

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,  
April 10, 2014  
10:30 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair

WILLIAM H. DIETZ, JR., Vice Chair

GERRY EVENWEL  
ALEJANDRO "ALEX" MEADE  
JERRY ROMERO

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P R O C E E D I N G S

1  
2 MR. JONES: Okay. It is 10:38. And what month  
3 is it? April? The April Board meeting of Texas State  
4 Affordable Housing Corporation is called to order. Okay.

5 William Dietz, Vice Chair?

6 MR. DIETZ: Here.

7 MR. JONES: Gerry Evenwel, member.

8 MR. EVENWEL: Present.

9 MR. JONES: Alex Meade, member.

10 MR. MEADE: Here.

11 MR. JONES: Jerry Romero, member.

12 MR. ROMERO: Here.

13 MR. JONES: And I am certainly here. We have a  
14 quorum. Okay.

15 Is there any public comment at this time?

16 (No response.)

17 MR. JONES: Anybody with some public comment?

18 (No response.)

19 MR. JONES: Okay. At this time, David Long,  
20 corporation president, with his report.

21 MR. LONG: Thank you, Mr. Chairman, members. I  
22 would like to give you an update over the last couple of  
23 months, what we have been working on. I think you will  
24 find that there has been a lot of activity that we have  
25 either been participating in or working towards.

1 I know the agenda for this month looked rather  
2 short, being the minutes and the Foundations Fund  
3 guidelines. But the majority of the meeting can be  
4 focused on the strategic plan, which a lot of staff time  
5 has been put towards making sure that the final draft that  
6 is presented to the Board is as clean as we think it can  
7 be. So we look forward to your dialogue on that.

8 A couple of things I would like to bring to the  
9 Board's attention, that we participated in. Amplify Austin  
10 is an online fundraising activity that took place over 24  
11 hours for nonprofits in Austin, and that took place on  
12 March 20th and the 21st, and the Corporation received a  
13 little over \$1,200 raised from donations from 19  
14 individuals.

15 Fortunately the funding raised will be matched  
16 by the organization which is "I Live Here, I Give Here".  
17 And then that funding will all go towards the Texas  
18 Financial Toolbox, our website for counseling.

19 We also received a \$2,500 grant from Frost Bank  
20 to go towards TSHEP, or Texas Statewide Homebuyer  
21 Education Program. And then in addition to education,  
22 which has become the major focus of what we are working on  
23 today, the partnership between the Corporation and the  
24 Texas Association of Realtors launched our campaign called  
25 Get Ready, Making Texans Homeowners For Life.

1           That launched on Monday, April 7, and we have  
2 had a lot of really good feedback since then. We are very  
3 excited about that. Paige and Janie have been working  
4 very hard to pull all of that together. Paige and Sarah  
5 have done a lot of trainings and meetings with the stuff  
6 related to TSHEP. And we have another event coming up in  
7 May, in San Antonio, that will be a week-long TSHEP  
8 training.

9           So we are just really excited about the  
10 partnership with TAR. We think they will bring a lot of  
11 clout to the table, in that they have a lot of resources  
12 for publicity in terms of radio spots and some other  
13 things that they are doing for us. And we have been  
14 working with them on those.

15           Under the single-family rental program, we  
16 closed on our eighth property, at the end of last month,  
17 on March 26th. And we probably will be looking at closing  
18 on one more property, and that will utilize the original  
19 allocation the Board gave us.

20           Give or take, we will have a little bit left  
21 over, but we will be able to buy one more property with  
22 the original allocation. And then we will be looking to  
23 get the Board's discretion for next year's budgeting for  
24 that program for additional acquisitions.

25           Last week, TSHEP -- excuse me. Last week in

1 San Antonio, the Texas Association of CDCs held their  
2 annual conference. We had four staff members that  
3 attended that: myself, David Danenfelzer, Sarah Ellinor  
4 and Jo Ropiak.

5 Both David and Sarah participated, either on  
6 panel as a moderator, or as a speaker. So we are very  
7 pleased to have them, you know, be able to speak about our  
8 programs, as well as show that we can coordinate and give  
9 information out to the attendees at that conference.

10 Paige and Sarah, as I mentioned, have been  
11 attending numerous home buyer fairs: the BCL of Texas  
12 Home Buyer Fair up in Dallas; BCL of Texas/Wells Fargo  
13 LIFT Fair in Dallas; and the Neighborworks Laredo Home  
14 Buyer Fair that obviously was in Laredo.

15 I had the ability to attend -- yesterday or  
16 earlier this week with Mr. Jones and Paige. We attended  
17 the Houston Black Real Estate Association Brown Bag  
18 Luncheon as part of their Realistic week. Mr. Jones was  
19 the keynote speaker. Got a lot of publicity out of that,  
20 and I got a lot of kudos.

21 And he turned it over to Paige, and Paige did a  
22 really good job of talking about our programs and ways  
23 that we could coordinate with the realtors in Houston, and  
24 just giving a really good overview of our programs. And I  
25 think it was -- we were very well received by the group.

1 There was about 50 people there.

2 MR. JONES: In fact, as a side note, when Paige  
3 was doing her presentation and they had everybody from  
4 state officials, city officials, different groups and all,  
5 there were oohs and ahs, visible oohs and ahs as she was  
6 talking. I don't know if she heard them. But you heard  
7 them, right, David?

8 MR. LONG: Yes.

9 MR. JONES: They were, Ooh, and, Ah. And when  
10 she talked about it, she gave it --

11 MR. LONG: She gets it everywhere she goes.  
12 She is a great example. Paige could be a teacher.

13 MR. JONES: And when she said -- one of the  
14 things they said was that our foreclosure rate is .09.  
15 The bankers that were there, Chase and them were like,  
16 What? And she attributed that to the education program  
17 that we insist on, so she was excellent.

18 MR. LONG: I appreciate you being there, Mr.  
19 Chairman. And certainly Paige did a phenomenal job. We  
20 have been participating under the Foundations Fund. As  
21 you remember, the Board authorized several awards this  
22 last year, and we've done some check presentations on  
23 that.

24 Most recent was in Lufkin, Texas, where Charlie  
25 and Katie and I attended that. State Representative Trent

1 Ashby was there. It was a very, very nice to meet with  
2 the Buckner Family Services, which was the awardee. Very  
3 well represented.

4 We also -- since we last met, we have done two  
5 in Austin, one in Houston, and one in Raymondville. And  
6 we have just had really good participation and really good  
7 response for those presentations, and we're just very  
8 thankful for the opportunity.

9 I would like to speak out a little bit about  
10 kudos for the staff on that. Katie and Charlie have done  
11 a phenomenal job of putting those events together, and I  
12 don't think we would be able to do them without them being  
13 able to take all of the pictures we take. I think at one  
14 of the events, we took like -- well, some of the events we  
15 have been doing, we have taken 3- or 400 pictures at these  
16 events. So we downsize that into a reasonable amount of  
17 pictures we put together.

18 But Katie and Charlie have done a really good  
19 job. And Janie has really given them a lot of opportunity  
20 to just go out and make that happen. So I appreciate all  
21 of the leadership and their efforts on that.

22 The awards for our top lenders in our single-  
23 family programs: We presented the awards to our top  
24 lenders for 2013. You should have actually seen our  
25 Constant Contact message highlights reflecting that. And

1 those went to Kim Lewis with Premiere National Lending,  
2 Gabriela Rodriguez with First Community Mortgage, and Mary  
3 Galland with Cornerstone Home Lending.

4 In the audience today, I would like to  
5 recognize, obviously, Katie Livingston is here as general  
6 counsel with Greenberg Traurig. And while Robin Miller  
7 could not make it with First Southwest, we actually have  
8 Michael Mars, who is here today with First Southwest, our  
9 financial advisory firm.

10 We also -- Mr. Chairman, for the record, we  
11 will be going into closed session later today, and Ms.  
12 Livingston will be directing that, at that time.

13 The last thing I always bring up is that  
14 tentatively our next meeting would be scheduled for either  
15 May 8th or 15th. We saved it for the 15th, because  
16 typically when we have a second Thursday of the month fall  
17 so early in the month, in order to have staff and  
18 financial information and all of the resources be brought  
19 together for the Board meeting for the financial reports,  
20 it's something we tend to push back a week, but we can do  
21 it either way the Board would prefer.

22 At that meeting, we also may look to have a  
23 need for an Audit Committee to discuss the RFP for our  
24 auditor -- RFP that we sent out.

25 And with that, obviously, we have the Tab A

1 through D, our program reports, and our financial reports  
2 are there. So if you have any questions or anything. And  
3 with that, Mr. Chairman, I will conclude my report.

4 MR. JONES: Any questions or comments by the  
5 Board for the Chair, for the President?

6 (No response.)

7 MR. JONES: Any public comment?

8 (No response.)

9 MR. JONES: Thank you, David. Appreciate it.  
10 Okay.

11 Let's move on to Item 1, Presentation,  
12 discussion and possible approval of the minutes of the  
13 Board meeting held on February 13, 2014.

14 MR. ROMERO: I make a motion to approve it as  
15 presented.

16 MR. JONES: There is a motion on the floor to  
17 approve.

18 MR. EVENWEL: Second.

19 MR. JONES: It has been seconded. Any further  
20 discussion?

21 (No response.)

22 MR. JONES: Any public comment on Item 1?

23 (No response.)

24 MR. JONES: Hearing none, all in favor of  
25 approval, say aye.

1 (Chorus of ayes.)

2 MR. JONES: Item 2, presentation, discussion  
3 and possible approval of the Texas Foundation Fund 2014  
4 Guidelines.

5 MS. BAYLESS: Liz Bayless, Executive Vice  
6 President. Mr. Chairman and members, the Texas  
7 Foundations Fund 2014 guidelines were posted for public  
8 comment from mid-February to mid-March.

9 Katie Howard will tell you about the public  
10 comment we received and the Advisory Council's  
11 recommendation, and then we will ask you to approve the  
12 final guidelines as presented in your Board book.

13 MS. HOWARD: Good morning. Katie Howard,  
14 Senior Development Coordinator. As Liz mentioned, with  
15 your approval, TSAHC released the 2014 draft guidelines  
16 for public comment on Friday, February 14. The public  
17 comment period lasted exactly one month and closed on  
18 Friday, March 14.

