

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,
March 12, 2015
10:31 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair

WILLIAM H. DIETZ, JR., Vice Chair (absent)

GERRY EVENWEL
ALEJANDRO "ALEX" MEADE
JERRY ROMERO

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM	3
PUBLIC COMMENT	3
PRESIDENT'S REPORT	3
Tab A: Homeownership Finance Report	
Tab B: Development Finance Report	
Tab C: Monthly Budget and Investment Reports	
ACTION ITEMS IN OPEN MEETING:	
Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 12, 2015	8
Tab 2 Presentation, Discussion and Possible Approval of a loan to Brook Community Development under the interim construction and acquisition loan program in an amount not to exceed \$500,000 for the purpose of acquiring, constructing, and renovating properties for low and moderate income households, pursuant to the Corporation's Affordable Communities of Texas Land Bank Program.	9
Tab 3 Presentation, discussion and possible approval of a loan to Cornerstone Financial Education under the direct lending program in an amount not to exceed \$475,000 for the purpose of acquiring and renovating a 15-unit multifamily rental property in Austin, Texas	26
Tab 4 Presentation and Discussion of updates to the Texas State Affordable Housing Corporation 2014-2017 strategic plan	34
Tab 5 Legislative update	69
CLOSED MEETING	none
ADJOURN	72

P R O C E E D I N G S

1
2 MR. JONES: Good morning. And the Board
3 meeting of the Texas State Affordable Housing Corporation
4 is called to order. Is there any public comment?

5 (No response.)

6 MR. JONES: Hearing none, Mr. William Dietz,
7 Vice Chair?

8 (No response.)

9 MR. JONES: Didn't he say he was skiing or was
10 he in South America again? Spring break with the kids.
11 Gerry Evenwel?

12 MR. EVENWEL: Present.

13 MR. JONES: Alex Meade, member.

14 MR. MEADE: Here.

15 MR. JONES: Jerry Romero?

16 MR. ROMERO: Here.

17 MR. JONES: And I am here. We have a quorum.
18 No public comment?

19 (No response.)

20 MR. JONES: None. No. Okay. At this time,
21 David Long with our President's report.

22 MR. LONG: Chairman, Members. The program and
23 financial reports are under Tabs A through C. Our monthly
24 reports are provided to the Board. There aren't any
25 specific variances or issues that we need to point out.

1 Single-family rental program, a quick update.
2 We secured via bid the final purchase under that program.

3 It is a -- in the single-family rental program. It is a
4 duplex, which is the first one we have purchased under the
5 program.

6 It is in South Austin at 3409 Blumie. That
7 property is scheduled to close on the 31st of March. And
8 that will complete the original allocation of funding for
9 that program that the Board authorized.

10 Under the Multifamily and Development Finance
11 programs, David Danenfelzer will be presenting both Tab
12 Items 2 and 3 for some loans that we have for your
13 consideration.

14 Under just events and meetings and conferences
15 we have been attending, David Danenfelzer attended a Fed
16 Reserve Bank of Dallas, Texas Border Colonia Steering
17 Committee Meeting on behalf of TSAHC. At the meeting, the
18 Steering Committee presented a report on colonias in
19 Texas, "Las Colonias in the 21st Century". And that
20 report is a result of and issued by the Federal Reserve
21 Bank of Dallas to provide additional insight in colonias
22 along the Texas Mexico border.

23 Liz, Katie and I hosted a meeting with Amy
24 Parham, Executive Director for Habitat for Humanity of
25 Texas. She had wanted to talk with us about opportunities

1 where Habitats across the state might be able to engage
2 further with the Texas Foundations Fund.

3 Legislative session, Janie, Michael and I
4 continue meeting at the legislative offices over at the
5 Capitol. And Michael will be providing you an update on
6 the legislative session under Tab 5.

7 Mike and I also attended the National Alliance
8 to End Homelessness Annual Conference in late February.
9 This year that conference was held in San Diego.

10 Cindy Leon and myself participated on the Texas
11 Community Capital Board meeting which was held last month.

12 TSAHC continues to look at opportunities where we can
13 secure partnership with the CDFI in our efforts to expand
14 our funding and availability for programs under leveraging
15 our dollars against that for our housing programs. Dave,
16 Janie and I attended the rural multifamily housing summit
17 at the Capitol earlier this week.

18 And David and Michael both attended the last
19 couple of days, a round table hosted by HACA Austin, which
20 is a local housing and transportation group. And the
21 meeting was to address potential solutions for
22 affordability and mobility issues.

23 TSAHC continues activities and bidding process
24 for professional services at our office building located
25 at 1910 E. MLK. We are anticipating releasing an RFP

1 later this month or early next month for construction
2 bids. And we will keep the Board informed as we move
3 further along with the activities related to our new
4 building.

5 One sad note, I would like to -- I feel like we
6 should at least make note for the record for TSAHC. I
7 wanted to note that a friend of TSAHC, Mike Higgins, who
8 was the Chief of Staff and the legislative Director with
9 the Texas State Association of Firefighters passed away
10 earlier this month. He had been an instrumental part of
11 working with us at the Capitol, both during our Sunset
12 issues, as well as legislation that had passed over the
13 years, related to the Corporation and our single-family
14 programs.

15 And he is a great loss, both to the
16 organization he served, but also to the housing and
17 affordability that we worked with him on. So I just
18 wanted for the record for us to note that. He was a big
19 friend of ours, and we enjoyed his company, and his input
20 in leadership that he provided us when we were over at the
21 Capitol.

22 Professionals that are in attendance, Katie
23 VanDyk with Greenberg Traurig. And Tim Nelson is here
24 with First Southwest Company.

25 And as I always mention is, the tentative next

1 meeting is scheduled for April 9th. That is pretty early
2 in the month. So we will kind of keep that. That is the
3 second Thursday. But that is kind of early in the month,
4 so we might look to make a change on that, depending on
5 the Board's --

6 MR. ROMERO: It also conflicts with the TACDC
7 Conference.

8 MR. LONG: Pardon?

9 MR. ROMERO: That conflicts with the TACDC
10 Conference. The same week. Just keep it in mind.

11 MR. LONG: So as we said, we will look at that
12 month. We do have to have a meeting in April. We do have
13 the Foundations Fund guidelines that must be approved, so
14 that we can stay on track with moving forward with the
15 Foundation Fund this year.

16 So those guidelines, as you know, are out right
17 now. And we hope to have the public comment and
18 everything in. And we would report that at the April
19 Board meeting. So we will work with you on that.

20 MR. JONES: In terms of the passing of the
21 gentleman, is that recent?

22 MR. LONG: Pardon?

23 MR. JONES: The gentleman that passed from the
24 Firefighters. Is that recent?

25 MR. LONG: This month.

1 MR. JONES: Are you going to send a letter of
2 condolence?

3 MR. LONG: We already did.

4 MR. JONES: You already did? Okay.

5 MR. LONG: We also made a donation to a
6 charitable contribution, to the organization.

7 MR. JONES: All right. Good. Thanks.

8 MR. LONG: And with that, Mr. Chairman, I
9 conclude, and take any comments, if there are any. And
10 answer any questions.

11 MR. JONES: Any questions or comments for the
12 President on his report?

13 (No response.)

14 MR. JONES: Any public comment on the
15 President's report?

16 (No response.)

17 MR. JONES: Okay. Thank you, David.

18 Item 1, presentation, discussion and possible
19 approval of the minutes of the Board meeting held on
20 February 12, 2015.

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

23 MR. JONES: It has been motioned and moved.

24 MR. EVENWEL: Second.

25 MR. JONES: It has been seconded. Any

1 discussion, correction or changes?

2 (No response.)

3 MR. JONES: Any public comment regarding this
4 item?

5 (No response.)

6 MR. JONES: Hearing none, all in favor of the
7 motion, say aye.

8 (Chorus of ayes.)

9 MR. JONES: Any opposition?

10 (No response.)

11 MR. JONES: It is approved. Item 2,
12 presentation, discussion and possible approval of a loan
13 to Brook Community Development under the interim
14 construction and acquisition loan program in an amount not
15 to exceed \$500,000 for the purpose of acquiring,
16 constructing, and renovating properties for low and
17 moderate income households, pursuant to the Corporation's
18 Affordable Communities of Texas Land Bank Program.

19 MR. DANENFELZER: Good morning.

20 MR. JONES: Good morning, Mr. Danenfelzer.

21 MR. DANENFELZER: David Danenfelzer, Manager of
22 Development Finance. And I am here with Mike Meyer, the
23 Executive Director and President of Brooke Community
24 development, the Applicant.

25 First, I am going to make a quick correction to

1 the write-up. I was informed this morning that in the
2 staff recommendation towards the end, it is noted that
3 this is a recommendation to the Loan Committee.

4 This is actually -- this recommendation should
5 be -- staff is recommending that the Board approve a loan
6 to the borrower. So that is one quick correction on that.

7

8 MR. JONES: Are you talking about in the
9 write -- what -- you are not referring to the motion?

10 MR. DANENFELZER: I am looking at the writeup
11 and staff recommendation.

12 MR. JONES: Okay. On page 3.

13 MR. DANENFELZER: On page 3, yes. So I will
14 just head that off right away and just say, this is a
15 recommendation to the Board.

16 And in my presentation today, I will say that,
17 you know, a couple of notes about the Applicant and kind
18 of highlight the overview. But also I want to focus in on
19 the process that we use to review these loans and make
20 these decisions.

21 The Corporation does have policies, that we use
22 to guide how we operate. And the loan programs have very
23 specific guidelines on having a loan committee that
24 reviews these applications. Once staff has done a
25 threshold review of the application materials, making sure

1 there is enough numbers, you know, the applicant meets
2 thresholds required, the project does.

