

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,
March 24, 2016
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. LONG: Good morning, everyone. We're here
3 for the Texas State Affordable Housing Corporation's
4 meeting on March 24. It's 10:30 a.m. in the morning.

5 Pursuant to the Corporation's articles and
6 bylaws, Section 2.11, in the absence of the chair and the
7 vice chair, the president shall preside, and at this time
8 also, as presiding officer, I'm going to convey that to
9 Mr. Romero and the other members to run the meeting at
10 this point.

11 Mr. Romero.

12 MR. ROMERO: Okay. Good morning. Today is
13 March 24, 2016. It is now 10:31. This is the start of
14 the Texas State Affordable Housing Corporation Board
15 meeting.

16 Roll call. Bob Jones?

17 (No response.)

18 MR. ROMERO: Bill Dietz?

19 (No response.)

20 MR. ROMERO: Gerry Evenwel?

21 MR. EVENWEL: Present.

22 MR. ROMERO: Alex Meade?

23 MR. MEADE: Here.

24 MR. ROMERO: And Jerry Romero, I am present.

25 We do have a quorum.

1 Moving on to public comment, is there any
2 public comment at the present time?

3 (No response.)

4 MR. ROMERO: None. Moving on from there to the
5 president's report. David.

6 MR. LONG: Thank you, Mr. Chairman, members.

7 As always, the staff program reports are
8 available in the board book under tab items A through E.
9 There's no exceptions to the reports, except I would add
10 that there is an annual asset oversight and compliance
11 report, and if you have any questions on that, more than
12 happy to have staff come up and give responses to those
13 questions. And also, under tab C, at the board's request,
14 if you remember, you had asked us to provide some
15 information regarding veteran homelessness in Texas, and
16 after I finish my part of the presentation this morning,
17 as part of the president's report, I'm going to ask
18 Michael to come up and give you an update on that.

19 Grants received this month since the last board
20 meeting, we did receive a grant of \$2,500 from Insperity
21 in support of the Texas Financial Toolbox.

22 The other items that I have is just to give you
23 an update on some things we've either been involved in or
24 we're going to be involved in. Michael and I attended the
25 National Alliance on Homelessness Conference in California

1 last month as part of our homelessness efforts and my
2 appointment to serve in conjunction with the Texas
3 Interagency Council on Homelessness. We also had some
4 meetings with legislative staff. We met with Julie Frank
5 with the Lieutenant Governor's Office, myself, Michael and
6 Janie attended that meeting with Liz. We've met with
7 Allison Winney with the Speaker's Office.

8 I might go back. Julie Frank also asked for
9 some significant information regarding the single family
10 programs, and the staff put together a really good
11 presentation and she came over here and she kind of got a
12 single family programs 101 presentation, and I think they
13 did a really good job. I was not available to attend, but
14 at the same time, I think she had some really good
15 comments about the presentation.

16 We had a Texas Community Capital Board meeting
17 last week. If you remember, that's the corporation that
18 the board agreed with Texas Association of CDCs and TSAHC
19 would share in the board relationship on that. We had a
20 meeting on that. They're moving forward with their
21 community loan center program. It's really doing quite
22 well; they have over 8,000 loans in the pipeline and/or
23 solidly booked. It's been very successful and they're
24 reaching out.

25 And Texas Community Capital continues to serve

1 as part of the what I would call the balance of state
2 provider in that lending capacity, so when there is a
3 community that wants to step on board and they don't have
4 a lending entity set up yet or approved, Texas Community
5 Capital is statewide approved and they can fill in until
6 that organization is set up and approved by the OCCC and
7 then they can move forward.

8 Sarah and Katie attended the NeighborWorks
9 Laredo home buyer fair earlier -- actually on Saturday
10 this past week. Absent a few car issues, I think they had
11 a good time.

12 The loan committee met yesterday. I appreciate
13 Mr. Romero's participation in that. David Danenfelzer and
14 Jo Ropiak -- not Jo Ropiak, I'm sorry -- Jolene Keene --
15 she got married this last weekend -- put on a good
16 presentation for us.

17 Mr. Romero, I don't know if you have any
18 comments on that at all, but we've reviewed our portfolio,
19 as we always do. We kind of just go through to make sure
20 if there's any issues regarding any of the outstanding
21 loans under the programs that we offer for single family
22 and multifamily developer loans to make sure that there
23 isn't any issues that we need to address. I think we all
24 felt very comfortable with where we're heading in that
25 program.

1 Katie and Janie will be attending the Veterans
2 Housing Summit in San Antonio on the 26th.

3 And as you all know, with Ms. Omohundro's
4 departure, we've been looking to fill that position, and
5 I'm glad to announce that Joniel Crim will be joining us
6 on April 1. I'll give you a little background when she's
7 here for the next meeting and then she can introduce
8 herself, but she comes to use from TDHCA. We're real
9 excited to have her come on board and looking forward to
10 having that position filled, quite honestly.

11 And then the first round of the Texas Statewide
12 Home Education Program is being held at the Federal
13 Reserve Bank of Dallas, San Antonio branch. It's fully
14 booked at this point in time which means we have full
15 capacity on the audience, and that will be held the 18th
16 through the 22nd, as I said, in San Antonio.