19 During the public comment period, TSAHC  
20 received one comment from Search Homeless Services, a  
21 nonprofit that provides case management services in  
22 Houston, Texas. The comment asked us to remove the  
23 current requirement which states that applicants that  
24 provide supportive housing services must both own and  
25 operate the housing in which their services are provided.

1  
2           So TSAHC staff met with the Advisory Council  
3 via conference call on Friday March 21 to discuss the  
4 public comment that we received. Staff and the Advisory  
5 Council agreed that because TSAHC is a housing  
6 organization, we feel that it is important that the  
7 organizations that we support have a strong tie to housing  
8 as well.

9           Organizations that provide services but not  
10 housing don't really have that housing focus that we are  
11 looking for. So we therefore agreed that TSAHC should not  
12 accept the public comment and should keep this requirement  
13 as it currently is.

14           We received no other public comment during the  
15 public comment period. So we elected to make no changes  
16 to the guideline as a result of the public comment period.

17       Does anybody have any questions?

18           (No response.)

19           MS. HOWARD: Okay. So at this time, we ask for  
20 your approval of the final guidelines, so that we can open  
21 the 2014 application round.

22           MR. JONES: Good job. Any comments?

23           (No response.)

24           MR. JONES: All right. We will entertain a  
25 motion.

1 MR. EVENWEL: So moved.

2 MR. JONES: It is moved by Mr. Evenwel.

3 MR. MEADE: Second.

4 MR. JONES: Seconded by Mr. Meade.

5 Any public comment on Item 2?

6 (No response.)

7 MR. JONES: Hearing none, all in favor of  
8 approval, say aye.

9 (A chorus of ayes.)

10 MR. JONES: It passes unanimously. Thank you.

11 MS. HOWARD: All right. Thank you.

12 MR. JONES: Presentation, discussion and  
13 possible approval of the Texas State Affordable Housing  
14 Corporation 2014 to 2017 Strategic Plan.

15 MS. BAYLESS: Still me.

16 MR. JONES: I kind of figured that when you  
17 didn't get up.

18 MS. BAYLESS: Before we get into specifics, I  
19 would like to give a brief overview of how we put this  
20 strategic plan together. And it was a joint effort  
21 involving everyone at TSAHC.

22 We started by going back to our mission, which  
23 is, in a nutshell, to serve the housing needs of low-  
24 income Texans. And so we set forth four broad overarching  
25 goals, which, if met, would enable us to achieve our

1 mission.

2           Goal one is all about the programs that we  
3 operate. Goal two is about our financial soundness and  
4 sustainability. Goal three essentially has to do with our  
5 reputation and relationships with external third parties.

6           And goal four is about corporate governance and  
7 management.

8           Beneath the goals, we developed strategies.  
9 Strategies are -- they broadly answer the question of how  
10 we will go about accomplishing our goals, and then you get  
11 into the nitty-gritty.

12           Whereas goals and strategies should endure for  
13 a medium- to long-range time frame and we propose that  
14 these goals and strategies would be applicable for, say,  
15 2014 to 2017, the tactics are the specific things we are  
16 going to do to implement the strategies.

17           So we identified which department is going to  
18 be held accountable for each tactic, and then finally we  
19 set forth a way to measure our success. And those are the  
20 targets that you see shown for each tactic. Did we meet  
21 that target or not? So because we expect to develop new  
22 tactics and targets each year, you see that the ones here  
23 are only for 2014.

24           So to recap, we are driven by our mission. We  
25 have overarching goals and strategies that tell us how we

1 are going to try to accomplish those goals. And then we  
2 get into detailed tactics and ways to measure our success,  
3 which we are calling targets.

4 So with that said, we are very interested in  
5 the Board's feedback, questions and suggestions. So  
6 please offer your thoughts. If you want me to walk  
7 through the plan --

8 MR. JONES: I just want to say before you go  
9 on, if any Board member has a question, or discussion at  
10 any time, just feel free to address it.

11 MR. EVENWEL: I will ask a couple.

12 MS. BAYLESS: That would be great.

13 MR. EVENWEL: The one that I had initially is  
14 the dates were confusing me. After you explained it, I  
15 didn't know if the rest of the Board got your response or  
16 not.

17 But some of the dates are fiscal, some are  
18 calendar in there. Then one appears to be the legislative  
19 calendar. But you explained that to me.

20 MS. BAYLESS: We had a discussion among  
21 ourselves about fiscal year versus calendar year when we  
22 were setting our targets. And where we came down was we  
23 reached a consensus to use calendar year, except when we  
24 really need to use fiscal year, which would be typically  
25 for something financial. So unless it is stated

1 otherwise, you can assume that when we talk about 2014, we  
2 mean calendar year 2014.

3 MR. JONES: And what about the legislative --  
4 there are some dates that deal with the Legislature?

5 MR. EVENWEL: Well, there are a couple of  
6 issues where we are going to talk to some legislative  
7 committees, and I assumed those guys only meet during the  
8 legislative year; not during the calendar year 2014.

9 MS. BAYLESS: Well actually, we feel that it is  
10 very important to stay in touch with our friends in the  
11 Legislature, even when they are not in session. And it  
12 actually is easier to get their undivided attention when  
13 you are between sessions. So we did set goals for  
14 ourselves to interact with people in the Legislature and  
15 on legislative staffs during the off seasons, so to speak.

16 MR. JONES: Yes. And I believe they do hold  
17 meetings in January. They hold meetings all year long,  
18 all of the time. And they call their committee, and they  
19 get a per diem whenever they have the meetings or whatnot.  
20 And so -- is that correct?

21 MS. BAYLESS: Would you like to add anything?  
22 Yes. Would you like to add anything, Charlie?

23 MR. LEAL: Charlie Leal, Government Relations  
24 Specialist here at TSAHC.

25 To answer your question and to add to what Ms.

1 Bayless was saying, these committees do hold interim  
2 hearings, as the Chairman was saying. These are on  
3 charges given to them by the Speaker of the House or the  
4 Lieutenant Governor.

5 So it just really depends, and when we mention  
6 hearings, that is what we are talking about during this  
7 time period, when they are not in session. Yes, sir.

8 MR. JONES: And as well as I know in the past,  
9 Janie has structured meetings at their legislative  
10 offices, sometimes even if they had to go to their  
11 district to meet with them. So it is ongoing.

12 MR. LEAL: Yes, sir.

13 MR. JONES: That way, during the legislative  
14 session, she knows everybody, all of the players. And she  
15 does this, she tells us to go here and to go there.  
16 That's how she does it.

17 Thank you, Charlie.

18 MR. LEAL: Thank you.

19 MR. JONES: Continue, Ms. Bayless.

20 MS. BAYLESS: Other questions?

21 MR. JONES: Well, I will tell you what I -- do  
22 you want her to go down the items?

23 MR. ROMERO: Were you planning to go down  
24 the --

25 MS. BAYLESS: I will do it however you want to

1 do. I want to be mindful of your time, but I also want to  
2 be sure that you get as much detail and immersion in this  
3 plan as you would like.

4 MR. EVENWEL: I didn't count every department  
5 that is represented here. Is every department who is  
6 represented here also represented here?

7 MS. BAYLESS: Yes. Something for everyone.

8 MR. EVENWEL: I assumed that. But I was  
9 reading all the departments and I said, is that everybody?

10 MR. ROMERO: So, Liz, can you go over the  
11 goals? And you can do a summary of like, Goal 1.1. There  
12 is a lot of different line items on here. But just kind  
13 of do a summary of the whole?

14 MS. BAYLESS: Sure. Absolutely. I would be  
15 glad to. So goal one, as I mentioned is about the  
16 programs that we operate to serve the housing needs of low  
17 income Texans and other underserved populations, which is,  
18 after all, our legislatively established mission.

19 The first, second and third strategies are  
20 essentially -- they mirror our build, buy, stay strategy  
21 that you have heard us speak of over the last couple of  
22 years.

23 The first one is the build part, which is to  
24 facilitate the development of safe, decent, affordable  
25 homes. And under that, we put ourselves goals around

1 mostly our multifamily housing development activities.

2 So you will see, we have goals about the bond  
3 transactions that we do, the direct lending that we do.  
4 And we also include our single-family rental program  
5 there.

6 The second strategy under goal one is the buy  
7 part of our build, buy, stay. It is to help low-income  
8 Texans and other targeted populations buy homes, so that  
9 is where we get into the work that Paige Omohundro, Tim  
10 Almquist and their staff do on our homeownership programs,  
11 in our compliance work, our down payment assistance,  
12 mortgage credit certificate programs.

13 And also we talk about our NSP program and the  
14 interactions that we have with outside parties on that  
15 program and how we would like to make that run more  
16 efficiently.

17 MR. JONES: Well, before she goes to the next  
18 page, under 1.2, target, semi-annually: Contact the pool  
19 of low producers and originators to encourage production.

20 How would you do that? How would you take a low  
21 producing originator and get them to produce more?

22 MS. BAYLESS: I will let Paige Omohundro  
23 address that.

24 MR. JONES: Okay.

25 MR. ROMERO: She is going to give him the ooh

1 and ah?

2 MS. OMOHUNDRO: Paige Omohundro, homeownership  
3 finance manager. That's a great question. So, you know,  
4 our lender portfolio, in order to use any of our  
5 homeownership programs, you have to be approved by us, an  
6 approved lender.

7 So at this stage, we have over 90 different  
8 mortgage companies that are approved, you know, and within  
9 those mortgage companies, hundreds of LOs under those  
10 mortgage companies. And, you know, as you see in your  
11 Board report, we break out how much each lending  
12 institution does, you know, their performance.

13 Of those 90, we have some that have decided  
14 they want to participate, have gone through the approval  
15 process, but for some reason or another have not used the  
16 program; you know, either our DPA program or the MCC  
17 program.

18 So we need to engage those mortgage companies  
19 to participate in our program. We have already started  
20 that process, in that we have sent communication to them,  
21 asking them perhaps -- and giving them options of ways  
22 they can increase their business with us, become involved  
23 with us.