3 And then our Loan Committee actually does a
4 really deep dive into questions about risk, about
5 Applicant experience, about the project feasibility and
6 market conditions. And on the two loans we are going to
7 be talking about today, we have really been also working
8 very closely with the Loan Committee and kind of tracking
9 this discussion to evolve our process in the future, and
10 evolve our loan policies.

11 So these loans -- and I apologize to the
12 borrowers a little bit -- have taken us a little bit
13 longer than usual to get to you all. But that has been a
14 good thing, because --

15 MR. JONES: Excuse me. When you are saying,
16 "these," you are talking Item 3 as well?

17 MR. DANENFELZER: Item 3 as well.

18 MR. JONES: Can we talk about Item 3 before we
19 get to Item 3, or is that general enough? Ms. Van Dyk?

20 MS. VAN DYK: I think it is fine, just for
21 context. Yes.

22 MR. DANENFELZER: Yes.

23 MR. JONES: Okay.

24 MR. DANENFELZER: Yes. Okay. So just for
25 context to say that we are doing a much deeper dive on

1 these. And we are kind of evolving our policy. So the
2 presentation I am going to give here gives you a good
3 overview.

4 But the Loan Committee has, like I said, done a
5 very deep dive on this, on these two borrowers. And in
6 particular, I am going to jump right into now this
7 borrower, and highlight those things which may not be
8 necessarily clear in the writeup here, that the Loan
9 Committee really looked at.

10 So first of all, Brooke Community Development
11 is one of our longest standing and probably our most
12 successful partner that we have worked with in the ACT
13 Land Bank program. As you know, the ACT Land Bank program
14 is a program where the Corporation accepts or purchases
15 foreclosed properties. We renovate those properties and
16 sell them to eligible homebuyers.

17 One of the bigger portions of that is, in the
18 last couple of years, the most activity has been through
19 our Veterans initiative, which is specifically serving
20 disabled and low income veterans. Mike's group, Brooke
21 Community Development, has by far been the largest
22 contributor to that program as far as a partnership.

23 He has developed and finished over 38
24 properties and sold them to qualified low income and
25 disabled veterans. He has also helped us with two

1 donations thus far. And I know we have got at least one
2 more in the hopper that he is going to be working, which
3 are homes that we give mortgage free to disabled veterans.

4 So we have a very longstanding relationship
5 with Mike. And over the last couple of years, as a for
6 profit entity, Mike uses a number of different financial
7 sources to keep his projects running. And we have --
8 staff has always been kind of interested in helping him to
9 lower the interest costs on those costs.

10 And so since we know he is going to be working
11 on the target population that we are going to be -- that
12 we need to meet, and he has a lot of business outside of
13 just our programs, we have encouraged him to make this
14 application. And he has been working with us very closely
15 over the last several months to make this application and
16 get it before you.

17 You know, we have looked at the partnership
18 that Brooke Community presents -- and its partners. We
19 have looked into their financial backgrounds. We have
20 looked into their work histories, their experience. You
21 know, we have looked at their entire portfolio of projects
22 and loans that they have and used to do other market rate
23 projects.

24 And we have looked very carefully at the market
25 conditions where we still have portfolio. And in doing

1 that, the Loan Committee did amend some of the requests
2 that we originally made.

3 One thing in particular was that we did lower
4 the amount. We originally asked for \$750,000. The Loan
5 Committee looked at the portfolio and decided that based
6 on the affordable portfolio that he has outstanding and
7 coming into the future, we could lower that to around
8 \$500,000, which is a significant change, but important.

9 And the other one is that the Loan Committee
10 also looked at the portfolio that Mike predominantly works
11 on. And we have narrowed it down predominantly for a
12 little bit for risk. But also, because of work flow.
13 Just the properties that TSAHC actually owns and does
14 through the ACT program.

15 And this does reach beyond our veterans=
16 initiative. It is not only those homes, but other
17 individual lower value donations that we get that are sold
18 to -- still sold to low income households, but are not
19 necessarily restricted to the veteran requirements. Mike
20 does have a sizeable portfolio still he is working on, on
21 both veterans and non-veteran properties with us.

22 And we'll continue to use Mike. In fact, I am
23 pretty sure we sent him a couple more properties last week
24 to look at and to assess for us, to see if they are
25 feasible.

1 So we will have some workflow over the next
2 couple of years, if this loan is approved, for him to keep
3 using our line of credit. Lower the total cost of
4 development. And also, therefore, pass on those savings
5 to the borrowers in some cases.

6 MR. JONES: Lower the cost by virtue of the low
7 interest rate.

8 MR. DANENFELZER: Right. So you know, in doing
9 our analysis, when we look at Mike's lines, existing lines
10 of credit where they can range from eight up to sometimes
11 16 percent interest because they are short term loans.
12 Sometimes a little bit higher risk, because they are --
13 three to four months, you have got to sell a home.

14 You know, the difference of lowering it down to
15 6 percent which is the interest rate we are proposing,
16 that interest rate meets our spread requirements. And
17 what I mean by that is, we have to borrow the money that
18 we re-lend.

19 So the difference between that -- we make
20 enough to manage the program and a little extra, so we can
21 grow the program. But it also saves us a considerable
22 amount over the eight to 16 percent interest that Mike
23 often pays on those units that he does directly with his
24 own lines of credit. So we think this is kind of a win-
25 win for both of us, because it lowers costs, makes the

1 money easy to get to, but also then we can pass on some
2 savings and share in savings.

3 MR. JONES: Is this ordinary in the amount, or
4 is it a higher amount, based on a special consideration?

5 MR. DANENFELZER: No. It is actually, it is
6 pretty ordinary, based on the workflow and the number of
7 properties that we have planned.

8 You know, we have a similar line of credit
9 outstanding, with another organization here in Austin,
10 Frameworks Community Development. That was originally a
11 smaller loan, when they were starting up and rehabbing
12 properties. And we have grown that over the last four
13 years, up to a half a million dollar line of credit.

14 We have done larger lines of credit for
15 construction under the ICAP program. Our very first loan
16 under the program was \$750,000. But that tends to be sort
17 of the top end that we do for the program.

18 We feel that -- and I think the Loan Committee
19 felt that \$500,000 was more appropriate, given the number
20 of properties that TSAHC has in the pipeline that Mike can
21 work on and is working on. And so it will save him costs.

22 It will save us costs.

23 And it will be focused in on just that
24 portfolio for now. If we are successful, our hope is
25 always that we grow that line of credit. We can expand it

1 in the future.

2 But I think the Loan Committee felt that for
3 now, let's focus in on this portfolio and see how it
4 performs for the next year to two years. And then if it
5 gets bigger and continues to grow, we can expand that line
6 of credit so we can cover more homes and help.

7 MR. JONES: Okay. The motion talks about a not
8 to exceed, and has the amount. But the writeup
9 specifically recommends a revolving line of credit.

10 How does a revolving line work? Can you borrow
11 like the whole \$500,000 up front? Does it do it in
12 \$100,000 blocks?

13 MR. DANENFELZER: The way the revolving line of
14 credit program actually works is that the drawdown funds
15 or principal from the \$500,000 based on the actual
16 properties they have and the budgets of proposed work. So
17 what Mike will do actually, on a number of the properties
18 existing that he is already working on, is he can draw
19 down what he has already spent on rehab, and any
20 acquisition costs he may have, or holding costs.

21 Let's say you have a property. He may have
22 \$35,000 into it. He could draw down that immediately, and
23 then start making up to \$15,000 advance draws at a time as
24 he does more work and continues that project. The maximum
25 principal he can ever out draw on all of the properties is

1 \$500,000.

2 But oftentimes, we have experienced, especially
3 on the other loans like this, that while we provide
4 \$500,000, it is rare that the borrower really gets the
5 \$500,000. But it gives them cushion.

6 Frameworks has gone from as low as having less
7 than \$100,000 at a time, up to \$350,000 at the total drawn
8 out. But never have they gotten that close to the
9 \$500,000 mark.

10 Most of the loans tend to turn properties
11 rather quickly. And so we don't end up with large
12 balances that hang on there for a long time. And Mike's
13 efficiency, based on his previous work will probably turn
14 those properties rather quickly.

15 He may initially get up to around \$250,000 to
16 \$300,000 on these existing homes he has got that we can
17 finance and refinance immediately. But based on his
18 history, I don't know that he will ever really bump up
19 against that \$500,000 cap.

20 MR. JONES: So if it is approved then what is
21 the duration that it is available?

22 MR. DANENFELZER: It will be -- generally it is
23 for two years. So at two years, then we look at out of
24 the full repayment. The loan agreement also locks out the
25 last six months of the loan, that it can't add any new

1 properties to the line of credit.

2 That way, at that point, they will have six
3 months at the end of the line of credit to move properties
4 off the line of credit, either finish construction and
5 sell, or just sell those that are already completed. In
6 the past, it has generally worked pretty good.

7 MR. JONES: And he has already operated under
8 that system basically?

9 MR. DANENFELZER: You know, I don't know that
10 he -- I don't believe that he worked under that system on
11 other lines of credit, like that where you have a time
12 line, where you have to start selling things off.

13 But Mike has generally made turns in 90 to 120
14 days on almost all of the properties we have had with him.

15 So which considering some of the properties we give him,
16 when you are doing 50, \$60,000 of rehab on a property, and
17 you can still get that done and sell it in 120 days. It
18 is pretty good.

19 MR. JONES: Does the Board have any comments or
20 questions before we hear from Mike?

21 MR. EVENWEL: I just have a little comment.
22 You are number two and number three in both say loan. But
23 one is a revolving line of credit and the other one is for
24 a real -- I would call a real loan. I mean, should it be
25 stated differently in the resolution?