17 I always like to introduce our professionals in
18 attendance. Katie Van Dyk, who also got married since our
19 last board meeting, is here with us today as general
20 counsel. Tim Nelson and Eric Pike with Hilltop
21 Securities, formerly First Southwest, I guess still First
22 Southwest. Chris Spelbring was here yesterday but
23 unfortunately got called away and he's not going to be
24 able to attend.

25 And I know we have a few guests in the

1 audience, one of them David is going to bring up and
2 introduce, and then the other would be Mary Jo Davis who
3 is here with Bank of Texas.

4 SPEAKER: We have another visitor.

5 MR. LONG: Who is that?

6 MR. DOUCET: Tyler Doucet, I work with the
7 legislature.

8 MR. LONG: Thank you very much. Appreciate you
9 being here.

10 And then as we've talked amongst ourselves
11 earlier, the next board meeting is tentatively scheduled
12 for the 21st. The reason it's the 21st instead of the
13 14th is because we have quite a few staff who will be out
14 of the office the week of the 14th, and if the board for
15 consideration would put that on their calendars and we'll,
16 as always, make you aware of any things that come up in
17 order for us to be able to schedule that meeting
18 accordingly.

19 And with that, Mr. Chairman, I'll conclude my
20 remarks, and then I'll ask for Michael to come up and give
21 his presentation on veteran homelessness

22 MR. ROMERO: Any questions of David?

23 MR. EVENWEL: I don't think so.

24 MR. WILT: This is tab item D in the packet, if
25 you want to follow along. It's a presentation that we

1 prepared.

2 Good morning, board members. This presentation
3 follows a request at your last board meeting to give you a
4 report on the state of veteran homelessness in Texas.
5 We'll review TSAHC's involvement generally in
6 homelessness, the landscape of veteran homelessness in
7 Texas and the progress being made on addressing the
8 problem. I invite you to stop me at any time with
9 questions. We've learned a lot about this issue over the
10 past several months, and while we're not experts on the
11 issue, we have many great resources who have helped
12 compile the information as we learn more about
13 understanding the problem and solutions.

14 Turning to the next slide, it's on the Texas
15 Interagency Council for the Homeless. You may recall that
16 the request for this presentation was made during David's
17 president's report at the last board meeting when he told
18 you all that he and I had attended the National Alliance
19 to End Homelessness Conference in February. I believe he
20 gave that as part of his report just now again. David and
21 I attended this conference, and he started attending the
22 conference actually when the governor asked him to serve
23 as the liaison between the Texas Interagency Council for
24 the Homeless and the U.S. Interagency Council on
25 Homelessness. In that role, David serves as an advisory

1 member on the Texas Interagency Council for the
2 Homeless -- I'll refer to it as the TICH -- and he chairs
3 the subcommittee on affordable housing and supportive
4 services. I support him in this role.

5 The TICH was created by the legislature in 1995
6 and its main function is to coordinate the state's
7 resources and services to address homelessness across the
8 state. In 2015 the legislature modified the makeup of the
9 TICH to account for agencies that no longer existed. They
10 were having some quorum issues with agencies attending and
11 some agencies didn't even exist anymore which made the
12 quorum issues more troublesome.

13 The TICH is authorized also to use the Texas
14 Homeless Network as a resource. This came out of the 2015
15 legislation as well. David and I have an excellent
16 working relationship with the Texas Homeless Network and
17 we use them as a resource on homelessness and we used them
18 as a resource for this presentation as well. The TICH
19 creates an annual progress report each year that is shared
20 with the Governor, Lieutenant Governor and Speaker's
21 offices, and the committee David chairs is responsible of
22 exceptions to that progress report.

23 On to the next slide, I wanted to briefly touch
24 on the Texas Foundations Fund because that is one thing
25 that we use to support homelessness efforts. Awards can

1 be used for supportive services that are offered as part
2 of permanent supportive housing. This type of housing is
3 typically for people who have experienced homelessness or
4 are at risk of experiencing homelessness in the future.
5 You can see examples of organizations we have given awards
6 to that have used our funding for their supportive
7 services at permanent supportive housing developments they
8 manage.

9 I should note that Green Doors in Austin has a
10 strong focus on certain veterans and has a specific
11 program dedicated to housing veterans experiencing
12 homelessness.

13 On to the next slide, this will give you a
14 snapshot of the landscape of veteran homelessness. This
15 is the most recent estimate of the total number of
16 veterans in Texas. This information comes from the point-
17 in-time count conducted across Texas in January of 2015.
18 These numbers have been certified by Housing and Urban
19 Development. I can't give you the 2016 numbers because
20 those are still being tabulated and verified by
21 communities that conducted the counts and have not been
22 certified by HUD yet. In communities like Houston, which
23 has effectively ended homelessness already among veterans,
24 and Austin which is on the cusp of accomplishing the same,
25 the 2016 numbers should be much lower.

1 Keep in mind that this count includes all
2 persons experiencing homelessness who are either sheltered
3 or unsheltered. Speaking very generally, you're
4 considered homeless if you don't have a permanent address.

5 If you're in temporary housing, a shelter, you're couch-
6 surfing, if you're sitting on somebody's floor, you're
7 still considered homeless.