24 But most recently, we sat down as a team and  
25 decided that we are going to do quarterly performance

1 report cards, so to speak, that we are going to send out  
2 to all of our corporate contacts. So those that are doing  
3 well can see, hey, we are doing well; this is a great  
4 program for us. But then the other mortgage companies can  
5 see how they stack compared to others and, again, continue  
6 that dialogue of how they can either get additional  
7 training, because we do welcome them.

8 We will put on individualized trainings, just  
9 for a mortgage company, you know, or just, you know, going  
10 out and speaking to different branches, perhaps. So we  
11 have a -- I mean, we kind of give them a couple of options  
12 of ways that they can get involved with us.

13 MR. JONES: Thank you.

14 MR. ROMERO: So moving up to the 1.1 goal, I  
15 notice here that a couple of the line items talk about  
16 targeted inquiries. So we are looking at the target being  
17 five inquiries, I am assuming, for the year.

18 MS. BAYLESS: Uh-huh.

19 MR. ROMERO: So how does that translate into  
20 new business, and where is the baseline for that? Why  
21 five?

22 MS. BAYLESS: Dave? You will notice that I am  
23 going to ask the --

24 MR. JONES: No. We understand.

25 MS. BAYLESS: Yes. -- relevant manager to

1 answer your questions for the most part.

2 MR. JONES: I wouldn't expect less.

3 MR. ROMERO: Do you want me to repeat it?

4 MR. DANENFELZER: Well, which -- there's a  
5 couple that are similar. So, yes.

6 MR. ROMERO: The first line, the third line.

7 MR. DANENFELZER: Okay. Right. So what we  
8 were looking at there is that -- David Danenfelzer,  
9 Manager of Development Finance. Let me start with that.  
10 Thank you.

11 One of the things that we talked about with  
12 Executive Team and other managers on this issue was we  
13 don't have really -- we do a lot of outreach, but we don't  
14 track that outreach.

15 MR. ROMERO: Okay.

16 MR. DANENFELZER: And because of the nature of  
17 the lending programs and the way they work as well as our  
18 bond and our ACT program, we do an enormous amount of  
19 outreach, and we don't have necessarily -- we don't track  
20 that, but we also don't have necessarily a big conversion  
21 rate.

22 MR. JONES: Just because it's not important to  
23 track it?

24 MR. DANENFELZER: Well, I think with --

25 MR. JONES: Or is it just too much?

1 MR. DANENFELZER: Well, actually, what we  
2 decided was -- originally, we looked at whether or not we  
3 could say, we want to ensure that we get three new loans  
4 done this year.

5 The problem is, we do a lot of work; we talk  
6 with a lot of groups, and we don't get loans produced. A  
7 lot of that is outside of our control. Some years people  
8 are looking for construction lines of credit. Some people  
9 are looking for permanent lines of credit.

10 It also depends on availability of capital in  
11 our programs whether or not we can do loans or not. So  
12 instead of trying to track the production of actual new  
13 lines of credit and loans, since there were so many  
14 outside variables we couldn't control, the one thing we  
15 can control is the effort that we put into the outreach  
16 and how we track that outreach.

17 So for these metrics in particular, we are  
18 looking at making sure that staff does an effective job of  
19 making outreach efforts, whether it's to conferences or  
20 direct cold calls or otherwise, and then tracking that  
21 activity to see, one, how much outreach are we actually  
22 doing, and, two, how much is converted, because we might  
23 be able to then determine whether or not there's more  
24 effective ways to do outreach.

25 If we find that going to a conference produces

1 one loan every year, then maybe we should continue to go  
2 to the conference. But if it produces no loans or  
3 activity during that year, then maybe that's not a  
4 conference we should be going to, and we should be looking  
5 for alternative avenues to target that effort.

6 MR. ROMERO: Okay. So I'm assuming that your  
7 five inquiries is going to be your baseline this year?

8 MR. DANENFELZER: Yes. We are going to be  
9 looking at -- you know, the five inquiries right now we  
10 are going to be looking at as a baseline for this year. I  
11 do suspect that we will probably increase that  
12 significantly.

13 But again, we wanted to set something that was  
14 somewhat reasonable. But we also knew that until the  
15 Board approved this -- we're starting to track already,  
16 but at the same time, if we find that really we are doing  
17 20 or 30 outreach efforts every year on one of these  
18 programs, then we can greatly increase that and really  
19 determine what it is.

20 I think we have decided to set some very  
21 reasonable numbers right now, to make sure that we don't  
22 overstep. But it will also be interesting to find out,  
23 when we track the methods of outreach, which ones are best  
24 and which ones have the most impact.

25 MR. ROMERO: Okay. So understanding that you

1 don't control a lot of the process, I know that you  
2 can't --

3 MR. DANENFELZER: Right.

4 MR. ROMERO: We want this deal, we are going to  
5 get the deal done. But in your opinion, what is success  
6 to you? Is it getting the five inquiries, or is it  
7 getting some business out of the five inquiries?

8 MR. DANENFELZER: Ultimately to me, it is  
9 getting the new business.

10 MR. ROMERO: Okay.

11 MR. DANENFELZER: So closing on new loans and  
12 getting new business is the real success. But what this  
13 does help me do is figure out how to get there; you know,  
14 to better hone my strategies and make sure that I am using  
15 the most impactful strategies to get new business, rather  
16 than, you know, spinning my wheels on something which may  
17 seem like the right thing to do. But if it doesn't  
18 produce anything, then I should probably stop doing that.

19 MR. ROMERO: And I am asking these questions --  
20 I will ask the same questions of all of the different  
21 goals, because to me, I am trying to establish a  
22 foundation.

23 MR. DANENFELZER: Right.

24 MR. ROMERO: Where is the baseline that we are  
25 using this information to make sure that we are going to

1 be successful at the end of the first year, second year,  
2 third year.

3 MS. BAYLESS: And we didn't -- we talked about  
4 setting a goal for ourselves to make a certain number of  
5 lines or issues, a certain dollar amount of bonds. And  
6 that just, we thought, was not the right measurement to  
7 put in place. It might incent us to be inclined to  
8 approve transactions that perhaps we shouldn't.

9 MR. JONES: And normally you want to do that,  
10 you lower the standards. But if you lower the standards,  
11 you are going to lower all of the other metrics related to  
12 it.

13 MS. BAYLESS: Right.

14 MR. JONES: So how to do this and maintain the  
15 standard that's successful for when we do do that -- I  
16 understand.

17 MR. ROMERO: It kind of goes back to what you  
18 said earlier. If you reach your goal of getting those  
19 five inquiries and you happen to get one deal out of it  
20 and that is an appropriate deal, then that is an  
21 appropriate deal.

22 MR. DANENFELZER: Right.

23 MR. ROMERO: Again to me, that is the baseline.  
24 That is what we are working off of. I am not going to  
25 sit here and say, David, I think you ought to be -- if you

1 have got five inquiries, I think you got to get ten  
2 inquiries and do six deals. That is not what I am after  
3 today.

4 MR. DANENFELZER: Right.

5 MS. BAYLESS: Okay.

6 MR. DANENFELZER: Cool.

7 MR. JONES: You can continue.

8 MR. ROMERO: I am done with that one.

9 MR. JONES: Well, I am saying you can continue  
10 while the others decide if they want to ask questions.

11 MR. ROMERO: No.

12 MR. JONES: We have designated you the Grand  
13 Inquisitor.

14 MR. ROMERO: I am done. I am good now.

15 MS. BAYLESS: Are we ready?

16 MR. ROMERO: Yes.

17 MS. BAYLESS: Ready for 1.3. Okay. 1.3 is the  
18 stay part of build, buy, stay. It is to help low-income  
19 Texans maintain their housing stability, and there are a  
20 number of different things that TSAHC does to try to  
21 accomplish that.

22 The first is what you have been hearing quite a  
23 bit about over the last several months, which is to  
24 promote the importance of financial and homebuyer  
25 education. The Texas Financial Toolbox is related to that

1 effort, as is the TSHEP, Texas Statewide Homebuyer  
2 Education Program. So you see some tactics and some  
3 measurements there for those items.

4 We have been administering Texas's NFMC funds.  
5 That has been National Foreclosure Mitigation Counseling  
6 program, and our role in that is coming to a close in the  
7 middle of this year.

8 The single-family rental program, we also  
9 consider a way to help low-income Texans maintain their  
10 housing stability. So you will see another goal we set  
11 for ourselves with regard to that program.

12 And then the asset oversight and compliance  
13 visits that our multifamily oversight team performs, we  
14 also put under this category. And they have set targets  
15 for themselves for number of visits, submitting their  
16 reports in a timely manner, closing out their findings,  
17 and so forth.

18 Let's see. And then finally, we mentioned the  
19 Texas Foundations Fund and the fact that we want to  
20 implement our online application, make awards in  
21 geographic regions for the first time ever, and also  
22 increase the total funding that we award. So if there is  
23 anything at all under major goal number one that you would  
24 like to discuss further?

25 MR. ROMERO: So for this year, how many homes

1 did we purchase?

2 MS. BAYLESS: Let's see.

3 Mindy? James?

4 MS. TAYLOR: Mindy Taylor, manager of  
5 multifamily oversight. In 2014, we purchased five homes.

6 MR. ROMERO: Okay.

7 MS. TAYLOR: In the life of the program, we  
8 have purchased eight homes.

9 MR. ROMERO: Okay. We approved this about,  
10 what, a year and 18 months ago, more or less?

11 MS. TAYLOR: May of last year.

12 MR. ROMERO: Okay. So six homes are what you  
13 are looking for in fiscal year 2014, as much as nine homes  
14 in calendar year 2014. At some point in time -- and  
15 correct me if I am wrong -- if this program is really  
16 successful, then your plan will be to come back to the  
17 Board and request additional funding so that you can buy  
18 some more?

19 MS. TAYLOR: Absolutely.

20 MR. ROMERO: So this would be somewhat like a  
21 baseline again?

22 MS. TAYLOR: Yes.

23 MR. ROMERO: Six homes to nine homes. Okay.  
24 On the 26 visits, how many total complexes do you have to  
25 visit in general on a yearly basis?