1 MR. DANENFELZER: I don't believe so. And the
2 reason is, because I am using the language that is based
3 on our policy.

4 MR. EVENWEL: And I am only using it from the
5 layman's standpoint. To me, a revolving line of credit is
6 different than a loan.

7 MR. DANENFELZER: Right. And I think that is a
8 really good point, that I will jot that down. Because we
9 have been looking at rebranding our loan programs.

10 And as I said, we are also looking at revamping
11 a lot of our policies. And how we communicate, the
12 revolving line of credit versus loan, is something I think
13 we need to catch up to more what the sort of market
14 conditions are, rather than what affordable housing uses
15 to communicate those things.

16 We do find a lot of people get confused by our
17 revolving -- what is a revolving line of credit? Why is
18 it in the loan program. Why isn't this a mortgage rather
19 than a loan? So those are all questions I think we are
20 going to be battling with, or tackling.

21 MR. JONES: And it wouldn't have been
22 difficult. This revolving line of credit up to \$500,000.
23 Right? That is what you are getting at, Gerry?

24 MR. EVENWEL: Yes.

25 MR. DANENFELZER: Right. And I think that is

1 what we need to do, is we need to evolve our loan
2 policies, so that we can use better and more clear
3 language, so that anybody can look at it and go, I totally
4 understand what that is.

5 MR. JONES: I still don't understand that, if
6 you needed \$500,000, you can get it.

7 MR. DANENFELZER: You can draw up to \$500,000.
8 That is right.

9 MR. JONES: So on that technicality you still
10 have --

11 MR. DANENFELZER: There is restrictions. There
12 is plenty of restrictions on there, so --

13 MR. JONES: Right. But still hypothetically,
14 he could draw up to \$500,000.

15 MR. DANENFELZER: Right.

16 MR. JONES: So it is still a \$500,000 loan, but
17 you will take Mr. Evenwel's comments.

18 MR. DANENFELZER: Yes. No. I am going to
19 write that down while you ask Mike questions.

20 MR. JONES: Okay. Mike, would you like to --

21 MR. MEYER: Yes. Mike, Michael Meyer. Mike.
22 And the company is officially legally MDM-RAM Limited.
23 And we registered with the Secretary of State to do
24 business as Brooke Community Development.

25 We have been very active. We have been working

1 with nonprofit organizations and REOs since the great
2 recession began and the mortgage meltdown. And I would
3 say there is no organization quite like TSAHC.

4 And in addition to a loan applicant, I am one
5 of your biggest fans. I see firsthand the houses and how
6 your policy is implemented at the ground level and in
7 rural areas, in areas where houses that need substantial
8 work. And it is an honor to be here today.

9 MR. JONES: It is an honor to be stroked.

10 MR. MEYER: Well, I am just telling you I have
11 enjoyed working with you.

12 MR. JONES: No. I understand. Most people
13 don't ever talk about what we do good.

14 MR. MEYER: Well, it is pretty amazing. And I
15 work with Tarrant County Housing Partnership, Houston Area
16 Urban Community Development Corp. And National Council of
17 La Raza. And so I speak from comparison. And those
18 compliments are true.

19 My portfolio has 138 total houses today. In
20 the history, in the last three years, by my records we
21 have had 46 properties assigned by TSAHC to my company.
22 Of those, we have gone full cycle. Meaning, we have
23 matched them to qualifying affordable homebuyers, owner
24 occupants that meet the program guidelines, whether they
25 be ACT or ACT Veteran programs, 32 of those 46.

1 So we do have some success and some history in
2 working through those. All but two of those have been
3 profitable. The two that weren't, we had good headlights
4 in terms of anticipation that there were challenges.

5 One had Chinese drywall in it that we were
6 asked to come in and substitute for another partner that
7 the challenges of that property were so severe that they
8 asked if I would step in and try to figure out a way to
9 get that house properly rehabbed according to HUD
10 guidelines for remediation of the Chinese drywall. But it
11 was very successful.

12 We have had 30 veteran properties assigned to
13 us. I did work with the National Communities
14 Stabilization Trust to help design the Veteran program
15 with Bank of America. And I am a big advocate of that.

16 I would like to give each of you what we give
17 our veterans. They are military challenge coins. And
18 they say Homes with Honor. We built a website. And I
19 will leave, give each of you one of these.

20 We only have two outstanding veteran properties
21 active in the portfolio right now. There hasn't been as
22 big a supply coming from Bank of America.

23 One of those is the one in Laredo that we are
24 hoping to match to a 100 percent disabled vet, and give
25 that one away. The other one is an escrow up near Fort

1 Hood. And it is going to close within the next two weeks.

2 And so we are working on -- I think we have 14
3 TSAHC active houses. And some of those, we have not
4 funded, because we were waiting on the action of this
5 Board, so that we could use lower cost funds rather than
6 the traditional high interest rate money that I have been
7 forced to use. And then we have some that do have
8 outstanding balances on them.

9 And I think our intent would be to pay off
10 those high interests with TSAHC money, and as David said,
11 the plan is -- we are restricted to use your money only on
12 your projects. And so that is what we plan to do. And we
13 see that as lowering the risk for both of us.

14 It increases the proceeds, because less money
15 is going to high interest rates. So those proceeds can be
16 used for more productive purposes. And we see this as a
17 terrific opportunity to strengthen our relationship with
18 TSAHC and to continue to go about trying to fulfill your
19 mission out on the ground.

20 MR. JONES: Any questions or comments?
21 Gentlemen?

22 MR. ROMERO: You know, as the Board
23 representative for on the Loan Committee, I will attest to
24 what David was saying. There was a lot of discussion that
25 occurred on this request.

1 And I think this is probably the absolute best
2 outcome, having gone through all of those discussions.
3 But that said, I would recommend approval of the
4 presentation for this one.

5 MR. JONES: Okay. So you are making -- that we
6 approve the motion.

7 MR. ROMERO: Approve the motion.

8 MR. MEADE: Second.

9 MR. JONES: And what you have in your benefit
10 is, our staff doesn't bring anything to us half done,
11 ever. So we appreciate that. And we appreciate you being
12 here.

13 Is there any public -- there is a motion to
14 approve, and there is a second. Is there any public
15 comment on this Item 2?

16 (No response.)

17 MR. JONES: Okay. Hearing none, all in favor
18 of approval of the loan, I mean, of Tab Item 2 as
19 presented, say aye.

20 (Chorus of ayes.)

21 MR. JONES: It is unanimous. Congratulations.

22 MR. MEYER: Thank you very much

23 MR. JONES: Thank you. Okay. Army, Navy, Air
24 Force, Marines and Coast Guard.

25 (Pause.)

1 MR. JONES: Okay. We are on to Item 3.
2 Presentation, discussion and possible approval a loan to
3 Cornerstone Financial Education under the direct lending
4 program in an amount not to exceed \$475,000 for the
5 purpose of acquiring and renovating a 15-unit multifamily
6 rental property in Austin, Texas. Mr. Danenfelzer.

7 MR. DANENFELZER: Yes, sir. David Danenfelzer,
8 Manager of Development Finance. Giving you some
9 background on the Loan Committee deliberations, but I do
10 want to reiterate again, this loan has been through our
11 process very thoroughly.

12 And it has been very helpful to have some
13 patient borrowers. So they are not always knocking on my
14 door, when, when. These guys have worked with us very
15 thoroughly and responded to all of the questions the Loan
16 Committee had.

17 The Loan Committee did look. And you know,
18 again, we looked at a lot of things like borrower
19 financials, feasibility, experience, market conditions.
20 This particular property though, I will walk through,
21 because we have -- you know, I think unanimously the Loan
22 Committee looks at this property as one of those diamonds
23 in the rough.

24 It is an ideal property. It is located in East
25 Austin, here just about two or three miles away from our

1 building here. It is a 15-year-old property. And it was
2 originally financed using Housing Tax Credits, Low Income
3 Housing Tax Credits through the State of Texas.

4 At 15 years, most of those properties are
5 eligible to either opt out of the program or renew. The
6 owner of this particular property is looking to get out of
7 the program; doesn't want to be overlooked by the State
8 anymore.

9 And in order to do that, though, they must
10 identify first, or at least give first right of refusal
11 under the tax credit rules to a non-profit entity that
12 would be eligible to purchase the property, and has the
13 right clearance to do so. So the two people, the
14 gentlemen sitting next to me are Joseph Barrero and Larry
15 Cabrera, who have been working on this loan together, and
16 represent the borrower.

17 And they were able to get in contact with this
18 particular owner. They have negotiated for several months
19 on this deal, to work out a proposal. And they have been
20 going through not only, you know, the gambit of questions
21 and answers from us, but also working with the City of
22 Austin for part of the financing.

23 And then working -- they have had to work with
24 the State of Texas to get approval of their non-profit
25 application to take on the tax credit program. And that

1 is one update I will provide here. One of the conditions
2 in the staff recommendations is they get that approval. I
3 did receive a copy of that approval from them last week.

4 So the State has checked that -- that box is
5 checked off on my list. And the State has approved them
6 as an eligible buyer of the property under the tax credit
7 rules. You know, the Loan Committee, as I said, looked at
8 a lot of different things.

9 Experience was one of the questions that we
10 had. We realized that Cornerstone Financial is a
11 financial education agency. They have been around for
12 many years. And they work nationwide. They are now based
13 here in Austin, Texas.

14 Their offices are on North Lamar. In fact, I
15 drive by them all of the time. And since I got this
16 application I actually now see their sign every time I
17 drive by on my way home.