8 I should also note that I participated in two
9 counts, including being the captain of the Austin count
10 that just took place in January. It's a very
11 sophisticated outreach effort; it had 650 volunteers
12 across the city. We canvassed the entire city between the
13 hours of 5:00 a.m. and 9:00 a.m. on a Saturday morning in
14 order to get the most accurate count possible. It's
15 impossible to get a complete accurate count, but based on
16 our efforts to date, I feel very confident in stating that
17 we have a better picture and understanding of the true
18 problem out there among homelessness in general.

19 I wanted to give you on the next slide a sample
20 point-in-time veteran summary. This is from El Paso's
21 count conducted on January 22 of 2015. You'll notice the
22 categories of shelters. Those are emergency shelters in
23 any given community the veterans may drop into,
24 transitional housing options that are a bridge between
25 emergency shelter and more permanent housing, and safe

1 haven which is typically congregate living or in some case
2 single resident occupancy units for men and women who are
3 mentally ill and chronically homeless. It is considered
4 transitional housing, but with safe haven there are
5 typically more services attached to this housing to help
6 residents get back on their feet and into permanent
7 housing.

8 You can also see that the data that is compiled
9 among the point-in-time count. That data includes gender,
10 their ethnicity, their race. It's all broken down there
11 among all of the communities that submit this information
12 to be certified by HUD.

13 In regards to veteran homelessness, the Mayor's
14 Challenge was issued by First Lady Michelle Obama in 2010,
15 and it called on local leaders to commit to ending veteran
16 homelessness in their communities by the end of 2015.
17 Ending veteran homelessness means reaching a point where
18 there are no veterans sleeping on the streets of a
19 community and every veteran has access to permanent
20 housing. Should veterans become at risk, should they
21 become homeless or at risk of becoming homeless,
22 communities will have the capacity to quickly connect them
23 to the help they need to achieve housing stability.
24 That's what we mean when we say effectively ending
25 homelessness.

1 This goal has been accomplished by 21
2 communities and two states across the country, including
3 Houston which became the first Texas city to accomplish
4 this last year. The U.S. Interagency Council for the
5 Homeless established benchmarks and metrics to certify
6 that a community has effectively ended homelessness. You
7 can't just say, Hey, we ended veteran homelessness, you
8 can take our word for it. You have to establish with
9 clear proof that you've met the criteria set forth.

10 You'll see that the biggest metro areas in
11 Texas have signed on to the Mayor's Challenge and each has
12 had a varying degree of success in addressing the issue.
13 It really is up to the local community to decide how best
14 to accomplish the goal. While the federal government
15 provides encouragement and some limited resources, I have
16 heard that on more than one account that there's not a
17 whole lot of technical assistance provided by the federal
18 government. Thus, it's incumbent upon local communities
19 to carve their own paths in solving the problem and it's
20 incumbent upon those community leaders to step forward in
21 addressing the issue.

22 Moving on to the next slide, I'll give you an
23 example of what should happen when a veteran is
24 experiencing homelessness. They will appear at an entry
25 point. This can be a shelter, a hospital and emergency

1 room, a food bank, a jail, any other type of correctional
2 facility, a nonprofit organization, any type of point
3 where they enter or would enter into the system. If that
4 entry point is trained, they will receive what's called a
5 common or coordinated assessment there.

6 Basically, an entry point is trained if they
7 have someone at the facility with the requisite expertise
8 to conduct an assessment of the veteran's housing
9 situation and any sort of medical vulnerability or
10 vulnerability in general. If the entry point is
11 untrained, the veteran is referred to a trained entry
12 point. Communities with more sophisticated homelessness
13 efforts coordinate with most, if not all, entry points to
14 make sure that they are all trained and have the necessary
15 staff to conduct a coordinated entry assessment.

16 The common assessment or coordinated assessment
17 evaluates the veteran's homeless chronicity -- that is the
18 duration and severity of his/her homelessness -- and the
19 veteran's medical vulnerability. Many communities use
20 what is called the VISPDAT or something very similar. The
21 VISPDAT stands for Vulnerability Index and Service
22 Prioritization Decision Assistance Tool. The veteran's
23 name is then or should be added to a by-name master list.

24 I can't tell you how important it is that these lists are
25 by name. It elevates the attention the veteran receives

1 and the commitment community partners have to housing a
2 veteran if he/she is a name and not a number. Having one
3 master list is also crucial to making sure the process is
4 efficient and that the community is on the same page with
5 coordinated efforts.

6 Once the veteran is on the master list, their
7 housing intervention is determined by their vulnerability
8 based on the assessment tool. The homelessness experts
9 stress that communities must trust the common assessment
10 says when prioritizing veterans. It really is the best
11 way to determine who has the most desperate need for
12 stable housing and where the community resources should be
13 directed first and prioritized. Case management should
14 also work with the veteran to make sure he/she has a
15 complete DD-214, a discharge statement, and the
16 determination of benefits from the VA.