1 MS. TAYLOR: Twenty-six.

2 MR. ROMERO: That is the total portfolio?

3 MS. TAYLOR: Yes.

4 MR. ROMERO: Okay.

5 MS. TAYLOR: With the loss of a couple of  
6 portfolios this year, it is going to be down to 26.

7 MR. ROMERO: Okay.

8 MS. TAYLOR: Thank you.

9 MR. DIETZ: Actually, I have one. Would goal  
10 one be slightly better expressed as establish, manage, and  
11 expand effective programs? Because that is what we are  
12 talking about under every subgoal we have; it's  
13 increasing, expanding. Just as I was listening to what we  
14 were talking about, it seems like that might be a more apt  
15 description of what our --

16 MR. JONES: You are saying number one, meaning  
17 programs?

18 MR. DIETZ: No. Meaning goal, the overriding  
19 goal, goal one.

20 MR. JONES: Because she said there were four.  
21 You have four specific categories. Right, Liz?

22 MS. BAYLESS: That's right. I think Mr. Dietz  
23 is suggesting a wording change.

24 MR. DIETZ: Right.

25 MS. BAYLESS: The wording of goal one?

1 MR. DIETZ: Yes.

2 MS. BAYLESS: Establish, manage and expand?

3 MR. ROMERO: Effective programs. I think  
4 "effective" is the key.

5 MS. BAYLESS: Do the rest of you agree with  
6 that?

7 MR. JONES: Establish, manage and expand  
8 effective programs.

9 MR. ROMERO: Right.

10 MS. BAYLESS: Yes.

11 MR. ROMERO: I like that idea.

12 MS. BAYLESS: Okay. That sounds like a really  
13 good suggestion. Any other comments or questions or  
14 suggestions on Goal One?

15 (No response.)

16 MS. BAYLESS: Goal. Well, goal two is to  
17 ensure the Corporation's financial stability. So the  
18 strategies under that are pretty straightforward.

19 The first one is to maximize the earned revenue  
20 from existing programs and investments. The second one is  
21 to maximize the earned revenue from new sources. The  
22 third is to fundraise; basically implement fundraising  
23 strategies to maximize our donator revenue, and support  
24 our 2014 program goals. Then we want to develop and  
25 improve our strategies for investing the Corporation's

1       unrestricted funds, and, finally, create budgets and  
2       manage expenses appropriately.

3               So there are a number of tactics and targets  
4       under those. And rather than reading them to you, I will  
5       just give you a minute to look them over and ask questions  
6       about them.

7               MR. JONES: Unless you feel there's something  
8       that is particularly important that we should -- from your  
9       point of view.

10              (No response.)

11              MR. JONES: Anything you want to put emphasis  
12       on out of goal two?

13              (No response.)

14              MR. JONES: I mean, if not, you can just wait  
15       for our questions.

16              MS. BAYLESS: Well, I think we've got a lot of  
17       very important measures to hold ourselves accountable to  
18       under goal two.

19              For one thing, in the ACT program, we are going  
20       to start putting some time frames on how long we take to  
21       achieve certain milestones in the movement of properties  
22       through that program, which is, I think, an important and  
23       positive change.

24              Let's see. We have some ideas for new sources  
25       of revenue, which you will see under 2.2. And I offer

1 kudos to the fundraising team, of course, setting  
2 themselves very specific dollar targets for amounts they  
3 would like to fundraise for specific programs this year.

4 In addition, we are appreciative of the hard  
5 work of our finance team for offering to begin preparing  
6 for the program managers a quarterly financial overview  
7 that will tell us pretty much everything we can think of  
8 that would be helpful from financial standpoints to  
9 managing the programs. And you see that itemized under  
10 2.5.1.

11 MR. JONES: When you talk about new sources of  
12 raising revenue, could you just talk about that a little  
13 bit?

14 MS. BAYLESS: Sure. In fact, I will -- Tim  
15 Almquist? I think it would be interesting for you to hear  
16 from Tim about a couple of the things he plans to do this  
17 year.

18 MR. JONES: I've been waiting for him.

19 MR. ALMQUIST: Hi, Tim Almquist, single-family  
20 compliance manager. Okay. What we are trying to do, what  
21 we do in house now -- about a year and a half ago, we  
22 brought the compliance function for our single-family  
23 program in house. And what that means is lenders reserve  
24 loans on our system for both the MCC and our DPA programs.

25 MR. JONES: Could you explain the acronyms?

1 MR. ALMQUIST: I am sorry. For the mortgage  
2 credit certificate and our down payment assistance  
3 programs, our single-family homeownership programs. And  
4 what we do is, we perform a compliance review to ensure  
5 that the loans that are coming through meet our  
6 eligibility criteria.

7 Now, what we are planning to do -- we get a fee  
8 income for that that covers our administrative costs. And  
9 we make a little fee revenue off of that as well.

10 What we are trying to do to maximize our new  
11 revenue from new sources is we're trying to, number one,  
12 get upgraded systems, specifically reporting systems to  
13 ensure that we can bring on new business from new clients  
14 out there. Right now the only thing we do is we provide  
15 this service for loans that are originated under the TSAHC  
16 programs.

17 What we are proposing to do going forward, this  
18 year and into next year, is to come up with a marketing  
19 strategy to target new housing finance agency business  
20 across the country.

21 So we want to go out and we want to try to get  
22 new business in, have other agencies take advantage of our  
23 systems and our processes in house here, and earn a little  
24 existing or a little additional revenue on top of that.

25 One thing we need to do is get our software up

1 to date and up to speed. So we have talked with our  
2 existing software provider, and we're bringing on a new  
3 enhanced reporting system that will allow us to go out  
4 there and target these new FHAs and know we have the  
5 systems in place to bring them on and to perform our  
6 standards that we have in house now.

7 So we want to bring out one lender, or one  
8 housing finance agency in addition to TSAHC, going into  
9 next year. You said it's kind of a baseline; one more in.  
10 We've got another one. We're earning some -- or we are  
11 getting some experience working with other agencies there  
12 and then that we can try to expand from there and bring on  
13 more and more as we go forward through the years.

14 MR. ROMERO: Okay.

15 MR. ALMQUIST: Another thing, some of the  
16 lenders out there, the process they have now is they have  
17 to come on board with us, they have to reserve, and we do  
18 the compliance work.

19 But they have to sell loans -- our down payment  
20 assistance loans through our master servicer, which is  
21 U.S. Bank Mortgage, okay. And what they do now is, U.S.  
22 Bank has different policies in place. They've got a  
23 minimum credit score that we have to meet.

24 They've got -- or they're coming up with a  
25 maximum debt to income ratio that loans have to meet. And

1 also they have some policies as far as early payment  
2 default and other things that lenders have to adhere to.

3 One of the main offensive policies that they  
4 have right now, that I know one lender is very offended by  
5 is they have early payment default policy, which means, if  
6 a loan defaults within four months, the lender has to pay  
7 back any servicing release premium that they earned on  
8 that loan from U.S. Bank. On top of that, they have to  
9 pay a \$3,000 penalty to U.S. Bank for each loan that is an  
10 early payment default.

11 So, you know, lenders don't make a whole lot of  
12 money on our program. So when they are hit with this  
13 \$3,000 penalty on top of giving back of some of the fee  
14 income that they earned, it hurts their bottom line.

15 So we have one lender, Rocky Mountain Mortgage.  
16 come to us and say, We're getting hit with some early  
17 payment defaults. We can't proceed with your program if  
18 we are going to be getting hit with these fees.

19 So actually, Paige ooh-and-ah, she came up with  
20 an idea to actually offer Rocky Mountain the ability to  
21 originate their loans, package them up into Ginnie Mae  
22 certificates, sell them off to our TBA provider.

23 MR. JONES: TBA?

24 MR. ALMQUIST: To be announced; it's our Ginnie  
25 Mae securities program.

1 MR. ALMQUIST: Basically they are going to do  
2 all of the things that U.S. Bank was doing, and they are  
3 going to service their own loans that originate, and  
4 they're working out of El Paso right now.

5 So we are bypassing U.S. Bank as a servicer.  
6 We are allowing Rocky Mountain to do their own thing.  
7 They avoid the penalties that they find really offensive;  
8 they're allowed to service their own loans, and they find  
9 this way of doing things a lot better than the current  
10 process.

11 We are working on that, bringing that in house.  
12 They are eager to get it going; we are, as well. We have  
13 got a servicing agreement out there. We feel we will have  
14 them on board doing this by the end of the month.

15 We want to extend that to other lenders that  
16 may not be utilizing us as much because they have the same  
17 types of problems that maybe we haven't heard about yet,  
18 and also maybe enticing new lenders to come on to our  
19 program by offering this other way of doing the process.

20 So, you know, we are going to set up one lender  
21 to do that this year. We feel we are already there, so  
22 we've met that goal, so we have got that going for us.

23 MR. ROMERO: A stretch goal there, huh?

24 (General laughter.)

25 MR. ALMQUIST: Yeah. We like meeting goals

1 we've already achieved. But that is really -- we want to  
2 extend the program, reach out to other housing finance  
3 agencies, enhance our revenue from those sources, and keep  
4 it going from there.

5 MR. JONES: Thank you.

6 Any comments? Any questions?

7 MR. ROMERO: So, Tim, assuming that this  
8 program works, how much additional revenue do you think it  
9 might generate?

10 MR. ALMQUIST: Wow. You know, it depends on --

11 MR. ROMERO: I put "might" in there. Okay?

12 MR. ALMQUIST: It really depends on the  
13 agencies that we are able to talk to and convince to come  
14 on board. Right now, our competitor out there is  
15 eHousing. And they have probably the majority of the HFA  
16 accounts out there, at least the HFAs that aren't doing  
17 the business themselves in house. So we are getting --

18 MR. JONES: HFA being?

19 MR. ALMQUIST: Housing finance agencies.

20 MR. JONES: That's what I thought. But I want  
21 everybody to make certain.

22 MR. ALMQUIST: I'm sorry. I will get better  
23 not doing the acronyms.

24 MR. ROMERO: That is the old banker in him.

25 MR. JONES: It is only until Mr. Meade says you

1 can stop.

