JONES: Did TSAHC have any involvement or participation in getting FHA to relook at it, or was that done by the developer?

MR. DANENFELZER: That was strictly done by the developer. We offered --

MR. JONES: Can he tell us a little bit about what happened there?

MR. DANENFELZER: Yes. Absolutely. And I will invite Mr. Mayfield up.

MR. MAYFIELD: Thank you, members. My name is Mark Mayfield. I'm with the Texas Housing Foundation, which is regional public housing authority that services the State of Texas. I hope the third time is a charm.

We've had to make some concessions. We were able to make some concessions that the HUD underwriters desired to see with this.

And two things that were done to this was we were able to secure some project-based housing vouchers from the local housing authority in Georgetown that have been earmarked toward this project. Keep in mind we have been working to develop this project on behalf of the Georgetown Housing Authority; they tried to do this back in '08, before the markets happened the way they did.

And secondly is the City of Georgetown unanimously voted to waive some fees that were a part of this, that have been of financial benefit to

the project. And with both of those concessions that were made, HUD has now told us that they are comfortable with that, and we should be able to receive a commitment for their mortgage insurance sometime next month.

And so just keep fighting and keep fighting and keep fighting, until you find a way to make these things happen. They're very complex, as you very well know.

But we're a good team together, and we enjoy the opportunity to work with David as we have through this process. And it looks like at this time next year we'll be seeing some construction on the ground. So we are very excited about that.

MR. JONES: Any questions?

(No response.)

MR. JONES: So what you are saying is you don't need any grief from us.

MR. MAYFIELD: I've had a lot of grief in the last -- but we have managed to get through it. I keep reminding myself of Churchill's address -- commencement address, the one that was very short. Just never give up; never, never, never.

And that's kind of the extent of this deal; you just don't give up. You find a way to make things happen. And I believe we have done that now, and everybody's on board.

It is a great community effort in the City of Georgetown. You know, everything that went before their council, went before the Board of the Georgetown Housing Authority was all unanimously approved. We didn't

have one dissenting vote.

It has taken a series of public meetings and hearings and things like that to make it happen, which takes a lot of time. But it has all come out for the best. So when it is all said and done, we are all going to be very happy.

MR. JONES: What is our financial involvement? What's happening to the tune of how much?

MR. DANENFELZER: We will be issuing bonds, private activity bonds, in the amount of about \$11 million. The final number is still in a little bit of play. It depends on what the final commitment from FHA is.

Our funding will be used for the construction of the property. And then that \$11 million will be retired with the permanent financing from FHA.

MR. JONES: And the total cost of the project?

MR. MAYFIELD: It's about 22 million; a little over \$22 million.

MR. JONES: Okay. So it helps, with all that you're doing, that we stay stable in our participation. It helps when you negotiate with all of those other people and deal with those glitches, the fact that we're there with that 11 million, which is almost half. It helps a lot.

MR. MAYFIELD: Sure. You bet. Yes. We are very pleased with your --

MR. DANENFELZER: Yes. This step of approving the resolution will give way to the FHA's decision in the next month; to know that the bonds are in place, they've been approved by us, and that we're ready to

go as soon as they approve. So this is definitely a good reinforcement of our commitment to this project.

MR. MAYFIELD: Sure. No doubt.

MR. JONES: All right. Any other questions?

(No response.)

MR. JONES: I guess I will call for public comment now prior to a motion and so forth.

Is there any public comment on this item?

(No response.)

MR. JONES: If not, we'll entertain a motion on Item 2 as presented.

MR. ROMERO: I'd make a motion to approve as presented.

MR. EVENWEL: Second.

MR. JONES: It has been moved and seconded? Any final discussion from the Board?

(No response.)

MR. JONES: All in favor, say aye.

(Chorus of ayes.)

MR. JONES: It is unanimous. It passes.

MR. MAYFIELD: Thank you, Board members. I look forward to making this thing happen. I appreciate your support.

MR. DANENFELZER: Thank you very much.