18 But they don't have a lot of direct experience.

19 The organization at least, doesn't have a lot of direct
20 experience in housing. However, you know, the
21 partnerships that they have formed with property
22 management and consultants and others, really showed that
23 they have experience and can do this type of deal.

24 This is a good first deal. It is small. It is
25 not a lot of risk, when we look at the financial side.

1 Larry Cabrera who is here has been a consultant, an
2 advocate and also a houser in the Austin area for many
3 years.

4 I know you worked in California for many years,
5 running federal programs for cities. He has run federal
6 programs here at the City of Austin. And most recent, for
7 this relationship, he worked with Frameworks community
8 development and really, was one of the driving forces to
9 the development of their rehab program, which I mentioned
10 in the previous presentation.

11 So Larry has a lot of experience and knowledge
12 in affordable housing circles. The property manager that
13 they have selected, which is Ely Properties, is a long-
14 standing corporation here in Austin. They manage well
15 over 1,000 apartment units.

16 They have experience in affordable housing and
17 we do feel that they will be a really good partner to help
18 manage and market this property. You know, from an
19 experience position, and that is a really good place to
20 be.

21 And when we do look at a lot of applicants as
22 Mr. Jones noted, they wouldn't have gotten this far if we
23 hadn't have really scrubbed them pretty seriously and
24 looked at their abilities. We generally, you know,
25 without any of that experience, they wouldn't have really

1 passed threshold. And they certainly wouldn't have passed
2 through the Loan Committee to get to you all.

3 I don't know if you have any other specific
4 questions about the project or property. But I am willing
5 to answer those. Or, I can let you guys begin asking
6 questions or do some introductions from our guests.

7 MR. JONES: We will hear from them.

8 MR. DANENFELZER: Okay.

9 MR. BARRERO: All right. My name is Joseph
10 Barrero. I am the Executive Director for Cornerstone
11 Financial Education. We have been providing financial
12 education directly to consumers since 2003.

13 So doing this for about twelve years. And we
14 have also been doing a lot of partnerships in Central
15 Texas, for instance, with the United Way, with several of
16 the credit unions.

17 Doing a lot of the financial workshops with
18 them and working with their clientele in helping them kind
19 of solve their budgeting needs, generally. And we have
20 been doing a lot of housing counseling during the housing
21 crisis.

22 MR. CABRERA: My name is Larry Cabrera. And
23 since you say you like the stroking, I should say that the
24 staff with TSAHC, not just in this project, but over my
25 experience working with them also at Frameworks, is

1 wonderful to work with. They understand financing, which
2 is a big key.

3 And I feel -- yesterday the Federal Reserve
4 announced that 31 banks have passed the stress test for
5 you know continuing to do business. I feel like we went
6 through a stress test to be able to get to this point, in
7 the sense that you know, a piece of paper led to another
8 piece of paper.

9 But at the end of the deal, it will show -- it
10 helps us you know, to think about things that we might not
11 have had thoughts about. So I think it is a good process
12 both ways.

13 MR. BARRERO: And if I may.

14 MR. JONES: Sure.

15 MR. BARRERO: I would also like to point out
16 that although in Central Texas, this is probably be the
17 first time that Cornerstone does the property management,
18 I am a member of several businesses in South Florida that
19 have managed in excess of 700 affordable housing units
20 under the Section 8 model rehab programs for HUD, under
21 the City of Miami, and Miami-Dade as well.

22 MR. JONES: Okay. I had one. On page 1 of
23 three, the next to last paragraph. The property's current
24 rental rate of \$757. The property will be able to
25 maintain cash flow and repay the proposed loan within the

1 parameters of the Corporation's loan policies, the
2 Corporation being us, I gather.

3 MR. DANENFELZER: Correct.

4 MR. JONES: Because the current rates are below
5 maximums permitted by the current land use restrictions,
6 the borrower should also be able to -- and I put little
7 quotes -- increase rents faster than projected in our
8 underwriting, allowing them to weather unforeseen market
9 conditions. That sounds like -- so when I went to page 2,
10 it says that the current median rent of the neighborhood
11 that they are located in, is 1,600 for three-bedroom
12 units.

13 And it talks about the target rate of 60
14 percent for three bedroom. HUD's target is \$1,200. And
15 the property's current rate is \$757. It does make it more
16 affordable. But if it is 757 to be more affordable.

17 And unforeseen market conditions allow them to
18 increase rents faster than projected, there is two
19 questions. What is the benefit of starting on such low
20 rents, because you have to qualify people at that level.

21 And wouldn't that make it more difficult for
22 people to maintain and stay there, if market conditions
23 cause them to raise it faster? Wouldn't it -- it seems
24 logical that rather than having to raise rents like that,
25 it would be better to start with the higher rent now.

1 MR. DANENFELZER: Well --

2 MR. JONES: But still, below --

3 MR. DANENFELZER: Yes. And this is an issue.
4 That is a very good question. It is an issue that we have
5 dealt with at Loan Committee and talked about it very
6 thoroughly.

7 The fact of the matter is, many of the tenants
8 who are currently in the properties and renting at the 757
9 have been there long term. Many of them are also elderly.
10 There are a few households which are considered disabled.

11
12 And we in no way want to push anyone out by
13 quickly raising the rent up to \$1,200. We know that many
14 of the households may be -- because these are -- well, the
15 financing for the project --

16 MR. JONES: I wasn't thinking to -- I am
17 thinking like nine.

18 MR. DANENFELZER: Right. But even then a
19 hundred dollars -- you know, up for a person on Social
20 Security income, a hundred-dollar increase could be the
21 difference between having to find someplace else, or
22 staying in place.

23 So we are encouraging the borrower to stay the
24 course and begin steady increases over time. And they
25 have the ability to reach those caps that are set by the

1 tax credit program and by HUD. But what we are very
2 comforted by, is that at the current rates, rental rates,
3 the property is feasible.

4 It can operate. It can manage itself long
5 term, given the financing that is proposed to purchase and
6 rehab it. And then ongoing. So there is no immediate
7 need to raise rents and cause an exodus of the current
8 tenants, who have been there long term.

9 But it also gives us a great comfort on the
10 Loan Committee to know that if they do have some turnover
11 in rents and they need to raise it to eight, nine, you
12 know, \$1,000. They can make those adjustments as they
13 have -- as units turn, without hitting the ceiling that
14 HUD has put in place.

15 And they can raise these rents \$200 and still
16 be under the ceiling, and fill these units probably rather
17 quickly. But we wanted to underwrite them now, and to
18 see, can they survive that sort of a worst case scenario
19 at the current -- with steady, two to 3 percent increases
20 over time, which is how we --

21 MR. JONES: And that is what you are saying.
22 They can do that, right?

23 MR. DANENFELZER: Right. And they can do that
24 with this property. It will maintain feasibility for a
25 full 15 years and beyond at the current rental rates with

1 moderate 2 to 3 percent increases. But we have an extra
2 bonus where, if they have a turn and they need to raise it
3 to eight, nine, \$1,000, they can do that without really
4 much stress on the property or hitting up against that
5 ceiling.

6 MR. JONES: Mr. Meade, were you going to say
7 something? You have got your hand in that page.

8 MR. MEADE: I had noted what you have
9 mentioned.

10 MR. JONES: Yes. You too.

11 MR. MEADE: Yes.

12 MR. JONES: Any other questions? Or comments?
13 (No response.)

14 MR. JONES: Well, okay. We will entertain the
15 motion.

16 MR. ROMERO: I would move to approve the motion
17 as presented.

18 MR. MEADE: Second.

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

20 All right. Is there any public comment on Tab Item 3?

21 (No response.)

22 MR. JONES: Hearing none, we will take a vote.

23 All in favor of approval of Item 3 as presented, say aye.

24 (Chorus of ayes.)

25 MR. JONES: Unanimous. It passes.

1 MR. BARRERO: Thank you.

2 MR. JONES: Thank you all. We appreciate you
3 helping us carry out our mission. Item 4, presentation
4 and discussion of updates to the Texas State Affordable
5 Housing Corporation 2014-2017 strategic plan.

6 MS. BAYLESS: Good morning, Mr. Chairman and
7 members. I am Liz Bayless, Executive Vice President at
8 TSAHC. And I am here to provide an update on TSAHC's
9 strategic plan.

10 You may recall that you approved this strategic
11 plan in April of 2014. Since then TSAHC has been
12 conducting its activities with the aim of accomplishing
13 the targets that we set for 2014. This morning, I will
14 give you an update on how we did, and what else we plan to
15 do over the next several months.

16 As a refresher, the plan is organized around
17 four major goals. Below each goal are listed strategies
18 and tactics for accomplishing the goal as well as the
19 responsible department. The column labeled 2014 target
20 contains the specific actions that we intended to take in
21 2014.

22 The initial version of this plan was based on
23 calendar year 2014. But an interesting thing happened as
24 we worked to accomplish our targets. We realized that we
25 needed to budget funds to accomplish many of the items in

1 the strategic plan.

2 And with the plan running on a calendar year
3 basis, but the budget running on fiscal year of September
4 1 to August 31, we were running into some inconsistencies
5 between our strategic plan targets and our budget. So we
6 have decided to migrate the strategic plan to align with
7 our fiscal year instead of calendar years.

8 Therefore, what we have set out before you in
9 the updated plan that you have in your Board books
10 contains two new columns on the far right. 2014 actual
11 tells you what we accomplished on each 2014 target. And
12 the new 2015 targets gives you our objective for now
13 through the end of this fiscal year, August 31.

14 So the 2015 targets really apply to the next
15 six months. At that point, we intend to update the plan
16 again, setting new objectives for the next full fiscal
17 year. And we will monitor it and report to you on a
18 fiscal year basis going forward.