2 MR. ALMQUIST: Okay. I got you.

3 MR. JONES: And he is aware of quite a bit of  
4 it, right?

5 MR. MEADE: I'm learning it.

6 MR. ALMQUIST: So they do probably have 35  
7 customers out there. We're going to go after all 35 of  
8 those, because we think we have a better product, better  
9 processes, better customer service. You know, we're going  
10 to start kind of slowly and target the ones that we feel  
11 that may want to come on board.

12 I have some experience working with the housing  
13 finance agencies, and I know which ones are not that happy  
14 with eHousing, so we'll go after those first. But it  
15 really depends on how much volume each of the housing  
16 finance agencies that we target and ultimately bring on as  
17 to how much additional revenue that is going to provide.

18 MR. JONES: But the potential is there to be  
19 significant. I think that is a good word.

20 MR. ALMQUIST: Could be significant, you know.  
21 In house here, we do between 2,000 and 2,500 loans a  
22 year, or that's been our history for the past year or two.  
23 If we go after big state agencies like Ohio or Maryland  
24 or somebody like that, we could double, triple, quadruple  
25 our production volume and our revenue there.

1 MR. EVENWEL: So you're going out of state?

2 MR. ALMQUIST: Yes.

3 MR. EVENWEL: Out of Texas?

4 MR. ALMQUIST: Yes. That was the plan when we  
5 initially pitched this product, when I initially pitched  
6 this to TSAHC. You guys know what that one is. Right?

7 MR. MEADE: TSAHC is good.

8 MR. JONES: You got a sense of humor.

9 MR. ALMQUIST: When we initially pitched this  
10 one, it was contemplated that we would go after additional  
11 business, just to try to enhance the revenue. So it took  
12 us a while to get started, and we wanted to get some  
13 experience doing the work in house, on our own program  
14 first.

15 But it has been -- I think it has been wildly  
16 successful. Our lenders, you know, love the customer  
17 service; they love the systems that they are working with.

18 And we feel if we can get out in front of the other  
19 housing finance agencies and pitch what we are doing, we  
20 think we will be successful with that, too.

21 MR. DIETZ: Is eHousing -- who is eHousing?

22 MR. ALMQUIST: eHousing, they're a company out  
23 of Florida. They have been around for about 25 years.  
24 They used to be affiliated with Leader Mortgage out of  
25 Florida.

1           Leader Mortgage came in about 25 years ago, and  
2 they started doing all of these master servicing deals  
3 when some of the others got out of the business, so they  
4 have been around for quite awhile.

5           And they have kind of aligned themselves with  
6 U.S. Bank, who is our servicer, and one of the only third  
7 party companies that is performing the master servicing  
8 duties for these housing finance agencies across the  
9 country. So they have been able to kind of ride US Bank's  
10 coattails, get all of the business US Bank is doing, and  
11 perform the compliance for US Bank. It is kind of their,  
12 you know, third party related arm.

13           MR. DIETZ: They are private.

14           MR. JONES: Their little niche.

15           MR. ALMQUIST: They are private. Yes.

16           MS. BAYLESS: Thank you, Tim.

17           MR. ALMQUIST: All right. Thank you.

18           MR. JONES: I am impressed.

19           MR. ROMERO: So I have a question on the  
20 marketing and development.

21           MS. BAYLESS: Sure.

22           MR. ROMERO: So we are looking at 2.3. And I  
23 am looking at approximately a little over \$700,000 in --

24           MS. BAYLESS: I was looking at that, too.

25           MR. ROMERO: So the impression that I'm getting

1 here is that you're looking at trying to raise dollars to  
2 support these particular programs. What else is going to  
3 be done to ensure that we have a continuous source of  
4 grants and contributions that are coming into the  
5 Corporation to offset anything that we might have lost?

6 A good example of that is the Meadows  
7 Foundation grant that didn't get renewed. What are we  
8 doing to offset that? And is that going to be the  
9 baseline going forward? Or how are you going to treat  
10 that?

11 MS. TAYLOR: Janie Taylor, manager of  
12 development and communications. So let me see if I  
13 understand your question. So we set these particular  
14 goals based on the amount needed to be raised. For TSHEP  
15 for example, 2.3.1, and the toolbox and mortgage  
16 calculator, that's the amount.

17 I'll tell you that, you know, for the first  
18 one, we are at about \$140,000. So we are pretty close to  
19 meeting that goal. And we are at about \$6,400 for the one  
20 for the toolbox.

21 And then for the Texas Foundations Fund, this  
22 number, we came up with it based on the amount that we  
23 felt our Advisory Council members could contribute and  
24 then additional donations that they could go and seek  
25 themselves, because they have all been challenged to do

1 that.

2 And then as it relates to the direct lending,  
3 we did have a Meadows Foundation program related  
4 investment, which is really a loan, and we're allowed to  
5 use that money for a certain period of time at zero  
6 percent, and then we do have to return that loan.

7 And it was due at the end of 2013, December,  
8 and we used that for direct lending for four years. We  
9 have had a couple of conversations with the Meadows  
10 Foundation about being -- about them renewing this grant.

11 We did apply for it, and they said, Not yet, basically,  
12 is what they told us; we're interested, but let's revisit  
13 in a few months. Just because they had done this PRI for  
14 four years. They had previously given us several hundred  
15 thousand dollars in grants.

16 And so they like to take a break from some of  
17 the organizations that they fund for a certain period of  
18 time, but they said, We like what you're doing, so come  
19 back to us on what else you are going to do with the  
20 money. And so we do plan to go back to the Meadows this  
21 year to try to see if they will fund the direct lending  
22 program again.

23 And then we have been working with Jo and Dave  
24 Danenfelzer on other potential funders out there for  
25 direct lending. And part of that is just how we

1 communicate about the program.

2 And we are meeting with them monthly, just on  
3 fundraising, and monthly, just on marketing, on how we  
4 communicate about what the program does, what type of  
5 activities we're funding with our direct lending program.

6 And we believe that revamping that will help us seek  
7 other funders that we may have not been in our focus  
8 previously.

9 MR. ROMERO: Okay.

10 MS. TAYLOR: I don't know if that answered your  
11 question, but --

12 MR. ROMERO: You gave me a good overview.

13 MS. TAYLOR: Okay.

14 MR. ROMERO: So again, let me go back to what  
15 I'm trying to get at. So I counted about \$700,000,  
16 approximately, based on what is on here.

17 MS. TAYLOR: Okay.

18 MR. ROMERO: These are program related,  
19 contributions to programs that you guys are going to go  
20 after.

21 MS. TAYLOR: Uh-huh.

22 MR. ROMERO: And you are doing a great job  
23 getting there. Compared to last year, where would that  
24 put you, all of these four on here?

25 MS. TAYLOR: Well, so for the -- we are seeking

1 more money this year than we did last year.

2 MR. ROMERO: Okay.

3 MS. TAYLOR: Yes. One, the budget for TSHEP is  
4 larger. We are doing three events, three trainings versus  
5 two. We didn't do a whole lot of fundraising for the  
6 Foundations Fund, at least from individual contributions.

7 So that has increased tremendously.

8 And then, you know, we're always trying to seek  
9 program-related investments. They are just not as  
10 available as other resources. So our goal is much higher  
11 this year than it was last year.

12 MR. ROMERO: Okay. And that is really what I  
13 wanted to hear, because I look at this and what happened  
14 with the Meadows. There's a potential for that to happen  
15 with Wells Fargo.

16 And I know that is a million-dollar investment,  
17 and that's going to have a huge impact. So I am just  
18 trying to kind of look at the big picture, as to how we  
19 can be able to replace those funds, if they happen to go  
20 away.

21 MS. TAYLOR: Right. Absolutely. And we are  
22 meeting very regularly with David -- Katie and I --  
23 actually, when I say we, Katie and I are meeting very  
24 regularly with David and Jo, who manages support -- that  
25 program on how to give that program a better focus; as

1 simple as a name change, just because there is some  
2 confusion as to what direct lending means, and in creating  
3 some -- a prospectus material for funders, so they can see  
4 what the investments have been, what we have produced with  
5 that; highlighting certain developments that have been  
6 created as a result of this funding and in having that  
7 available on our website and being available for meetings  
8 with potential funders.

9 MR. JONES: Well, you say that the Meadows -  
10 let's say \$300,000 goes away.

11 MR. ROMERO: It already did.

12 MR. JONES: And you said what plans are they to  
13 replace, at that dollar-for-dollar amount?

14 MR. ROMERO: Well, I mean, not that it  
15 necessarily has to be dollar for dollar, but --

16 MR. JONES: But I am saying, similar to that.

17 MR. ROMERO: Right. That gap that would be  
18 there, if we utilize the whole investment of \$500,000, and  
19 it goes away, how do we continue to support the different  
20 programs that we use with that grant?

21 MR. JONES: Right. And I follow that. Which  
22 means that basically you are saying that maybe they should  
23 be already marketing to try to find another 3- to \$500,000  
24 now.

25 MR. ROMERO: I think that's what she's saying,

1 that they are trying to do that now.

2 MR. JONES: Right.

3 MR. ROMERO: I just want to make sure that, you  
4 know, there is a plan in place, not just to fund existing  
5 programs that you have identified here, but also a plan  
6 that will continue to provide us with contribution  
7 support, in case something else happens where we expect a  
8 grant or a donation and it goes away.

9 MS. TAYLOR: Right.

10 MR. JONES: So eventually this particular plan  
11 calls for increasing what they do now. If they hold  
12 everything steady, another 3- to \$500,000.

13 MS. TAYLOR: Right. And I will also say that  
14 just to add to that, that direct lending, which that seems  
15 to be the focus, it isn't just funded with program-related  
16 investments.

17 It is also -- years ago, the Board allocated a  
18 certain amount of money to be used for that loan program,  
19 so that is ongoing, and it gets replaced as loans are paid  
20 off, and so there is funding to continue. The program-  
21 related investments just increase the amounts that are  
22 available.

23 MR. JONES: Which says that as we may earn  
24 revenue in other areas, more can be budgeted to it, if  
25 necessary.

1 MS. TAYLOR: Well, that would be up to the  
2 Board and --

3 MR. JONES: But what I am saying --

4 MS. TAYLOR: Yes.

5 MR. JONES: The possibility here, because it  
6 still increases in all other areas as opposed to just an  
7 isolated area, where funds are raised just for this area  
8 and don't come from anybody else.