MR. JONES: Thank you for hanging in there for affordable housing.

Tab Item 3, presentation, discussion and possible approval of the publication for public comment of the Texas Foundations Fund draft 2013 guidelines and applications requirements.

Ms. Bayless.

MS. BAYLESS: I'm Liz Bayless, Executive Vice President.

Mr. Chairman and members, Tab 3 is an action item related to the Texas Foundations Fund. As you know, the Texas Foundations Fund is a segregated fund of the Corporation that is used to provide grants to nonprofit organizations or rural government entities to address critical housing needs of very low income Texans.

Last year, the Fund made eight awards, totaling \$300,000. Staff has developed a time line for the 2013 round of grant making, and it begins with posting the guidelines and application requirements for public comment. That's what we are asking you to approve today. The guidelines and application requirements are behind Tab 3 of your Board book.

Based on our experiences and feedback from stakeholders in prior rounds, staff had lengthy discussions with the Advisory Council about some potential changes to the guidelines.

We did make a handful of changes to more precisely communicate which types of entities and which types of projects are eligible to be considered for Texas Foundations Fund grants.

So if you approve us posting the guidelines and application requirements for public comment, we anticipate coming back to you at the May Board meeting with any revisions that we make as a result of the public

comment we receive, and we will ask for your final approval of the guidelines at that point.

So there's not a resolution associated with this; rather, we just ask you to indicate your approval of posting these guidelines for public comment.

MR. JONES: Any questions for Ms. Bayless?

(No response.)

MR. JONES: Any public comment?

(No response.)

MR. JONES: Given none, we will entertain a motion.

MR. EVENWEL: So moved.

MR. JONES: Is there a second?

MR. ROMERO: Second.

MR. JONES: Moved and seconded? All in favor for approval for this publication for public comment, the Texas Foundations Fund draft 2013 guidelines and requirements, say aye.

(Chorus of ayes.)

MR. JONES: It is unanimous.

MS. BAYLESS: Thank you.

MR. JONES: That is the easy part. Right?

MS. BAYLESS: It's pretty easy. Yes.

MR. JONES: I tell you, that presentation that you made of the \$30,000 grant last month that I kind of stuck around for, that old man was grateful.

MS. BAYLESS: Absolutely. Of course.

MR. JONES: And the Agency that was doing his along with a number of others, I mean, they're actually going to build a little ramp where he can go up, so that when the van comes by, he can just roll right in the door.

I mean, little things like that meant a lot. And his house was pretty well manicured. And the community all took note.

It means a lot. And that \$30,000 went to him and a number of other people. It's amazing how far these grants actually go, when you are really talking about the number of people that it helps.

MS. BAYLESS: That's right. I think that's why it's such a satisfying part of the work that we do here, to all of us who participate in this. Is we can really see that it makes a real difference in the lives of people.

MR. JONES: Right. Thank you, Ms. Bayless. Okay. Item 5.

MR. LONG: Four.

MR. JONES: Item 4, presentation, discussion and possible appointment of a member to the Advisory Council created by the board of directors of the Corporation. That's you, still, Ms. Bayless?

MS. BAYLESS: It is me, still. Hello again. Mr. Chairman and members, Tab 4 is an action item related to the makeup of the Advisory Council that assists staff in managing the Texas Foundations Fund.

The resolution behind Tab 4 is to appoint William D. Albers to the Advisory Council, to fill the position representing the Dallas-Fort Worth area. The resolution also restates and affirms the current members of the

Advisory Council.

Bill Albers has 30 years of executive experience, managing corporate level finance, acquisitions and mergers, and business planning, as well as extensive service on corporate and nonprofit boards. He presently is a partner in MPKA, a consulting firm to the homebuilding industry.

Previously, he was with IHP Capital Partners, responsible for real estate investments. Prior to that, he was CFO for CenTex Homes, where he negotiated the successful acquisition of seven public and private companies.