17 So let's move on to what works on the next
18 slide. I compiled these recommendations from federal
19 sources and also locally from Cameron Fowler at Texas
20 Homeless Network and Naomi Trejo at TDHCA. And Naomi has
21 been tasked by the TICH, the Texas Interagency Council for
22 the Homeless, with exploring this issue in depth and
23 bringing back policy recommendations to the TICH based on
24 what you learn from communities like Houston and Austin
25 that have effectively or are near ending veteran

1 homelessness.

2 Adopting the U.S. ICH benchmarks for measuring
3 progress is the most important since that entity is the
4 one that certifies communities who have ended veteran
5 homelessness. There are four benchmarks. The first is
6 specifications to measure whether chronic homelessness
7 among veterans has been ended. The second specification
8 is to measure whether veterans have quick access to
9 permanent housing. The third specification is to measure
10 whether the community has sufficient permanent supportive
11 housing capacity. And the fourth specification is to
12 measure whether the community is committed to Housing
13 First and provides service-intensive transitional housing
14 to veterans experiencing homelessness only in limited
15 instances.

16 I mentioned the next recommendation earlier,
17 and it's very important that communities have one by-name
18 list managed by one entity of all veterans experiencing
19 homelessness. That entity will depend upon the community.

20 The next recommendation is something I've also
21 mentioned. Strong community and public official
22 leadership is also critical. This problem won't solve
23 itself, and many communities, as I'm sure you're aware,
24 have seemed resigned to defeat on homelessness in general.

25 The communities that have done the most to solve the

1 problem have admitted the priority, dedicated resources to
2 the problem, and most importantly, collaborated on the
3 issue by bringing all parties together. Some communities
4 have also launched awareness campaigns around solving the
5 problem like The Way Home in Houston, or One Key in
6 Austin.

7 Standardization of the assessment process and
8 subsequent strategic coordination of community resources
9 is also vital in prioritizing veterans and serving them
10 based on their need.

11 And finally, let's get to some of the housing
12 solutions. The most important is bringing everyone
13 together regularly. As mentioned earlier, Houston created
14 The Way Home which included 25 partner organizations that
15 met on a routine basis. The Way Home held monthly
16 meetings, pulled together service providers, employment
17 partners, supportive services for veteran families, market
18 rate property owners, nonprofits, public housing
19 authorities, and VA representatives into one location.
20 These regular meetings allowed everyone to track progress
21 and tackle the issue in an efficient and united manner.
22 Austin also did something very similar under the direction
23 of Mayor Steve Adler.

24 At these meetings in Houston and Austin they
25 would work on the next solutions that are listed below

1 that. They'd take the master list, see who is most
2 vulnerable, and get them into permanent supportive housing
3 first and directing the housing vouchers toward solving
4 chronically homeless veterans.

5 The next solutions deal primarily with barriers
6 to housing and risk mitigation for landlords in market
7 rate units. This is a problem that requires participation
8 from market rate landlords and barriers in this type of
9 housing and market rate housing typically include criminal
10 history, a lack of documented income, poor credit, poor
11 rental history, and lack of employment. There are three
12 primary ways communities look to addressing these barriers
13 to housing.

14 The first is through case management with
15 veterans and working with the veteran to remove those
16 barriers. The case managers help them stabilize their
17 employment, link them to employers, address income and
18 criminal and credit histories or mental illnesses that may
19 prevent them from obtaining stable housing. These steps
20 help reduce the risk of renting to a veteran with these
21 types of issues.

22 The second is working with landlords directly
23 to mitigate their risk. In some instances organizations
24 approach landlords and will put them on a trial basis. A
25 good example is Caritas here in Austin. They convinced a

1 landlord to set aside several units for them to lease out
2 to individuals regardless of their circumstances. Caritas
3 demonstrated success with these initial units and the
4 landlord provided more as they became available. Caritas
5 now operates eleven units in a market rate complex.
6 Organizations that basically absorb the risk of renting to
7 tenants with issues and established a proven track record
8 of success.

9 Communities have also established private
10 sources of funds, typically called risk mitigation funds,
11 that are used for barrier busting. These funds are used
12 to pay landlords the rental application fee and up to
13 double the deposit amount to house veterans with poor
14 rental or credit history. They can also be used in the
15 event a veteran can't make the rental payment.

16 And finally, there's the option of creating
17 Housing First units or designating existing units as
18 Housing First. Housing First is barrier-free housing, it
19 is housing without conditions, reservations or questions
20 that is provided regardless of one's criminal history,
21 credit history or documented income. Communities are
22 looking for ways to integrate this housing into existing
23 developments, or in some cases provide it as a stand-alone
24 development.

25 I was at the groundbreaking yesterday for a

1 240-unit apartment complex just up the street in the
2 Mueller Development, and that development will have ten
3 Housing First units set aside when it opens next year.

4 And finally, the biggest challenges that
5 remain. We touched on them already through the barriers.

6 The number one challenge is a supply of affordable
7 housing. This is the case with our homeless population as
8 well as with other low income populations. We've
9 addressed many of the barriers to housing that exist and
10 what must be done to get past those. A systemic problem
11 and a recurring one is that communities don't have a
12 strong relationship with their VA and they're not
13 coordinating their efforts, including the entry process,
14 and they're not sharing data. Some communities have made
15 headway in fixing those but it remains an obstacle.