9 MS. TAYLOR: Right. I think that it is -- I  
10 think that the direct lending program is a good program,  
11 and it is a very needed program in the state of Texas for  
12 alternative capital for construction and rehab and  
13 acquisition.

14 And I don't think -- I think that we are going  
15 to look beyond the normal players that we have worked with  
16 and maybe even beyond Texas for some of these funders that  
17 we haven't considered before.

18 MS. BAYLESS: I would just add that over the  
19 last few years, the fundraising efforts here have become  
20 much more rigorous and professional. And Janie and her  
21 team meet frequently, regularly, and in depth with each of  
22 these program managers and their teams to talk about what  
23 is going on with their program, how much funding is  
24 needed, how those funds might be raised, and from whom,  
25 and then to go out and execute on those plans.

1 MS. TAYLOR: And to ensure that we are doing  
2 what we agreed to do in our proposals or grant agreements.

3 MS. BAYLESS: Right.

4 MR. JONES: Is that it? Back to you, Mr.  
5 Romero.

6 MR. ROMERO: I'm good.

7 MS. BAYLESS: Okay. Thanks, Janie.

8 MR. JONES: I mean, for the rest of the --

9 MR. ROMERO: Well, I am good as far as the  
10 number-two goal.

11 MS. BAYLESS: We still -- you might as well not  
12 go too far.

13 MS. TAYLOR: Okay.

14 MR. ROMERO: I will bring up one quick question  
15 on the investment income. We really don't have much  
16 choice in that matter, but is \$40,000 reasonable? Is that  
17 a reasonable --

18 MR. JONES: Yes. We have talked about that  
19 before. How much do we have invested? Millions? And we  
20 get 40,000?

21 MS. SMITH: We have around \$9 million.

22 MR. LONG: Let me respond to that.

23 We have in excess of about 8 or \$9 million  
24 in --

25 MR. JONES: And you are?

1 MR. LONG: I'm David Long. And as a result of  
2 that, the markets right now are bearing out anywhere -- I  
3 mean, Melinda and I and Liz will look at an investment  
4 opportunity and it comes anywhere between 45 and 75 basis  
5 points. And that all is based on how long you want that  
6 investment to go forward.

7 The Board has typically given us a weighted  
8 average maturity of around two to three years, so we try  
9 and stay within that so we have not only the liquidity to  
10 meet our operational needs, but also the funding for our  
11 program needs.

12 It is a very odd thing that we do with those  
13 funds, in the sense that it has not been the level of  
14 income that we have seen over the years. Those of you  
15 that have been on the Board awhile, that number used to  
16 probably be closer to three times what it is.

17 The other thing I would tell you is the way we  
18 try and take those funds and invest them is through our  
19 programs; by making loans through the direct lending  
20 program and other resources, that we can get a return on  
21 those funds.

22 And part of that is not only in the lending  
23 side of what we do through the direct lending program, but  
24 also when we make an investment like acquiring the single-  
25 family rental program. There is a direct return that we

1 are looking to make on those investments over each and  
2 every month when we make that.

3 And so we try and maximize that, no matter how  
4 we are utilizing our resources, whether it's acquiring an  
5 asset that will meet our needs for affordable housing or  
6 if it is an investment to help another third party, one of  
7 our local partners or through a nonprofit that we are  
8 working with, to allow them to have resources they  
9 normally wouldn't be able to go get, but also to get a  
10 return on those funds. So we try and max what we can.

11 But if you are talking about investments, in  
12 terms of cash investments, buying or replacing those  
13 funds, or holding those funds, we are not seeing a huge  
14 return on those funds right now, just because of where we  
15 are stuck with the Public Funds Investment Act and the  
16 limited risk we can take -- actually zero, that we can  
17 take to make that happen.

18 MR. ROMERO: So is \$40,000 a reasonable goal?

19 MR. LONG: Yes. I think at this point in time,  
20 unless the market -- and basing -- working with Patterson  
21 and Associates, our investment advisor, that is really  
22 kind of where we are looking at and going right now. So  
23 to answer your question, yes.

24 Obviously we would love to see that number  
25 grow. But we just can't predict that right now, because

1 we all wouldn't be sitting here; we'd be doing something  
2 fun.

3 MR. DIETZ: To Mr. Romero's point, since that's  
4 a number that we have no control over, over the -- you  
5 know, what goes into making that income, so would it be  
6 more appropriate to list that goal as a specific benchmark  
7 or a spread over a benchmark as opposed to \$40,000?

8 Because, you know, the interest rate  
9 environment could change dramatically, and that could  
10 cause this to go up or -- hopefully not down, but --

11 MR. LONG: We could list it any way you felt  
12 appropriate. Obviously we were trying to stick to hard  
13 dollars. But that was just because it was something we  
14 could, you know, put in the budget itself. But we can  
15 certainly use it as a benchmark over a certain rate  
16 factor, or --

17 MR. DIETZ: For budgetary purposes, we need a  
18 dollar amount.

19 MR. LONG: Right.

20 MR. DIETZ: For goal purposes --

21 MR. LONG: We could put a factor in there, a  
22 benchmark of X, and then anything above that --

23 MR. DIETZ: A spread of a benchmark.

24 MR. LONG: Exactly.

25 MR. DIETZ: An applicable benchmark for our

1 portfolio.

2 MR. LONG: Certainly. A spread of no less than  
3 25 basis points, 40 basis points, whatever it might be.

4 MR. ROMERO: And maybe that gives Linda a  
5 better target.

6 MR. LONG: Certainly.

7 MR. ROMERO: When she is looking at our  
8 portfolio.

9 MR. LONG: Melinda, does that work for you, to  
10 have something like that as a benchmark?

11 MS. SMITH: Yes. Sure.

12 MR. ROMERO: No. I was talking about Linda  
13 Patterson.

14 MR. LONG: No, I know. But Melinda has to  
15 coordinate. We have to coordinate on that. And I am just  
16 making sure that she thinks Linda Patterson will be able  
17 to do that with us.

18 MR. ROMERO: I've got you.

19 MR. DIETZ: I think that would be a good  
20 appropriate change to that specific --

21 MR. LONG: Okay. We can certainly make that  
22 change. That is not a problem. We can do that and make  
23 it part of the approval for today. Okay.

24 MS. BAYLESS: That's a good idea. We will talk  
25 about that, and figure out what that benchmark and spread

1 should be, and make that change. That is a good idea.

2 MR. ROMERO: Is that net income, or is that  
3 before expenses?

4 MR. LONG: Well, the dollar amount that is  
5 listed -- you mean the \$40,000? That would be a gross  
6 amount. That wouldn't come out because then we have  
7 expenses related to the professional fees and other  
8 things, if we do that.

9 MS. BAYLESS: Any other questions or comments  
10 on goal two?

11 MR. DIETZ: And that should probably be  
12 clarified, too --

13 MS. BAYLESS: Okay.

14 MR. DIETZ: So that a benchmark of X before  
15 fees or after fees, gross, net, something.

16 MR. ROMERO: Net net, whatever we're getting.

17 MR. DIETZ: Yes. What's the bottom line.

18 MS. BAYLESS: Will do. Ready to move on to  
19 goal three? Okay. Goal three is about our external  
20 relationships and how we market ourselves. It's stated  
21 as, implement marketing communications and outreach  
22 strategies to increase awareness and promotion of the  
23 Corporation and its programs.

24 So you see here we have a number of strategies  
25 under that goal -- well, actually we have two: To

1 maintain and strengthen relationships with external  
2 partners and there we have legislative offices, housing  
3 groups and other membership organizations. The customer  
4 service that we provide to those who do business directly  
5 with us, communications with lenders, realtors and trade  
6 associations. And then using the Texas Statewide  
7 Homebuyer Education Program and our counselor connection  
8 to facilitate relationships with our housing counselor  
9 partners.

10 The second strategy is using marketing and  
11 communication strategies to increase awareness of the  
12 Corporation and its programs. That's all about Janie and  
13 her marketing team and the different techniques and  
14 tactics that they intend to implement.

15 I know that they have a lot of ideas about  
16 trying new things this year that are interesting and  
17 exciting. And it will be good for us to see what works  
18 best for us. If you have questions or you would like more  
19 detail, then we would be happy to have the appropriate  
20 manager come up to talk.

21 MR. ROMERO: I just have a question on 3.1.1.  
22 To meet with both House and Senate Committee leadership  
23 offices at least once a year -- or once in 2014. Is that  
24 a significant amount of visits?

25 MS. BAYLESS: I will have Charlie Leal come

1 back up and address that question.

2 MR. ROMERO: Okay.

3 MR. LEAL: Charlie Leal, Government Relations  
4 Specialist. To answer your question, when you look at it,  
5 it is for the full Committee membership of both the Senate  
6 and the House Committees.

7 You're looking at twelve offices, and including  
8 leadership of the Speaker and the Lieutenant Governor,  
9 that's 14. That is 14 visits between now and the start of  
10 session.

11 A lot of times, you know, we will make an  
12 effort to go to the legislator's district office --  
13 obviously with the leadership offices that are here in  
14 Austin; checking in with them, following up with them on  
15 issues, any issues that they are dealing with, and just  
16 making us known as a resource on all issues regarding the  
17 housing.

18 So with those meetings and any subsequent  
19 meetings that come from those initial ones, we do believe  
20 that that is sufficient in order to keep an open dialogue  
21 with them. This is by no means the only meetings we will  
22 have. But this is just the initial meetings.

23 MR. ROMERO: How can we help, if we happen to  
24 have a member of one of these Committees that is in our  
25 area?

1           MR. LEAL: It would be very helpful if we could  
2 have you at those meetings if we could coordinate those  
3 meetings in you all's area. If you all have a great  
4 relationship with a particular member that we are trying  
5 to outreach to, we would love to get with each one of you,  
6 and kind of present a list of those in your area and see  
7 how we can get you all in.