Before joining CenTex, Bill was CFO of Computer City, Vice President of Business Development of Pizza Hut International, and Director of Finance and Corporate Accounting at Frito Lay. Bill earned his BS in Economics from the Wharton School at the University of Pennsylvania. He currently is a member of ULI and the Residential Neighborhood Development Council as well as a policy advisory board member of the Fisher Center of Real Estate and Urban Economics at UC Berkley. Bill is not with us today because he is traveling abroad.

But we are very pleased that he is interested and willing to help us with the Texas Foundations Fund, by serving on the Advisory Council. I ask your approval of the resolution appointing him.

MR. JONES: Well qualified. And he becomes the first member of a geographical area, which is why his name has the area, as opposed to the area of the other members.

MS. BAYLESS: Well, actually we could go ahead and put the

areas that the other members represent, because, for example, Edwina Carrington is our Austin representative. Russell Vandenberg is from El Paso.

Stephen Carriker is our at-large representative. Don Bethel is from West Texas, and the Panhandle. And then Jerry serves -- Jerry Romero serves as the member of TSAHC's Board on the Advisory Council.

And I, of course, am the ex-officio Corporate member. So you know, actually, everyone does fill one of the designated slots.

MR. JONES: Okay. Because I was wondering -- I know that when you extended the Board, I think it was to ten. Right?

MS. BAYLESS: That is right.

MR. JONES: That they wanted to geographically represent areas. So I guess will --

MS. BAYLESS: Right.

MR. JONES: -- you amend this to say that? Or there is no need to, just for this particular document?

MS. STEIN: I don't think we need to, for this. But for future resolutions, we can certainly add those geographic -- because it was a new requirement and a new part of the committee now.

MR. JONES: That is correct. What we approved was that they would represent areas, so it should be reflected in any documents that show --

MS. STEIN: You're right.

MS. BAYLESS: We are still looking for members of the

Advisory Council from Houston, San Antonio, and the Rio Grande Valley, by the way.

MR. JONES: Yes. Wouldn't it be more appropriate to do that here? That's not a big change, is it? Or just ignore it?

MR. ROMERO: I think we can just -- I mean, I think the purpose was to have geographical representation of the state.

MR. JONES: Correct.

MS. BAYLESS: That's right.

MR. ROMERO: I don't think we need to necessarily identify specific areas. But we were looking for those individuals --

MR. JONES: Well, the reason why I said it is they do have one, now. You can put none down, or you can put them all down.

MR. LONG: We can certainly add it, Mr. Chairman. It's not a big deal. But again, I think we were just noting that he was coming from that area, because he's the newest member. But if you want us to add that, we can certainly do that.

MR. JONES: No, no. We have the attorney sitting here.

MR. LONG: Okay.

MS. STEIN: Right. And we felt -- this is the first resolution since you put in place the geographic representation advisory.

MR. JONES: And that's what I was saying. Under the --

MS. STEIN: So we did it just because he is the first one since that, but going forward we can certainly add it.

MR. JONES: Okay. That would be fine. Did I ask for public

comment yet? Any public comment?

(No response.)

MR. JONES: All right. I will entertain a motion from the Board on this Item 4.

MR. ROMERO: I make a motion to approve William Albers as the new member of the Advisory Council of the Texas Foundations Fund.

MR. JONES: It has been moved. Don't everybody second it at once.

MR. DIETZ: Second.

MR. JONES: Seconded.

MR. DIETZ: And then the motion was actually larger than that. Right? I mean, do you state the whole?

MR. JONES: Is it larger than that?

MR. ROMERO: Yes. I mean, if you want to add the --

MR. JONES: Do what?

MR. ROMERO: Oh, it's to ratify the other members as well? I'll modify it to include ratification of the prior members.

MR. JONES: Okay. You're right. Appointment of the board of director of the Corporation because you read the actual document, to appoint on the Advisory Council of Texas Foundations -- and to restate, ratify and affirm the other persons holding a position of member of said Advisory Council, which is not listed here. But that is what it says there.

Thank you, Mr. Dietz. Yeah, that's why he's sitting up here. Okay. You said, as it is written here in the resolution. Is that right, your

motion?