16 And then there's the lack of leadership, as I
17 mentioned earlier, at the local level. The success of an
18 effort is really up to the local community, creating a
19 campaign around the issue, raising awareness, bringing
20 people together, coordinating efforts, remaining dedicated
21 to the cause, meeting regularly and getting on the same
22 page. Everything that is included in a successful effort
23 starts with those community leaders.

24 And finally, the federal government issued a
25 noble challenge but we've heard they did little in the way

1 of providing technical assistance. Some feel that while
2 they issued a challenge, they just let people figure it
3 out on their own instead of providing a blueprint for
4 success.

5 I thank you for your time and interest in this
6 issue, and with that, I'll invite any questions.

7 MR. ROMERO: Very good report. Will this be on
8 the website?

9 MR. LONG: We can certainly put it there, Mr.
10 Chairman.

11 MR. ROMERO: Good to have it there.

12 MR. LONG: And again, as Michael said, this was
13 at the board's request from the last meeting and we wanted
14 to make sure that we brought it to you as quickly as
15 possible. And I thank Michael for all the work he did
16 putting it together. As you can see, there's a lot going
17 on and there's a lot to be done. So with that, if you
18 have any questions, while Michael is up here I'd be more
19 than happy to have him and/or I.

20 MR. ROMERO: Again, I appreciate the report,
21 and thank you for including El Paso as the sample in
22 there. Good information.

23 MR. WILT: Thank you.

24 MR. ROMERO: All right. Moving on to tab item
25 1: Presentation, discussion and possible approval of

1 minutes of the board meeting held February 11, 2016. Have
2 you had a chance to review those minutes?

3 MR. EVENWEL: I move they be approved.

4 MR. MEADE: Second.

5 MR. ROMERO: We have a motion to approve, we
6 have a motion and a second. Is there any further
7 discussion? Any public comment?

8 (No response.)

9 MR. ROMERO: All in favor, aye.

10 (A chorus of ayes.)

11 MR. ROMERO: Any opposed?

12 (No response.)

13 MR. ROMERO: Motion carries.

14 Moving on to tab item 2: Presentation,
15 discussion and possible approval of a resolution related
16 to the sale of mortgage-backed certificates relating to
17 the Texas State Affordable Housing Corporation's single
18 family mortgage revenue bonds Series 2006B, and the
19 redemption in whole of such bonds, and all matters related
20 thereto.

21 MR. LONG: Thank you, Mr. Chairman.

22 Again, I've asked Mr. Nelson to come up and
23 join me. He's with our FA firm, Hilltop Securities, a/k/a
24 First Southwest. As you know, in the past we've done, I
25 think, four of these transactions already. The last one

1 offered us a variety of options. When these transactions
2 reach their option redemption ten-year period, we have
3 option to consider leaving them as is or facilitating some
4 type of redemption on them to generate revenues that we
5 can put back into our programs. And with that, I'm going
6 to ask Mr. Nelson to kind of go over this with you again.

7 This proposal and the resolution are essentially
8 identical to what we've done in the past, but obviously
9 we're always monitoring the market to see whether it bears
10 out or not.

11 So Mr. Nelson.

12 MR. NELSON: Thank you, Mr. Long.

13 As David said, I'm Tim Nelson, with your
14 financial advisory firm, First Southwest, and we're now a
15 division of Hilltop Securities rather than a wholly owned
16 subsidiary of Plains Capital, as we were before, but we're
17 still the same outstanding group of people giving you
18 advice.

19 (General laughter.)

20 MR. NELSON: The transaction that we have
21 before you today, as David outlined briefly, is an ability
22 for the Corporation to take advantage of restructuring
23 your Series 2006B transaction.

24 I'll give you a little bit of background. The
25 transaction originally closed June 15 of 2006, you made

1 \$23,640,000 available for first-time homebuyers. That was
2 a firefighter and law enforcement, securities officer loan
3 program. And as David outlined, in these transactions
4 you typically have an option call right that's roughly ten
5 years into the deal and the Corporation is coming up on
6 that, and you have the right to call these bonds on June 1
7 of 2016 at 102-1/2, and so that's why we're taking a look
8 at this to see if it is advantageous to take advantage of
9 that call right.

10 As David outlined, this is an identical
11 strategy that you've used before, most recently end of
12 last summer. You used this same strategy to redeem your
13 2005B and 2006A transactions, so this is not some
14 newfangled idea that we've come up with. The underlying
15 MBSs in this transaction have coupons that range from 5.49
16 to 5.75, so as you can see, much higher rates back then
17 than what we're seeing today. Conventional mortgage rates
18 today are well below 4 percent, so consequently the MBSs
19 are worth a substantial premium in today's market which is
20 why it's typically advantageous for you to take advantage
21 of that call option that you were given.

22 The costs of doing this are very similar, in
23 fact, a little bit lower than what the board experienced
24 on the transactions end of last summer, and the gross
25 revenues that we would expect to see from effecting this

1 transaction would be somewhere in the \$250,000 to \$300,000
2 range.

3 I'd also like to point out to the board you may
4 or may not recall that in that prior transaction at the
5 end of last summer there was an ability, if you will, for
6 the Corporation to either retain and/or invest in some of
7 your MBSs as part of effecting the restructuring, and I
8 did want to point out that that option, if you will, will
9 be available on this transaction as well.