8           MR. JONES: So basically if on your schedule of  
9 your 14 meetings, for instance, you would notify that  
10 particular Board member that we have a meeting set up in  
11 the district office which is in your area with your  
12 representative. If you would like to, feel free to attend  
13 and --

14           MR. LEAL: Sure.

15           MR. JONES: Then what they will do is give you  
16 guys some talking points or something so you are the same  
17 page with them.

18           MR. LEAL: Sure. What we will do is, you know,  
19 typically we will start setting up these meetings post  
20 elections. There runoff elections going on still. So we  
21 are looking at targeting the summer and on, and before the  
22 holidays.

23           So we will be getting with you all. And again,  
24 present a list of the legislators in your area that we  
25 could definitely use your presence, being that you all are

1 from those areas would mean a great deal to those offices.

2 MR. ROMERO: Again, this area right here, goal  
3 three, I think, is going to be really important come next  
4 year. It is important, I believe, to the mission, as far  
5 as the visits and getting to know the different committees  
6 and individuals.

7 You know, I think we are sitting in the right  
8 place right now. But you never know what is going to  
9 happen during session.

10 MR. LEAL: Sure.

11 MR. ROMERO: So I think the more relationships  
12 that we create and solidify, the better off we will be  
13 when session does start.

14 MR. LEAL: You are very correct, sir.

15 MR. JONES: But we almost might wait until  
16 after the primaries.

17 MR. LEAL: Yes.

18 MR. ROMERO: Fair enough.

19 MR. JONES: See who's left standing. Okay. To  
20 move on.

21 MS. BAYLESS: I know you must have more  
22 questions, to be curious about some of these things in  
23 Goal Three?

24 MR. JONES: Well, not -- you keep us pretty  
25 much apprised of the marketing. It is all year long. And

1 the goals are -- they are basically into what? -- just  
2 basic, overall, increasing even more marketing efforts  
3 than what you do.

4 MS. BAYLESS: We want to have more and stronger  
5 relationships with external parties. And we want to not  
6 only continue the marketing communications strategies that  
7 have been successful for us in the past, but also try a  
8 variety of new things and then determine which of those  
9 work best for us.

10 MR. ROMERO: I think you guys do a wonderful  
11 job with marketing when it comes to all of our programs at  
12 TSAHC in general. I think there is always opportunities  
13 to, you know, enhance that.

14 I think this morning, we had a meeting and  
15 David Danenfelzer mentioned that he had a spreadsheet that  
16 he uses when he is doing direct lending deals. And, you  
17 know, it kind of dawned on him -- it was like, you know,  
18 why don't I just put this on the website, so the  
19 developers can look at it and know what kind of costs they  
20 are looking at.

21 It makes a lot of sense. So I mean, stuff like  
22 that just comes up. I think it is just a perfect  
23 opportunity for us to just continue enhancing our  
24 marketing effort.

25 MR. EVENWEL: So who gets to do the weekly

1 blog?

2 MR. ROMERO: Is that Janie or Katie?

3 MR. JONES: That would be work. Keeping up  
4 with the blog.

5 MR. ROMERO: Janie, could you also tell us  
6 about the tweets that were out there in the last couple of  
7 days? David had mentioned that to me.

8 MS. TAYLOR: Okay. Sure. So I don't have to  
9 say my name again, do I?

10 MS. BAYLESS: I don't think so.

11 MS. TAYLOR: Okay. Sorry. I didn't know if  
12 that had to happen every time. Okay.

13 So the blog, that is actually part of a larger  
14 strategy. It's part of what is known as search engine  
15 optimization, which is when somebody searches a word that  
16 is affiliated with something that you do --

17 MR. JONES: You show up at the top of the heap.

18 MS. TAYLOR: Yes. We want to come up at the  
19 top, right, the first page. And so there's lots of things  
20 that are happening as it relates to that, and creating a  
21 blog is one of them, because search engine companies like  
22 Google like fresh material on your home page.

23 And so the blog is a very good way of doing  
24 that, of having fresh material, because it will be housed  
25 on that home page, and then it just provides other

1 opportunities for us to then, you know, send a tweet or a  
2 Facebook of, Hey, here we have this blog about whatever it  
3 may be, whether it is homeownership, something we saw on  
4 homeownership, or something we saw about credit scores or  
5 something we saw about multifamily.

6 And so we are going to create a -- we are  
7 calling it an editorial calendar of different subjects  
8 that we are going to try to write about every single week.

9 Some of those things will be something we are working on,  
10 such as the new campaign that we started on Monday. So  
11 that would be something that we would do this week.

12 And Katie Howard has graciously volunteered to  
13 head up the editorial calendar, so she will be doing the  
14 majority of the writing. But we will be seeking ideas  
15 around from all the other staff members and our Board, of  
16 articles that we might see, or something that we can  
17 elaborate about and, you know, actually develop your  
18 reputation.

19 People start tweeting out your blog because  
20 they like it, or they like something you did. Or they  
21 look forward to it and they use it for themselves. So  
22 that's the goal of that. And so to answer about the  
23 tweets --

24 MR. ROMERO: Yes. David mentioned that there  
25 had been some several tweets going back and forth in

1 regard to this program. One of them from -- a campaign.  
2 I am sorry.

3 MR. ROMERO: Yes. Right.

4 MR. DANENFELZER: There was just a nice tweet  
5 that came in from the New Hampshire. Was it New  
6 Hampshire?

7 MS. TAYLOR: Yes. So we Monday kicked off this  
8 partnership that we started with the Texas Association of  
9 Realtors to promote the importance of homebuyer education  
10 prior to purchasing a home, and the campaign is called Get  
11 Ready, Making Texans Homeowners for Life.

12 And so the PR agency of the Texas Association  
13 of Realtors and ourselves, we sent out a press release, a  
14 joint press release on Monday, and it was picked up by  
15 several organizations.

16 But in particular there is an industry  
17 publication out there called Housing Wire, and they  
18 actually wrote an article about it, and they put it on --  
19 they tweeted that out.

20 And so a housing organization in New Hampshire  
21 retweeted that article and said, hey, this is a great  
22 idea. This is something that we should think about doing  
23 in New Hampshire. So that was, you know, really good to  
24 see that other states are noticing this partnership that  
25 we have created with TAR.

1 MR. JONES: So back to his original question,  
2 who is going to run the blog? Who is --

3 MS. TAYLOR: So I did state that Katie Howard  
4 has graciously volunteered to head up the weekly blog, and  
5 so she will be creating the majority of the content. But  
6 we will be asking for ideas from staff members and Board  
7 members.

8 I know Mr. Meade is very active on Twitter, and  
9 he sends me stuff, mostly about my hometown. But it's,  
10 you know, just any ideas, anything that you might see that  
11 is of interest that you think would fit our mission.

12 MR. JONES: With the goal of keeping the page  
13 fresh.

14 MR. ROMERO: Right. Keeping the content fresh  
15 on the home page.

16 MR. MEADE: Well, I actually have Board members  
17 who are telling me I wasn't active enough on Twitter, so I  
18 had to become active.

19 MS. TAYLOR: You're doing a good job.

20 MR. ROMERO: You mentioned something when you  
21 were going through this process about building our  
22 reputation. So what steps do we have as a corporation to  
23 manage that reputation risk?

24 MS. TAYLOR: The reputation risk?

25 MR. ROMERO: I mean, what if someone was to

1 tweet or blog something that was negative of TSAHC? What  
2 would we do in order to address that issue and make sure  
3 that it is addressed, either publicly or privately,  
4 whatever has to happen?

5 MS. BAYLESS: Well, I think there are a few  
6 questions you ask yourself whenever anything like that  
7 happens. The first is whether you respond at all, because  
8 sometimes it's the better course not to respond at all and  
9 just let it die.

10 If you do decide that you want to respond, then  
11 you can decide how, which might entail a variety of  
12 things: either directly contacting the person and asking  
13 them to issue a correction, or you might respond with  
14 affirmative information of your own that contradicts what  
15 was put out there. A variety of things could happen.

16 I suppose in the most extreme circumstance, we  
17 would consult with our counsel and determine whether  
18 something like legal action would be necessary. So I  
19 think the answer of how we would go about protecting our  
20 reputation risk is hard to answer with a blanket course of  
21 action.

22 MR. JONES: Basically depends. You cross each  
23 bridge as you get to it.

24 MS. BAYLESS: Right.

25 MR. ROMERO: And forgive me, because I haven't

1       been on the website for a couple of months.     Is there a  
2       process on the website to file a complaint?

3               MS. BAYLESS:    There is.

4               MS. TAYLOR:   We are required by statute to have  
5       that on -- to have a complaint process.

6               MR. ROMERO:   How often does that get monitored  
7       or reviewed?

8               MS. TAYLOR:   Well, it is an online form, and it  
9       gets sent out.  I believe that now it gets sent to  
10      Charlie.  And so that is -- you know, we have -- in the  
11      statute, it clearly states, you know, the amount of time  
12      we have to respond to a letter that we have received their  
13      complaint and so on and so forth.  So we do have that.

14              And just to reiterate what Liz said, we have  
15      had situations where someone has contacted either our  
16      office or, you know, a legislative office, because they  
17      are confused about something in our programs, and so we do  
18      address it.

19              We will send correct information.  We will even  
20      schedule a call with the person and the legislative office  
21      to clear up any misunderstanding.  And we do do that.

22              I haven't yet seen anything -- if somebody  
23      posts something on Facebook or Twitter, we do receive a  
24      message saying, somebody posted this information.  
25      Generally it's just a question people have.  And so we

1 haven't had anyone posting anything like that.

2 MS. BAYLESS: You are right, though, that  
3 reputation risk is something we need to be ever mindful  
4 of. It is very important to us.

5 And so in addition to sort of defending against  
6 things that might come our way, we also proactively try to  
7 tell TSAHC's story to all of the different audiences you  
8 see listed here in this plan so that people know -- before  
9 they hear about us from someone else, they have heard  
10 about us from us.

11 MR. JONES: Okay.

12 MS. BAYLESS: Any other questions on anything  
13 in goal three?

14 (No response.)

15 MR. JONES: Okay. So we are down to the last  
16 goal, ensure effective direction and control of the  
17 Corporation.