19 So I would like to take a few minutes to point
20 out some of staff's achievements over the past year. But
21 let me pause and ask if you have any questions so far.

22 MR. EVENWEL: Does this line up with the annual
23 action plan we approved last month?

24 MS. BAYLESS: It is consistent with the annual
25 action plan. Yes, I would say. The same major activities

1 that are described in the annual action plan are --

2 MR. EVENWEL: It is just that some of the
3 headings weren't the same.

4 MS. BAYLESS: Well --

5 MR. JONES: So which came first? The chicken
6 or the egg?

7 MS. BAYLESS: Well, that is a good chicken and
8 egg question. It is kind of hard to answer.

9 MR. JONES: The action plan versus this. Or
10 are they both kind of melded in together?

11 MS. BAYLESS: They are on a little bit of a
12 different time line. The action plan is on a time line
13 that has got sort of --

14 MR. JONES: I mean, the action plan is taken
15 from the strategic plan, or the strategic plan is based
16 around the action plan?

17 MS. BAYLESS: I would say the former. The
18 action plan probably comes out of the strategic plan.

19 MR. JONES: Right. Good.

20 MS. BAYLESS: Okay. Let's start with goal one,
21 which is establish, manage and expand effective programs
22 to serve the housing needs of low income Texans and other
23 underserved populations.

24 Now, I will give you, just as a good example
25 the kind of walk-through, how this plan is set up. I will

1 start with the very first line, which is our first
2 strategy to accomplish that goal is to facilitate the
3 development of safe, decent, affordable homes.

4 So David Danenfelzer set for himself, one of
5 the tactics he was going to use is to increase the number
6 of ICAP and direct lending loans to qualified borrowers
7 and projects. So the first target that Dave set for
8 himself was to conduct outreach to builders and track the
9 number of inquiries with a target of five inquiries in
10 2014.

11 So how did he do? Well, he actually received
12 six new loan inquiries during the year. Three of those
13 resulted in applications being submitted. And two of
14 those applications are the ones you just approved.

15 Okay. So that is kind of how we set the plan
16 up, and how we go through and update with you know, okay,
17 how did we actually do against our target.

18 MR. ROMERO: Liz, on the 2014 actual, you have
19 got the write-ups on here. Would you say that all of
20 those actuals were achieved? Is that -- did you achieve
21 the goal for the year? Or is that just the writeup?

22 MR. JONES: Whether they achieved the goal or
23 not, it's what they did.

24 MR. ROMERO: Right.

25 MS. BAYLESS: Correct.

1 MR. JONES: Which doesn't always indicate --

2 MS. BAYLESS: But what is listed in 2014 actual
3 is exactly what did happen.

4 MR. ROMERO: That is, I guess my question to
5 you would be, achieved, or still in process?

6 MS. BAYLESS: Well, many of them are achieved.

7 MR. ROMERO: Okay.

8 MS. BAYLESS: And do not need to be worked on
9 again, because they are over and done with. Others are --

10 MR. JONES: Okay. I think -- excuse me. I
11 don't want to interrupt. But I think he is saying, is
12 there some indication it should be down here, that it was
13 achieved or not achieved fully, or whatever.

14 MS. BAYLESS: Okay.

15 MR. ROMERO: Like 1.1. He did achieve the
16 goals that were originally set out there?

17 MS. BAYLESS: Yes. Exactly.

18 MR. JONES: I can't see that.

19 MR. ROMERO: Number -- well, right below that,
20 the revised and the application material. That is still
21 in process?

22 MS. BAYLESS: Correct.

23 MR. ROMERO: That is what I meant.

24 MS. BAYLESS: Okay. So are you saying that you
25 would like to see some indication of --

1 MR. JONES: Some code.

2 MR. ROMERO: Yes. I think achieved, or in
3 process. Whatever the case may be. Just to see that
4 there actually is -- your achievement successes as you go
5 along. And there is still some required additional work
6 before you do achieve success in that particular goal.

7 MR. JONES: That could be done with a little
8 symbol, you know. And have a little legend. This symbol
9 means achieved. This means exceeded. This means still in
10 progress. And then a little symbol would go in that box
11 next to your writeup.

12 MS. BAYLESS: I can certainly do that. I would
13 be happy to do that.

14 MR. ROMERO: Because like, if you go to the
15 third one, the 1.1.2, so six inquiries. He actually
16 achieved the goal. And he is going to attempt to achieve
17 it again in 2015.

18 MS. BAYLESS: That is exactly right.

19 MR. ROMERO: Okay.

20 MS. BAYLESS: You are reading that correctly.
21 And I see what you are saying, that I could have an
22 indicator on here that made it easy for you at a glance,
23 to tell which of the goals were achieved or which might
24 still be in process.

25 Okay. I can certainly add that in. And we'll

1 do so going forward.

2 MR. EVENWEL: Making the separation between the
3 fiscal year and the calendar year in my mind, I think you
4 ought to just stay with line number 1 that you talked
5 about. Is the 2014 actual, that is complete because of
6 the 19 -- because the 2014 year is done?

7 MS. BAYLESS: Yes, sir.

8 MR. EVENWEL: And the 2015 target started in
9 September and going forward, you say?

10 MS. BAYLESS: Well, not actually. And that --

11 MR. JONES: This is the wrong calendar. This
12 is the calendar year.

13 MS. BAYLESS: Yes. It is a little confusing,
14 because --

15 MR. JONES: So you didn't make it yet.

16 MS. BAYLESS: We did decide when we first
17 created this plan to take us from 2014 through 2017, that
18 we would like to make the plan on a calendar year basis.
19 And we did have a discussion. The managers and the
20 executives over whether to do calendar year or fiscal
21 year. And we decided calendar.

22 And the thing is, once we got into it, and we
23 started trying to accomplish all of the targets we have
24 set for ourselves. And we also started doing our
25 budgeting process for the upcoming fiscal year, we

1 realized okay. Well, we don't have our strategic plan
2 done to carry us through the fiscal year.

3 And it made it a little difficult to do some of
4 the budgeting. So at that point, we realized we really
5 did need to have a strategic planning that coincided with
6 the fiscal year of our budget.

7 So in order to move from a plan that ends every
8 calendar year-end, to one that ends every fiscal year-end,
9 we decided that for 2015 targets, we kind of ran out of
10 our targets at the end of 2014. We had done that, and we
11 needed to set new targets for ourselves. But we decided
12 to make them through August 31 of 2015.

13 At that point, we will stop and measure
14 ourselves against what we have achieved, and we will set
15 new targets that run from September 1, 2015, through
16 August 31, 2016. And from that point on, we will be on a
17 fiscal year basis. But we had to have that interim
18 period.

19 MR. ROMERO: Okay.

20 MR. JONES: So you are making the transition
21 now.

22 MS. BAYLESS: Exactly. To make the transition.

23 MR. EVENWEL: So your '14 actual ended on
24 December 31st?

25 MS. BAYLESS: More or less. Yes.

1 MR. EVENWEL: And the '15 is a nine-month goal.
2 Am I seeing that right here?

3 MS. BAYLESS: You are thinking about it
4 correctly.

5 MR. EVENWEL: I am still putting an update.

6 MS. BAYLESS: You are thinking about it
7 correctly. Yes.

8 MR. EVENWEL: So when you say, saying you are
9 going to accomplish something you did last year in a 12-
10 month period, in a nine-month period?

11 MR. JONES: Although technically, they are
12 making a transition to go from September of last year to
13 September of this year.

14 MR. EVENWEL: Or --

15 MR. JONES: So there has to be a transition
16 here to move it to coincide with the fiscal year.

17 MR. EVENWEL: Okay.

18 MR. JONES: So yes. From his point of view,
19 you have only got nine months in 2015. But in their
20 minds, it is going to overlap. Because it is going to go
21 back to September of 2014, also. That is why they are
22 continuing the goals.

23 MS. BAYLESS: You will see, as we work through
24 the plan. And don't worry. I don't intend to go through
25 every line item with you. But --

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. JONES: But you can also talk with him later.

MS. BAYLESS: Yes. You will see that on some of the goals, we have changed the wording slightly so that it does reflect that fiscal year 2015 time frame.

MR. EVENWEL: No. It was just a question. I mean that --

MS. BAYLESS: Right. And on others, the goal isn't even going to be applicable going forward into 2015. In some cases, it has changed fairly significantly. And in other cases, it hasn't changed at all. Okay.

MR. JONES: But then the strategic plan is only developed how often? Year to year? Because what I see is, whatever is not done in 2014, the strategic plan is still the strategic plan. And we could go on and on until it is finished. We don't necessarily start new goals.

MS. BAYLESS: Well, that is --

MR. JONES: Unless we sit down and do a whole new strategic plan.

MS. BAYLESS: Well, that is why, at the top of the plan, it says 2014 to 2017.

MR. JONES: Right.

MS. BAYLESS: We had decided that we could establish major overarching goals for the Corporation that

1 would last at least that length of time. And what might
2 change would be our strategies, our tactics. The specific
3 actions we intended to take to meet those goals.

4 And that, we would update those items on an
5 annual basis. But in terms of going back and wiping the
6 board clean and starting with a brand new set of goals and
7 strategic plan we don't plan to do that until 2018.

8 MR. JONES: Right. The goal stays the same.
9 The tactics may change.

10 MS. BAYLESS: Correct.

11 MR. JONES: The targets may change. But the
12 ultimate overall goals remains the same through 2017.

13 MR. EVENWEL: The TSAHC plan should be a
14 multiple-year plan.

15 MR. JONES: Exactly.

16 MS. BAYLESS: Right. Okay. So I will point
17 out some representative items. And if you have specific
18 questions about anything in the plan, of course, we will
19 be happy to address all of those. But I am just going to
20 pick out a few and you know, highlight some of the things
21 that different staff members have accomplished in the past
22 year.