10 And so with that, I'll turn it over to David
11 and/or I'm certainly willing to answer any questions.

12 MR. ROMERO: Any questions?

13 (No response.)

14 MR. ROMERO: If there are no questions, I'll
15 entertain a motion to approve the tab item 2 as presented.

16 MR. MEADE: So moved.

17 MR. EVENWEL: Second.

18 MR. ROMERO: We have a motion and a second.

19 Any further discussion? Any public comment?

20 (No response.)

21 MR. ROMERO: All in favor, aye.

22 (A chorus of ayes.)

23 MR. ROMERO: Any opposed?

24 (No response.)

25 MR. ROMERO: Motion carries.

1 Moving on to tab item 3: Presentation,
2 discussion and possible approval of a resolution relating
3 to the sale of mortgage-backed certificates relating to
4 the Texas State Affordable Housing Corporation's single
5 family mortgage revenue bonds, Series 2006C, and the
6 redemption in whole of such bonds, and all matters related
7 thereto.

8 MR. LONG: Mr. Chairman, again, as we said
9 before, this is the exact same transaction, this is from a
10 different pool of funds that we released in 2006, but we
11 brought them separately because they're two separate bond
12 transactions, so we're asking your consideration on both
13 of them. And with that, I'll let Mr. Nelson go over it
14 again.

15 MR. NELSON: Unless the board wants me to go
16 into any further detail, I will point out real quickly --
17 I meant to go through this on the last item -- that the
18 schedule, if you will, on the '06B deal, the item you just
19 approved, we would put together a bid package, send that
20 out to 20 to 25 different investors that buy these sorts
21 of investments. We would expect to receive bids from
22 three to six different investors. We would expect to do
23 that either late in April or sometime in May, depending
24 upon market conditions. We'd settle the pools in late
25 May, bonds would be redeemed on June 1.

1 In contrast to that, on the 2006C, which is the
2 item in front of you right now, same deal, we would look
3 to bid that to literally the same group of investors.
4 That would be done in the last summer, August or into
5 September, settle those pools at the end of September,
6 bonds would be redeemed on October 1. But as David said,
7 it's virtually an identical transaction, similar amount of
8 gross proceeds, identical costs.

9 And so with that, I conclude my remarks and
10 will address any questions.

11 MR. EVENWEL: You might have went off the track
12 a little bit when you said you're going to send to 36
13 different people?

14 MR. NELSON: No. Twenty to 25 different
15 bidders.

16 MR. EVENWEL: And then you'd expect to get
17 responses from?

18 MR. NELSON: Responses from three to six. So
19 typically you go to a larger group, you're not going to
20 get bids from all of those.

21 MR. EVENWEL: Okay. I missed it.

22 What would you use then to decide out of that
23 three or six which one gets it?

24 MR. NELSON: Well, you ask for them to provide
25 a bid, either by pool or a consolidated bid for the entire

1 pool. So if you have one investor that says I'll give you
2 a one-eleven price, let's say, on it, somebody else says
3 one-ten, you would go ahead and select the one-eleven
4 dollar price because that would yield more proceeds to the
5 Corporation. So it's just like when you go to sell your
6 bonds, people are out there and somebody says I'll give
7 you a certain price, and another guy will give you a
8 better price, you want to select the best price.

9 MR. EVENWEL: So you're not pre-pricing it
10 ahead of time and saying here's the thing and you want to
11 buy it, you're saying tell me what you're going to pay for
12 it. Is that right? Am I saying the question right?

13 MR. NELSON: Unlike say a car, if you're going
14 to go out and buy a car, there is no sort of price on this
15 that you then start negotiating, you just give the
16 investors all of the details associated with the pool and
17 then they give you a price. So it's a competitive bid, if
18 you will, there's no real negotiating. That other
19 approach is more of a negotiated where we might go out and
20 say, hey, we think this is worth one-eleven, and then
21 somebody would come back and say, oh, no, I'll give you
22 one-ten and three quarters. This is a pure competitive
23 bid situation, which is the way you've done all of your
24 prior deals and all of the MBS sales of this type are done
25 in that manner.

1 MR. ROMERO: And so when you've gotten this
2 down to the three to six bidders, you'll discuss it with
3 management and you'll make the determination which one to
4 go with.

5 MR. LONG: That's correct. What happens is we
6 have a call with First Southwest with their trading desk,
7 and they let us know what bids came in, and in that
8 resolution you're authorizing me to basically listen to
9 what is available to us to the extent that we can either
10 accept or decline everything and start over and not do
11 anything. But we've been very successful in the past
12 where we've had the opportunity to receive a significant
13 bid on these transactions that allows us to have proceeds
14 come back into the organization and cover all the costs,
15 as well as have proceeds available to us. In the last one
16 we were actually able to invest in some of the securities
17 ourselves. So we have that option all the way through.

18 And again, as I said, the market bears out the
19 pricing that Mr. Nelson is talking about, and so when we
20 get that pricing we always let them -- as Mr. Evenwel was
21 asking, we let them tell us what they think it's worth to
22 them. And so while he might offer it up to twenty groups,
23 some of the groups aren't even looking to buy these types
24 of deals but we want to at least ask. So you'll have
25 three to six that give responses because they may have an

1 interest in it, their portfolio may want something like
2 this, may want a housing bond in it, and that's what
3 they're looking for.