18 MS. BAYLESS: Yes, sir. That is right. And  
19 this is all about good corporate governance and good  
20 management, which are not the same thing at all.  
21 Governance is not meant to be hands on. Governance is  
22 broad principles, such as stewardship, duty, integrity.

23 Management is indeed hands on; the actions that  
24 we take to help us operate and move the organization in a  
25 positive direction. And the management practices we have

1 addressed in the plan are mostly staff related.

2 So I think, you know, if you have ideas about  
3 things we could or should add to this, that we may not  
4 have thought of, we are open to suggestion. Or if you see  
5 anything that is not clear to you, I would be happy to --

6 MR. JONES: I kind of look at the strategic  
7 plan like I look at a budget. It is a road map.

8 MS. BAYLESS: Yes.

9 MR. JONES: How many team building events do  
10 you do in a year, or do they vary? They vary, right?

11 MS. BAYLESS: We like to have at least two.  
12 Sometimes we have had three in a year.

13 MR. JONES: Have you been on the ropes course  
14 yet?

15 MS. BAYLESS: No, we have not been on a ropes  
16 course yet.

17 MR. JONES: Add them. No, that is not  
18 necessary.

19 MS. BAYLESS: We usually have one in the summer  
20 and one around the holidays. And then once we did a  
21 Habitat build as well. So it's those sorts of things.

22 MR. JONES: Yeah. I didn't like the ropes  
23 course, by the way. I was too old for climbing on wires.

24 Any question about goal four?

25 (No response.)

1 MR. JONES: Okay.

2 MS. BAYLESS: Well, I would like to ask then,  
3 if we make the change Mr. Dietz suggested in the wording  
4 of goal one, to include expanding our programs, and if we  
5 make the change that you suggested in 2.4, to express our  
6 investment income as a benchmark, or a spread over a  
7 benchmark, whatever we determine would be appropriate,  
8 rather than as a dollar amount, and to clarify whether it  
9 is gross or net, with those changes then, we would just  
10 like to ask you to vote your approval of this plan for us.

11 MR. JONES: Is there a motion?

12 MR. ROMERO: I move to approve with the changes  
13 recommended.

14 MR. MEADE: Second.

15 MR. JONES: It has been moved and seconded.

16 Any further comment or discussion?

17 (No response.)

18 MR. JONES: Any public comment on this item?

19 (No response.)

20 MR. JONES: Hearing none, all in favor of  
21 approval, say aye.

22 (A chorus of ayes.)

23 MR. JONES: Unanimous. Thank you. Thank you  
24 very much.

25 Do I read my thing from Section 551.071 now?

1           MR. LONG: Before you do, I would want to -- we  
2 are going to be going into closed session. Before you do,  
3 I wanted to add one more thing that we did this last month  
4 that is consistent with kind of what we have talked about;  
5 the team member and the team approach that we go through  
6 at TSAHC, and that includes our Board members.

7           And I didn't intentionally leave it off, but I  
8 was reading back through my notes, and I failed to bring  
9 it up. And I wanted to talk about it. It is something we  
10 are going to be doing again next month with Mr. Meade.  
11 Not next month -- next week with Mr. Meade.

12           But it was the ACT Vet Home donations that we  
13 do. We did one in Bellville, and I just wanted to say how  
14 much we appreciate Mr. Jones being there to basically lead  
15 the event but also just to give everybody in the audience  
16 and the rest of the Board members an opportunity to see  
17 exactly what we are accomplishing.

18           We gave away a home to a 100-percent disabled  
19 vet in Bellville, Texas. It was one of the nicest homes  
20 we have had the opportunity to work with. We had a  
21 significant amount of people there, representing the city,  
22 the county, the state.

23           TSAHC went with a busload of people. We had I  
24 think eight people attending. There were almost a  
25 thousand pictures taken. And Mr. Jones did a phenomenal

1 job leading the event. I give kudos to the staff for  
2 putting that together.

3 We had people taking pictures. Betsy and  
4 Charlie too, I don't know how many pictures. Like I said,  
5 a thousand pictures between them. There was an official  
6 photographer there.

7 We had our builder there. We had the Patriot  
8 Guard showed up: motorcycle riders that support the vets.  
9 Representative Kolkhorst was there, the city manager, the  
10 city mayor; the county commissioners were there. Some  
11 realtors were there.

12 And it was just a phenomenal event, and I  
13 really wanted you to know about it, because it not only  
14 reflects what we do here as a staff to put those events  
15 on, and to give back to the community, but also to tell  
16 you how much it means to us to have you all participate  
17 when you can.

18 I know Mr. Dietz has participated with us at  
19 one in Waco, and it's just an opportunity, when they are  
20 in your area, we are going to call you. And hopefully you  
21 can make it. If not -- they are just a great opportunity  
22 for us to give back, and we really appreciate your input  
23 and ability to join us at those events.

24 But I also wanted you to recognize the effort  
25 that staff was making to do that, because it was a

1 really -- I mean, it was -- Mr. Jones ordered up a  
2 beautiful day. It was clear blue skies, just a wonderful  
3 day. And if you wanted to see --

4 MR. JONES: Yes. They had flags all over the  
5 place. It was great. But I was -- I don't know what the  
6 word is. I thought it was moving, that not only did the  
7 Texas State Affordable Housing Corporation do that,  
8 process that home, and get everything done, and the  
9 volunteers -- they came prepared to help unload the moving  
10 truck and put the guy's furniture in. Janie and  
11 everybody, and even David, he had a t-shirt and all.

12 I mean, that is above and beyond the call of  
13 duty. I mean, to move the guy's furniture in, on top of  
14 it. I mean, it was just -- it was moving. It was  
15 touching to me.

16 MR. LONG: Well, and I would also like to add  
17 two of the organizations that we work with that make this  
18 program possible -- obviously, Bank of America. They  
19 provide the homes through the National Community  
20 Stabilization Trust here with the community partnered for.

21 So that collaboration and that partnership  
22 works really well for us, to allow us to do this. But  
23 they were also represented. And Bank of America came.  
24 And CST was there with a representative.

25 So it was just a really nice event, and I

1 wanted to comment on that specifically, but also we're  
2 doing one in McAllen next week. Mr. Meade had agreed to  
3 be there and be the leader for us there at that. And we  
4 look forward to that being an event that we will just have  
5 a really good -- another opportunity to give a donation of  
6 a home to a veteran in the state of Texas.

7 MR. DIETZ: Are these all three through the  
8 same program?

9 MR. LONG: Yes. All of these donations are all  
10 part of the ACT Vet donation program, which works through  
11 the partnership I just mentioned to you with Bank of  
12 America and NCST.

13 MR. JONES: Well, they said they have a  
14 thousand homes nationwide. But the recipient of the homes  
15 in the state of Texas is TSAHC.

16 MR. LONG: Right now we have been getting some  
17 of those homes; not all of them, but we get most of the  
18 homes. Yeah.

19 MR. JONES: Yes. We do them. And they like to  
20 bring the giant key out and present the homeowner the key.

21 But it is the staff and what they do and how they turn  
22 it. I mean, and then come dressed to move the guy's  
23 furniture. I mean, that's --

24 MR. LONG: Anytime I can wear jeans, I'm all  
25 about it. Anyway, I just wanted to say that before we go

1 into closed session, because I think it was a significant  
2 effort by, you know, everybody involved and it's really a  
3 great opportunity to see how we all work together, and a  
4 very proud moment for us. So I appreciate that.

5 MR. DIETZ: Alex, it is easy from the Board  
6 members' perspective, because Janie just tells you exactly  
7 what to say, and exactly what to do.

8 MR. MEADE: Well, I'm hoping, because I saw the  
9 email; that is all I heard.

10 MS. TAYLOR: You are going to get it.

11 MR. ROMERO: We now have a general and an  
12 enforcer. That is right.

13 MR. JONES: Yes. You are only allowed to tweak  
14 it. No changes. Tweak it.

15 MR. LONG: Yes. With that, Mr. Chairman --

16 MR. JONES: Okay. At this time, the Board is  
17 going to go into closed session per Texas Government Code  
18 Section 551-071. Consultation with legal counsel on legal  
19 matters. And I think our Counsel has a comment to make  
20 prior to us going into the session.

21 MS. LIVINGSTONE: Katie Livingstone, Greenberg  
22 Traurig. Pursuant to Texas Government Code Section  
23 551.103, this closed session held pursuant to 551.071 of  
24 the Government Code is not subject to being tape-recorded  
25 or summarized by certified agenda.

1 MR. JONES: It is 12:04. We are in closed  
2 session.

3 (Whereupon, at 12:04 p.m., the Board recessed  
4 into Executive Session.)

5 MR. JONES: Okay. It is now 12:31. And the  
6 Board is out of closed session. No action was taken in  
7 the course of the Board meeting under Section 551.071,  
8 consultation on legal matters with our Counsel. At this  
9 time, we also go back into open session. The same time, I  
10 guess.

11 We are back into open session. Are there any  
12 other items, or anything else that needs to be discussed,  
13 as for this April Board meeting?

14 MR. LONG: The only thing that I would add is  
15 that we will send out an email to everybody regarding the  
16 8th or the 15th. I know the 8th is the second Thursday.  
17 The 15th being probably just an extra week, just to get  
18 things -- well, it's the third Thursday. I guess this is  
19 an opportunity to see whether or not we can get our  
20 financial information together, given that the 8th is so  
21 early in the month. All right.

22 MR. JONES: Okay. I also want to personally  
23 thank all of the Board members for making an effort to be  
24 here for the Strategic Plan meeting. I think it was  
25 important that everybody was here, and we all got

1 significant input.

2 And I always feel more comfortable when all of  
3 our various fiscal representatives on this Board are  
4 present personally, because I am the guy who signs the  
5 papers. So I always appreciate you all being here.

6 Mr. Long?

7 MR. LONG: That's it.

8 MR. JONES: Okay. And I want to thank -- I  
9 want to get this right -- Mr. Joe Schafer for being here  
10 and doing the good job that he always does when he's  
11 recording our meetings.

12 Thank you, staff; thank you, Counsel, thank  
13 you, everybody. At this point it is 12:34, and the  
14 meeting is adjourned.

15 (Whereupon, at 12:34 p.m., the meeting was  
16 adjourned.)