MR. ROMERO: Yes. That ratified my --

MR. JONES: And that is what you seconded?

MR. DIETZ: Second.

MR. JONES: Okay. All in favor?

(Chorus of ayes.)

MR. JONES: No opposition. Okay. For Item 5, presentation, discussion and possible approval of the resolution to authorize the Corporation to acquire, hold and lease real property.

At this time we will go into closed session, based on Texas Government Code 551-071, consultation with legal counsel and legal matters.

I think the other ones apply also, as well. Correct? Texas Government 551-072, deliberation regarding purchase, exchange or value of real property.

MR. LONG: That's the most important one; we don't need the other ones.

MR. JONES: But the two apply --

MR. LONG: Right.

MR. JONES: -- under those two codes. Okay. It is -- as we go into recess on the open session at 10:40.

(Whereupon the Board retired into Executive Session at 10:40 a.m.)

MR. JONES: Okay. Closed session ended at 11:21. No action was taken during closed session. We go back into open session at

11:23.

Okay. We are at Tab 5, presentation, discussion and possible approval of a resolution to authorize the Corporation to acquire, hold and lease real property assets. Mr. Long.

MR. LONG: Yes. Mr. Chairman, thank you. Again, what we are asking for is the Board to approve the Corporation to take advantage of some -- utilizing some of its resources in its current programs to consider in its review and oversight of the acquisition of real property for the benefit of the Corporation's mission, and its statutory authority. And we would ask the Board to approve so, under Tab item 5.

MR. JONES: Is there any questions? Any discussion?

(No response.)

MR. JONES: Is there any public comment on Tab item 5?

(No response.)

MR. JONES: Okay. We'll entertain a motion.

MR. ROMERO: I move to approve the resolution as presented.

MR. JONES: Is there a second?

MR. EVENWEL: Second.

MR. JONES: It has been moved and second. If there is no further discussion?

(No response.)

MR. JONES: All in favor of approval of Item 5 as presented, say aye?

(Chorus of ayes.)

MR. JONES: Let the record show there was unanimous approval. Okay. I think that's it. That brings us to the end of the meeting.

Yes, Mr. Long?

MR. LONG: The only thing we normally do is we talk about scheduling the next meeting. I would suggest to you that at this time, I know in advance that we are not looking at having any major action items that are due for April and would suggest that maybe we would skip the April meeting date and move to a May meeting date, which could either be the second Thursday, which is May 9, or the third Thursday, if May 9 is too early in the month; it could be May 16. But at this time staff would recommend that we not have an April meeting.

Obviously, we would reserve the right to call you should something come up, and the April meeting would be scheduled for April 11, which is the second Thursday. But at this time we don't envision there being a need for an April meeting and therefore would suggest --

MR. JONES: Okay. And as usual, you'll poll the Board on the 9th or the 16th to see what status of the quorum.

MR. LONG: The 9th --

MR. JONES: And you'll ask Mr. Dietz first.

MR. LONG: The 9th is the second Thursday of the month. It just falls so early, sometimes, you know, we want to make sure we have as much financial data from Melinda's standpoint, that they are able to pull all that together for you.

But at a minimum, we would call you and poll you to make sure the 9th worked, but that on the second Thursday of the month. And with that, we'll let you know. So no meeting in April at this time, unless something changes where we need to have one.

MR. JONES: Now, who's driving the tank out there in the parking lot?

MR. LONG: The red tank?

MR. JONES: No, that big grey double-wide, double-cab, extra long --

MR. ROMERO: The environmental killer.

MR. JONES: It's a 150 super --

MR. ROMERO: I think that was Mark Mayfield's.

MR. JONES: It's huge. I started to park over there. I saw him pull in, I said, I'm not going over there. You know, they won't let those trucks park in a lot of church lots now. Keep that big thing out of here. They need more people.

Okay. If that's it, no other business, it's 11:26. Meeting adjourned.

(Whereupon, at 11:26 a.m., the meeting was adjourned.)