4 So that's how we go through the process, and
5 then we get a decision made and we say go for it and then
6 they make that happen and they close the transaction.

7 MR. EVENWEL: We don't have any predetermined
8 preference on a state bank versus a national bank or
9 anything like that?

10 MR. LONG: No, sir. In fact, we're not aware
11 of who they're bidding to initially to keep it very clean
12 and simple so there's no favoritism, there's no anything.

13 As he said, it's a very competitive bid process that's
14 done through their desk, and then we get told who
15 submitted bids and what those prices look like.

16 MR. NELSON: It's a very specialized market, as
17 you can probably imagine. A lot of the newer product all
18 goes in, just like with your secondary market program,
19 your TBA program, that's all newer origination, non-
20 seasoned product. Well, there's a several trillion dollar
21 market out there for that type of paper. This sort of
22 ten-year seasoned type product, you're probably talking
23 millions versus trillions, so it's a very specialized
24 market, highly sought after paper, which is, as David
25 said, very competitive. People love to see this stuff

1 when it comes out and they want to bid on it.

2 MR. ROMERO: And if we took no action, did
3 nothing with these bonds, what kind of income does it
4 generate on an annual basis?

5 MR. NELSON: If you were to not do anything,
6 you'd be looking at probably \$20- to \$50,000 present
7 value, so you're looking at sort of a ten times ratio of
8 what you can take out of this by exercising your option
9 versus if you just did nothing and said, No, we're fine,
10 we'll just continue to clip our coupons and go on.

11 MR. LONG: I can tell you Melinda and I have
12 looked at that, and quite honestly, he's almost right on.
13 It's between \$25- to \$50,000 over the life of the
14 transactions, and when you can see ten times that up front
15 right now that we can put immediately into our programs,
16 it's almost something we really want to have the option to
17 do. And the board is being asked to consider these two
18 transactions today so that we can be preparing for them
19 because there is a lot of lead time that has to go into
20 it, as Mr. Nelson went down kind of the schedule of events
21 that we have to go through so that we're honoring the
22 commitments in the original bond documents.

23 MR. ROMERO: Any other questions?

24 (No response.)

25 MR. ROMERO: If there are none, I'll entertain

1 a motion to approve.

2 MR. EVENWEL: So moved.

3 MR. ROMERO: We have a motion to approve. Is
4 there a second?

5 MR. MEADE: Second.

6 MR. ROMERO: We have a motion and a second. Is
7 there any further discussion? Is there any public
8 comment?

9 (No response.)

10 MR. ROMERO: All in favor, aye.

11 (A chorus of ayes.)

12 MR. ROMERO: Any opposed?

13 (No response.)

14 MR. ROMERO: Motion carries.

15 Moving on to tab item 4: Presentation and
16 discussion of the status of the redevelopment of the
17 Corporation's ACT Land Bank property in Plano.

18 MR. DANENFELZER: Hi. Dave Danenfelzer.

19 I'm here to discuss our Land Bank property in
20 Plano, and I have with me a guest with me, Janine Sisak,
21 with DMA Companies, and I'm just going to do a brief intro
22 and then allow you guys to hear some words from Janine.

23 As you know, we have about 1-1/2 acres in
24 downtown Plano, Texas, that we purchased through our ACT
25 Land Bank program several years ago. That property has

1 seen its ups and downs but we're ready to start looking at
2 a new redevelopment plan, and under the authority given to
3 the Corporation's staff and in the policies and guidelines
4 for the ACT program, we went out with an RFP to seek a new
5 local partner that would help us to redevelop that site.

6 We did that in December, we received
7 applications in February, and the staff has gone through
8 and reviewed those. The three applicants that we did
9 review were DMA Companies, South Collin County Habitat for
10 Humanity, and a partnership between Brooke Community
11 Development and Bramata Construction based out of the
12 Dallas area.

13 After reviewing the three applications and
14 proposals, although the applications did not have specific
15 information about how much housing would be developed or
16 exactly how much it would cost, we were just looking for
17 partnership experience at this time and we did feel very
18 comfortable going with DMA Companies as our local partner
19 for this project. The writeup has some information about
20 their background and their history, but I'll actually go
21 ahead and turn it over to Janine to introduce herself and
22 to allow you to ask her any questions.

23 Janine.

24 MS. SISAK: Thanks, David.

25 Good morning, everyone. Thank you for giving

1 me an opportunity to come and introduce myself today. I'm
2 Janine Sisak. I'm senior vice president and general
3 counsel of DMA Development Company. Our kind of umbrella
4 organization is the DMA Companies which consists of a
5 development company, also a consulting company, as well as
6 a property management company. And our finding principal
7 is Diana McIver. I'm sure a lot of you are familiar with
8 her name, if not also her work.