23 So let's go to page 2. The first line item,
24 1.2.1, to increase down payment assistance and mortgage
25 credit certificate originations by adding approved lenders

1 and/or increasing lender participation. Now, Paige and
2 the Homeownership Team put on a full court press against
3 this tactic.

4 And you can see what they accomplished, if you
5 just look at what is listed there in 2014 actual. They
6 increased the number of approved lenders from 79 to 100.

7 They specifically zeroed in on regions of lower
8 originations. They conducted a regional marketing
9 outreach that resulted in an increase in originations in
10 all three targeted regions; the Panhandle, East Texas and
11 the Valley.

12 And then if you look over to the column on the
13 far right, you will see that they have set an even more
14 robust target for themselves in 2015. So that is just to
15 give you an example.

16 Similarly, in Item 1.2.2, right below that, the
17 tactic was to design new processes and programs to
18 increase originations. So this really involved the entire
19 Homeownership Team. Paige, Sara, Tim and Delia.

20 The target was to explore receiving Fannie
21 Mae's approval to offer their HFA Preferred Product.
22 Well, we did get that approval in July of 2014. We
23 launched that product, got a couple of loans the first
24 month.

25 And then it has taken off and production has

1 increased steadily every month since then. And in the far
2 right column, you can see the plans they have for 2015.

3 Now, skipping to page 3, Item 1.3.1 promote the
4 importance of financial and homebuyer education. This was
5 a terrific effort by Paige, Sara and Janie. They
6 conducted a homebuyer education campaign with the Texas
7 Association of Realtors.

8 They ran this campaign through November of
9 2014, and it succeeded in driving consumers to the Texas
10 Financial Toolbox, which is the website that we created
11 and manage. That usage of the Toolbox increased by 67
12 percent. So that was a pretty terrific effort on
13 promoting the importance of homebuyer education.

14 MR. ROMERO: Liz.

15 MS. BAYLESS: Yes.

16 MR. ROMERO: Where did the 67 percent increase
17 come from? How did you do a comparison?

18 MR. EVENWEL: Pardon me, Chair. I am just
19 going to --

20 MS. BAYLESS: We have pretty good web analytics
21 where we can tell how many distinct visitors there are to
22 any page on any of our websites. And that is what we
23 measure.

24 MR. ROMERO: Okay.

25 MS. BAYLESS: Okay. Now, let's see. At the

1 bottom of that page, Item 1.3.5, increase the number of
2 homes in the single-family rental program. I think you
3 heard David refer to this in the President's report.

4 This is James and Celina working very hard to
5 acquire good homes for our single-family rental program.
6 They had set a target for themselves of obtaining six
7 homes in fiscal year 2014, or nine homes in calendar year
8 2014, and they actually did both of those. Either way you
9 measure it, they met that goal.

10 MR. ROMERO: Are we -- I am going back to David
11 on this one. Are we done with the money available to you
12 to buy these homes?

13 MR. LONG: Yes, sir. We met. The final
14 purchase that we had in escrow right now, we complete the
15 total use of the funds. There should be a little
16 residual. But in essence, we are done.

17 MS. BAYLESS: Let's see. Then let's jump to
18 Goal 2 at the bottom of page 4. Goal 2 is to ensure the
19 Corporation's financial sustainability. At the top of
20 page 5, Item 2.1.2, Paige and Tim analyze the fees we
21 charge in our home ownership programs at least quarterly.

22
23 Actually, they review them more frequently than
24 that, and review them with the executives. They also
25 monitor the rates we set for the mortgages in our down

1 payment assistance program on a daily basis. What they
2 decided to do as a result of evaluating our fees and
3 pricing is to begin offering additional options to
4 borrowers for the amount of down payment assistance they
5 want.

6 So we rolled out -- now we offer -- every
7 borrower has the option of either three points, four
8 points, or five points of down payment assistance whether
9 they are doing our Government loan program, or our
10 conventional loan program. And the pricing is adjusted
11 according to the amount of down payment assistance.

12 And we find -- what we thought we would see is
13 that most borrowers wanted one particular option. But
14 what we found is that borrowers want all of those options.

15 They are all being used. So we think that offering that
16 choice is a good thing. And it seems to be helping our
17 program's production.

18 Then take a look at Item 2.1.4. This again, is
19 regarding the single-family rental program. James and
20 Celina set a goal for themselves of maintaining resident
21 retention rates of 65 percent. In other words, when
22 leases expire, we would like for the borrowers to renew.
23 And so where are they on that? They are at 67 percent at
24 the end of 2014, of resident retention rate.

25 MR. EVENWEL: That is really expensive when

1 there is a turnover.

2 MS. BAYLESS: It is expensive when there is a
3 turnover. And you know, people have personal reasons for
4 leaving an apartment. So we don't expect everyone to
5 stay.

6 But we would like to maintain a high resident
7 retention rate. So we had set a goal of 65, and we are at
8 67 on that.

9 MR. ROMERO: And this is across all of our
10 apartments across the State?

11 MS. BAYLESS: No. This is across our single-
12 family rental program.

13 MR. ROMERO: Oh, the rentals. Just the
14 rentals.

15 MS. BAYLESS: Single-family homes.

16 MR. ROMERO: Okay.

17 MS. BAYLESS: Right. Moving on, on page 6,
18 Item 2.2.3.

19 MR. ROMERO: Hold on. Hold on a second. Let's
20 go back to that one real quick.

21 MS. BAYLESS: Sure.

22 MR. ROMERO: So it is just the rental program.

23 MS. BAYLESS: Uh-huh.

24 MR. ROMERO: But do we have enough time with
25 most of the properties for us to get that kind of

1 percentage? Or is it -- would it be skewed because some
2 apartments came online later than others?

3 MS. BAYLESS: Well, you are raising a really
4 good point, because the single-family rental program is
5 not terribly old. So a lot of the properties, we haven't
6 even had for a full year yet. So leases haven't come up
7 for renewal. So I think going forward, that metric will
8 become more meaningful.

9 MR. ROMERO: Okay.

10 MS. BAYLESS: Yes.

11 MR. EVENWEL: But don't we -- I mean, do we, I
12 guess is the right thing. Do we kick people out if they
13 all of a sudden have more money?

14 MS. BAYLESS: No. We do not.

15 MR. EVENWEL: Okay.

16 MS. BAYLESS: We do not. That is a good
17 question. And we have discussed that internally. But we
18 do not. Once someone is qualified.

19 MR. EVENWEL: So if the guy gets a good job all
20 of a sudden, or his wife goes to work, or the husband goes
21 to work, or whatever --

22 MS. BAYLESS: We are not going to tell them
23 they have to leave the home. Right.

24 MR. JONES: And under your 2.1.4 maintain
25 potentially at 65 percent, you say it is basically a new

1 program.

2 MS. BAYLESS: Uh-huh.

3 MR. JONES: So I guess the 67 percent, a 65
4 percent goal and the 67 becomes the benchmark? There
5 wasn't a statistic for it before this tactic was
6 implemented.

7 MS. BAYLESS: That is right.

8 MR. JONES: There wasn't nothing new.

9 MS. BAYLESS: This is the first we have had a
10 year to measure that.

11 MR. JONES: So 67 percent is now our benchmark.

12 MS. BAYLESS: Well, and the target we set for
13 ourselves was 65 percent. The achievement --

14 MR. JONES: Right. And we exceeded it.

15 MS. BAYLESS: That is correct. By a little
16 bit. Okay. On the next page, we have a strategy 2.2, to
17 maximize earned revenue from new sources. If you look
18 down under the tactics to 2.2.3, procure multifamily
19 compliance-monitoring business.

20 Okay. That would be a new source of revenue
21 for us. And I just wanted to make sure you understood
22 what James and Celina had done here, under the column 2014
23 actual. Now, instead of compliance-monitoring business,
24 James and Celina actually provided paid compliance
25 training to property managers. So I was very proud of

1 them for that. They did a --

2 MR. JONES: Which one are you looking at? Two
3 point what?

4 MS. BAYLESS: It is tactic 2.2.3.

5 MR. JONES: I have got it.

6 MS. BAYLESS: Okay. And they got rave reviews
7 for the training that they developed and delivered.

8 MR. EVENWEL: So why do the dollar amounts
9 change? I mean, one of the reason -- we got 147, but now
10 we are only going to use --

11 MS. BAYLESS: I am sorry. Where are you?

12 MR. EVENWEL: On the same line. The 2.3.

13 MS. BAYLESS: No. I am actually addressing
14 2.2.3.

15 MR. EVENWEL: I was on 2.3. I am sorry.

16 MS. BAYLESS: Okay. Do you have a question,
17 though?

18 MR. EVENWEL: Just the dollar amounts. One is
19 155 and one is 147. And we don't even -- 67. Is that the
20 adjustment for the year?

21 MS. BAYLESS: Well, let's see. Janie, would
22 you like for me to explain that, or would you like to
23 explain? The TSHEP fundraising?

24 Well, why don't you come up. Okay. I'm going
25 to ask Janie to come up.

1 MR. EVENWEL: I'm sorry I jumped.

2 MR. JONES: He's not really sorry.

3 MR. EVENWEL: Not really. No.

4 MR. JONES: No. You needed to jump.

5 MS. TAYLOR: Janie Taylor, Manager of
6 Development and Strategic Communications. So the 2015
7 target, it is excluding TDHCA's contribution and
8 registration fees. The 2014 target, that number in the
9 2014 actual, both included registration fees from the
10 class participants and TDHCA's contribution.

11 So we -- both are correct. But what we did for
12 2015, we decided that we would put the actual number of
13 what needed to be raised from private sources for the --
14 for implementing that program this year.

15 MR. EVENWEL: Okay. You see it. One is
16 including and one is excluding.

17 MS. TAYLOR: Yes.

18 MR. ROMERO: So how much was, of the 147,500
19 that you all achieved, how much of that was TDHCA's
20 contribution?

21 MS. TAYLOR: You can delete \$50,000 from that.

22 MR. ROMERO: Okay.

23 MS. TAYLOR: Yes.

24 MR. ROMERO: So you would have still exceeded
25 the goal that you set for yourself for 2015?

1 MS. TAYLOR: Yes.

2 MS. BAYLESS: Yes. And I should point out that
3 the actual for 2014, the 155,000, that is set at the
4 beginning of the program. And as the seminars, the
5 trainings happen sometimes. The costs change at times.
6 So that was -- we raised enough money to implement the
7 program completely. Okay.

8 MS. TAYLOR: Thank you.

9 MS. BAYLESS: Thank you.

10 MR. JONES: So the 67,000 is from the 147-, not
11 from your original goal of 155-? Because if I take
12 67,000, which excludes TDHCA, would that be from the 147-,
13 or would that be the initial goal of 155-? That would
14 leave 88,000.

15 MR. ROMERO: Well, that is the goal for 2015.

16 MS. BAYLESS: For 2015.

17 MR. JONES: Yes. But the goal for 2015
18 excludes what TDHCA had.

19 MS. BAYLESS: Right. Exactly.

20 MR. ROMERO: So they gave us -- if they gave us
21 50- again, then we would be at what, 117?

22 MS. BAYLESS: If you wanted to make those two
23 equal --

24 MR. JONES: You still would be about 97,000 for
25 2014.

1 MS. BAYLESS: Uh-huh.

2 MR. JONES: See, if I took -- if you said TDHCA
3 is \$50,000 and you raised 147,500 in 2014 actual, 50,000
4 from 147- leaves 90,000-plus.

5 MS. BAYLESS: That is what we raised in for
6 2014.

7 MR. JONES: Outside of TDHCA?

8 MS. BAYLESS: Exactly.

9 MR. JONES: Which is less than the goal of 155.
10 But substantially --

11 MS. BAYLESS: Well, the 155,000 included
12 TDHCA's contribution of 50,000 and registration fees.

13 MR. JONES: Okay. So if that is the case, then
14 we were trying to raise 105,000. Because if you take the
15 50,000 out of the 155-, that is 105,000.

16 MS. BAYLESS: Right.

17 MR. JONES: So --

18 MS. BAYLESS: And the costs, so the costs, like
19 I mentioned, that 155,000 is determined at the beginning
20 when Sara and Paige are planning the program. And so
21 those costs, the actual costs ended up being lower at the
22 end. But we raised enough money to cover all of the costs
23 for the program.

24 MR. JONES: What I am concluding is that the
25 goal for 2015 is about 40,000 -- about 30,000-something

1 less than the goal, minus TDHCA's --

2 MS. BAYLESS: Right. There is one less class
3 that will be offered during the 2015 program.

4 MR. JONES: Correct.

5 MS. BAYLESS: Than the previous year.

6 MR. JONES: And so you take into consideration
7 that reduction?

8 MS. BAYLESS: So that is the difference in the
9 program budget.

10 MR. JONES: Right.

11 MR. ROMERO: Thank you very much.

12 MS. BAYLESS: Okay. All right. Let's go to
13 Goal 3, which is on page 8. Goal 3 is to implement
14 marketing, communications and outreach strategies to
15 increase awareness and promotion of the Corporation and
16 its programs. There is a lot here.

17 If you will turn to page 9, Item 3.1.4 at the
18 top. Paige, Sara, Delia and even Tim got involved in
19 participating in events, with realtor associations, the
20 TAR, United Texas courses and trade expos. They had set a
21 target for themselves of participating in twelve events to
22 communicate with lenders, realtors and trade associations.

23 And they actually participated in 29 events.
24 And I really appreciate all of their hard work, their
25 willingness to travel, and put in the time to do this.

1 And I think it has paid off in two ways. One,
2 it pays off in higher originations under our home
3 ownership programs. And two, it pays off in good will and
4 satisfaction with our programs from the people who use
5 them.

6 MS. BAYLESS: All right. If you move down the
7 page, tactic 3.2.1. Janie's team implemented some search
8 engine optimization project recommendations that we had
9 received from our web consultant. They had set a goal for
10 themselves to secure first page placement on Google search
11 for home ownership programs.

12 You know what I am talking about there. When
13 you do a Google search, up come results. And there are
14 pages and pages of results. But many people never look
15 beyond the first page. So we feel it is important for us
16 to come up on the first page.

17 Janie worked hard on this, making changes to
18 our website. And it wasn't just Janie; it was the entire
19 team. And they did achieve first page placement by August
20 of last year. So that was a terrific effort.

21 And if you skip down just a couple of more
22 lines, 3.2.2(b), we had a goal to implement a weekly blog
23 by August last year. Katie Claflin is doing an absolutely
24 terrific job with the blog.

25 I hope you all see it. It comes out every

1 Friday. It is always well written. It is always
2 interesting, and it's always on a topic pertinent to TSAHC
3 and its mission.

4 MR. JONES: Can I go back to page 7?

5 MS. BAYLESS: Sure.

6 MR. JONES: Just briefly, 2.5. Create budget,
7 manage expenses, 2.5.1. Develop comprehensive check in
8 finance actual 2014, items 1, 2 and 4 prepared and
9 included in materials provided to the Board and staff
10 prior to each monthly Board meeting.

11 All other reports are prepared quarterly and
12 provided to staff only. 2015 the same. And I understand
13 why that is done. But I am sure that some of these items
14 at some point is presented to the Board in some form.
15 Right?

16 MS. BAYLESS: Mr. Jones, you and any other
17 Board members are certainly welcome to see any of that
18 information any time you would like.

19 MR. JONES: No. That is not what I am saying.
20 That is not what I am saying. Because I know why staff
21 has to constantly monitor and track in the progress, and
22 that's good management.

23 But it seems, in the write-up on actual, that
24 other than Items 1, 2 and 4, all other reports were
25 prepared quarterly and provided to staff only. But

1 overall, there is a time and a place when this aggregated
2 material is presented to us at some point? I mean, I --

3 MR. LONG: A similar report, Mr. Chairman, that
4 come out that we include some of this detail. You don't
5 see it on regular basis.

6 MR. JONES: Right. I understand that.

7 MR. LONG: It is more of a summary component of
8 what you see.

9 MR. JONES: Right. Right. I mean, we do at
10 some point get some kind of brief, and then some kind of a
11 report on all of these. On some of these items. Not all
12 of them. Because I can see they are only staff related.

13 MR. LONG: They may not look exactly like the
14 report that is listed there. It might be blended in with
15 some other information to make the report that we provided
16 to you.

17 MR. JONES: Yes. But I am just saying the way
18 it was written, it looks like that the Board will never
19 get to see Item 3, and then 5 down through 12. But I know
20 I have heard of -- been presented a lot of this material.

21
22 MS. BAYLESS: Absolutely. You have. And you
23 know actually, at every Board meeting, you see the budget
24 and you see where we are on budget to actual for example.
25 So what we are saying is, each manager gets presented

1 information on their own program.

2 MR. JONES: I understand. My point is that
3 when you write it on the actual and then under '15 say the
4 same, it sounds as though the Board never gets the
5 material.

6 MS. BAYLESS: Would you like to change the
7 wording?

8 MR. JONES: No. I know we get it. But I --

9 MR. ROMERO: We don't get all of that, if I am
10 not mistaken. Right?

11 MS. BAYLESS: You don't.

12 MR. ROMERO: And I think what you are trying to
13 get at -- correct me if I am wrong, Mr. Chairman, is could
14 we -- could there be a time frame like maybe once every
15 six months that would have this reviewed for us by you
16 all?

17 MR. JONES: It is not always important. But I
18 know we do get it. But it looks like we don't.

19 MR. ROMERO: Well, we don't get some of this.

20 MR. JONES: Well, some of it we don't need.

21 MR. ROMERO: Right.

22 MR. JONES: Some, we don't need. Right.

23 MR. EVENWEL: Well, I think if you just remove
24 "and provide to staff only," you know, it won't imply that
25 we don't get it.

1 MR. JONES: Right.

2 MR. EVENWEL: All of the reports are prepared
3 quarterly.

4 MS. BAYLESS: That is fine with me.

5 MR. JONES: Because this is -- the strategic
6 plan is public material too, right?

7 MS. BAYLESS: Of course it is. Yes.

8 MR. JONES: It looks like all of this stuff is
9 going on. You guys don't -- you are not briefed on this.
10 Only staff. It is not for Board. Which is not true.
11 Alternately, it is not true. Correct? So I think what
12 you are saying is just omit that.

13 MR. EVENWEL: It says that their reports are
14 provided to the Board and staff prior to the meeting.

15 MR. ROMERO: Other reports prepared quarterly.

16 MS. BAYLESS: Sure. I can certainly make that
17 change. And I think that makes sense. Because of course,
18 you or anyone else would be welcome to see any of that at
19 any time.

20 MR. JONES: Yes. So just say all other reports
21 are prepared quarterly. And then just put a period.

22 MS. BAYLESS: Okay. I would be happy too.

23 MR. EVENWEL: On the same page, 2.4.1, we have
24 got about a half a percent on our interest income. And
25 then we projected the same for the next twelve months.

1 But is there any anticipation of what is going to happen
2 during this Fed action that they have been talking about?

3 MS. BAYLESS: Well, I don't think any of us
4 want to hang our hats on our ability to predict the
5 direction of interest rates.

6 MR. ROMERO: So you can't guarantee 2 ½
7 percent.

8 (Simultaneous discussion.)

9 MS. BAYLESS: I know our finance team will do
10 the very best possible. Now, just a couple more. Let's
11 go back. Please see page 10. The second line.

12 MR. EVENWEL: I have a little question on 9.

13 MS. BAYLESS: All right.

14 MR. EVENWEL: 3.1.5, in the '14 accomplishment,
15 it says we have a waiting list. And then the next column
16 says we are not going to do it anymore. I mean, if there
17 is a waiting list, should we continue that particular
18 little itty bitty program? I mean, if it was so
19 successful.

20 MR. ROMERO: The TSHEP training?

21 (Simultaneous discussion.)

22 MR. EVENWEL: Yes. It says it is 100 percent
23 full. And there was a waiting list. And then in '15, we
24 are not going to do it anymore. Or am I misreading that?

25 MS. BAYLESS: No. We absolutely are continuing

1 to conduct TSHEP. And we are going to be conducting two
2 TSHEP trainings this year. I am thinking that that says
3 NA because the goal of TSHEP attendance is included
4 elsewhere in this plan.

5 MR. ROMERO: Right about E.

6 MS. BAYLESS: Okay.

7 MR. ROMERO: So you can put on there, see E
8 above.

9 MS. BAYLESS: Okay.

10 MR. EVENWEL: There we go. That concludes my
11 remark on that one.

12 MS. BAYLESS: Okay. Now page 10. We are still
13 in goal 3, which is all about --

14 MR. JONES: I would like to go back to -- no.
15 I am kidding.

16 MS. BAYLESS: Marketing Communications
17 activities. 3.2.3(b), the target was to plan and execute
18 a successful event for each home donation in 2014. This
19 of course, is our ACT Vet program.

20 MR. JONES: Which number is that on page 10,
21 now?

22 MS. BAYLESS: It is the second line. It is
23 3.2.3(b).

24 MR. JONES: Okay. I have got you.

25 MS. BAYLESS: All right. This is a joint

1 effort between Janie, Katie, Dave and Jo. And this year,
2 they executed five successful home donation events. We
3 will have additional home donations events this year, and
4 I am sure they will be equally successful.

5 And finally, so that is what you want to hear
6 from me, right. Finally?

7 MR. JONES: The home donations are to veterans,
8 right?

9 MS. BAYLESS: That is correct.

10 MR. JONES: I remember that one guy that -- the
11 one, the last one I attended. He made a comment, not to
12 anybody -- in general. He said, at last, he feels he
13 belongs. That is what he said. That he had never had a
14 home. Right. But he said, at last, I feel I belong. I
15 thought that was touching. So it is successful in more
16 ways than one.

17 MS. BAYLESS: Well, thank you.

18 MR. ROMERO: So Liz, I am sorry. Just going
19 back to where you were but on C. So what is the 2015
20 target? Is there any?

21 MS. BAYLESS: Not that we know of at this
22 point.

23 MR. ROMERO: Okay.

24 MS. BAYLESS: If an opportunity arises, we
25 certainly will take advantage of it.

1 MR. ROMERO: So we are done as far as our ACT
2 Vet homes are concerned?

3 MS. BAYLESS: No. We are not done with our ACT
4 Vet homes. We know that we will have home donations this
5 year. The C had to do with volunteer opportunities with
6 funders. And we are not aware at this point of any such.

7 MR. ROMERO: I am sorry. I just kind of went
8 over the volunteer piece.

9 MS. BAYLESS: Okay.

10 MR. ROMERO: Okay. Sorry.

11 MS. BAYLESS: Okay. So I think we can go on to
12 Goal 4 now. Goal 4 was to ensure effective direction and
13 control of the Corporation. And I just would like to
14 point out that on page 12, this is kind of just the
15 management part of day-to-day operations of the
16 Corporation.

17 On page 12, under 4.2, there were several
18 tactics and targets that dealt with performance reviews
19 for example; 4.2.2, 4.2.3, and 4.2.4. Those have all been
20 accomplished.

21 And the bottom line is that I think most
22 everyone here is happier with the timelessness and the
23 efficiency of our performance review process. So I just
24 pick that out as one example of management activities. Do
25 you have any questions about anything else in the plan?

1 MR. EVENWEL: Page 10, the last line. At
2 3.2.6, it talks about engaging in programs and stuff like
3 that. But then all of a sudden, it is talking about
4 annual report. Is that an annual report that is required
5 for Government and for our loans?

6 MS. BAYLESS: It is our annual report, just
7 like any corporation, for profit or non-profit corporation
8 would publish an annual report.

9 MR. EVENWEL: So that is what I am poking. We
10 had a goal, but we didn't meet it. Is that good or bad?

11 MS. BAYLESS: Well, our goal is to publish it
12 by June. And we actually didn't get it out until August.

13 MR. EVENWEL: But I am saying from a
14 standpoint, that we have to get it out in June or
15 something like that?

16 MS. BAYLESS: No.

17 MR. EVENWEL: Or something like that. Okay.

18 MR. ROMERO: There is no regulatory
19 requirement.

20 MR. EVENWEL: Okay.

21 MS. BAYLESS: There is no requirement. No.
22 No.

23 MR. EVENWEL: So we are back to June, then.

24 MR. JONES: Back to trying for June. Yes.

25 MS. BAYLESS: Right. Right. And work is

1 underway on that right now.

2 MR. EVENWEL: And on 4.1.4 --

3 MR. JONES: What page?

4 MR. EVENWEL: Eleven. -- do we need to sign
5 something? Is there something that needs to be put in the
6 Human Resource file?

7 MS. BAYLESS: Yes. And it is. Yes.

8 MR. EVENWEL: Okay.

9 MS. BAYLESS: Other questions?

10 (No response.)

11 MS. BAYLESS: Really?

12 MR. JONES: Good job.

13 MS. BAYLESS: Well, it is sure a good job by
14 the whole staff here.

15 MR. JONES: No. You did it all by yourself.

16 MS. BAYLESS: Yes. Sure. All right. Thank
17 you.

18 MR. JONES: Thank you, Ms. Bayless.

19 MR. EVENWEL: Good job. All staff.

20 MR. JONES: Yes. And Tab 5, discussion of the
21 84th legislative session. And who, pray tell, will that
22 be?

23 MS. VAN DYK: Actually, I think we are calling
24 it a motion to close the discussion on Tab 4.

25 MR. JONES: We were?

1 MS. VAN DYK: No. You don't have to do that?
2 Okay. Never mind.

3 MR. JONES: No. But I order as for public
4 comment. She was trying to get me to the public comment.
5 Is there any public comment in regards to Tab Item 4?

6 (No response.)

7 MR. JONES: Okay. Hearing none, we will move
8 on to Tab Item 5. I have got you.

9 MR. WILT: Good morning, Chairman Jones.

10 MR. JONES: She was being nice to say that.

11 MR. WILT: Good morning, Chairman Jones,
12 Members. I am Michael Wilt, External Relations Specialist
13 for the Texas State Affordable Housing Corporation. I am
14 here to give an update on the legislative session to date.

15 Last month, David Long, our President was
16 invited to provide testimony to the members of the Senate
17 Committee on Intergovernmental Relations, and the House
18 Committee on Urban Affairs as part of each Committee's
19 introductory meeting. These hearings provided members
20 with the opportunity to hear from entities including TSAHC
21 that they oversee.

22 During this presentation, David gave an
23 overview of our programs, and answered any questions that
24 they had. As a follow up to those hearings, we have been
25 meeting with Committee members and or their staff, both on

1 the Senate side, and IGR and House and Urban Affairs. And
2 both of those Committees have several new members this
3 session.

4 These individual meetings give us the
5 opportunity to provide them and their staff more detailed
6 information on our programs and our Corporation in
7 general. We have met with all of the offices to date,
8 with the exception of one on the House side, and one on
9 the Senate side. And we anticipate concluding those
10 introductory meetings early next week.

11 We will continue to meet with Committee staff
12 and members offices when the need arises during the
13 session. In addition to these meetings, we continue to
14 monitor housing-related legislation. So far, we have not
15 identified any legislation that negatively impacts our
16 programs.

17 And tomorrow, Friday 13th is the last day that
18 members can file bills that have a statewide impact. We
19 will continue to monitor legislation and Committee
20 hearings and attend Committee hearings as we see fit, as
21 the session progresses.

22 And of course, we will always keep you abreast
23 of any significant developments or bills that may arise.
24 With that, I will open it up for discussion.

25 MR. JONES: I don't really want to let him off

1 that easy. Anybody got anything?

2 (No response.)

3 MR. JONES: Want to make something up?

4 (No response.)

5 MR. JONES: Shucks. Thank you, sir, Mr. Wilt.

6 MR. WILT: Thank you.

7 MR. JONES: Any public comment on Mr. Wilt's
8 discussion?

9 (No response.)

10 MR. JONES: Hearing none, of course we don't
11 want to jump to the gun, since tomorrow is Friday 13th.
12 And that means -- David is going back there, yes. Don't
13 say it. Okay.

14 Having concluded our agenda, I want to thank
15 Mr. Joe Schafer for the job in recording our stuff.

16 I want to again thank the TSAHC staff for the
17 fine job that you do, and David for his leadership and the
18 Board members for their diligence. We appreciate you all.

19 At this time, do you have any other comments
20 that anybody wants to make?

21 MR. ROMERO: Good job.

22 MR. JONES: Meeting adjourned.

23 (Whereupon, at 11:53 a.m., the meeting was
24 concluded.)