9 Recently in Austin we've done two developments
10 that have been very well received and have kind of taken
11 us out of the rural tax credit market, where we kind of
12 got our feet wet in development, towards a more urban type
13 of development. We've done two developments at the
14 Mueller Development which is really close to here,
15 Wildflower Terrace which is 201 units of senior affordable
16 housing, and then we've just started construction on
17 Aldrich 51, 204 units. And as Michael mentioned, we do
18 have ten units there that are set aside for homeless
19 people or people who are at risk of homelessness.

20 So again, in recent years, although we have a
21 four-year history of working under the tax credit program
22 and some of the HUD programs like the 202 and 811 program,
23 in addition to the 221(d)(4) program and a little bit of
24 experience with the Section 8 program, we've really
25 focused, and me in particular have really focused on more

1 kind of in-fill developments in urban areas which is why
2 we're really interested in this RFP.

3 We were working with Plano Community Homes
4 about ten years ago. We did a tax credit app that wasn't
5 funded on a site very close to this site, so we're very
6 familiar with this part of Plano. Obviously the market is
7 very strong and we have good relationships with TSAHC and
8 the staff here and look forward to a partnership in that
9 respect.

10 You know, we feel like our experience recently
11 with different financial structures will enable us to come
12 up with something creative for the site. That's going to
13 be a challenge because of the size of the site and how
14 many units we can put on, but we've got a couple of ideas
15 that David and I have discussed already. So it's
16 certainly going to be a challenge but DMA is becoming
17 known for taking on the most challenging projects, and
18 sometimes it takes a couple of years and we're not afraid
19 of those kind of specialty projects that take a little
20 extra time and care to get it on the ground.

21 So we look forward to the opportunity. We know
22 that there's some paperwork to do and that there's some
23 negotiation to do between our organizations, so we'll
24 start that process and I'll just look to David to kind of
25 guide me through the next steps.

1 MR. ROMERO: Any questions? So this is a
2 status update so you will come back to the board at some
3 point in time if you do finalize a project?

4 MR. DANENFELZER: Yes. So we're going to be
5 taking the next few months to work with DMA on setting the
6 guidelines for the partnership that we'll be developing,
7 and then putting together some maybe not hard and fast
8 numbers but better numbers on what exactly we can do at
9 this site, how we might be able to finance it. And once
10 we have those numbers and a more clear plan, we'll bring
11 that back to the board for your approval to move forward.

12 We just felt that it was really a good
13 opportunity right now to bring you an update on this
14 project, let you know that we're moving forward, that
15 we've found a new local partner to work with, and just
16 kind of bring you up to speed, because we know that this
17 was a very active project the last year or so, it's gone
18 quiet for the last six months, but we've been working on
19 it, we've just been really focused on trying to make the
20 right choices and the right next steps.

21 MR. ROMERO: Any other questions?

22 (No response.)

23 MR. ROMERO: Thank you very much.

24 MS. SISAK: Thank you.

25 MR. EVENWEL: Nice to meet you.

1 MS. SISAK: Likewise.

2 MR. ROMERO: Moving on to tab item 5:
3 Presentation, discussion and possible approval of the 2016
4 Texas Foundations Fund guidelines.

5 MS. CLAFLIN: Good morning. Katie Claflin,
6 senior development coordinator, and I'm here to present
7 tab item 5 which is an action item asking the board to
8 approve the 2016 Texas Foundations Fund guidelines. With
9 your approval of the guidelines today, we plan to open the
10 2016 application on Friday, April 8.

11 As you'll recall, in February we released a
12 draft of the guidelines for public comment. The public
13 comment period was open for 30 days from February 11 until
14 March 11. We did receive nine comments but the majority
15 of the comments were either questions asking for
16 clarification or comments in support of the changes that
17 we're recommending this year. However, a few of the
18 comments did ask us to consider specific changes to our
19 requirements, mostly revolving around the requirement that
20 nonprofit applicants submit audits for their two most
21 recent fiscal years.

22 After carefully considering the comments, we
23 are recommending that we implement one of the changes
24 requested which is to allow nonprofits with an annual
25 operating budget of \$750,000 or less to submit financial

1 reviews instead of audits. The previous budget size to
2 accept a financial review instead of an audit was
3 \$500,000, so we'd be increasing this threshold by
4 \$250,000. We did speak with Melinda, who reviews all of
5 the financial statements submitted by our applicants, and
6 she confirmed that increasing this threshold will still
7 allow our accounting department to determine the financial
8 health of our nonprofit applicants. She also reached out
9 to Dena Jansen at Maxwell, Locke & Ritter, who also
10 confirmed that she thought this was a reasonable change.

11 So that concludes my presentation, and I'd be
12 happy to answer any questions that you have.

13 MR. ROMERO: Any questions?

14 MR. MEADE: No questions.

15 MR. ROMERO: Okay. If there are no questions,
16 I'll entertain a motion to approve tab item 5 which is the
17 approval of the 2016 Texas Foundations Fund guidelines, to
18 include the change that was recommended today.

19 MR. MEADE: So moved.

20 MR. ROMERO: We have a motion.

21 MR. EVENWEL: Second.

22 MR. ROMERO: And a second. Is there any
23 further discussion? Any public comment?

24 (No response.)

25 MR. ROMERO: All in favor, aye.

1 (A chorus of ayes.)

2 MR. ROMERO: Any opposed?

3 (No response.)

4 MR. ROMERO: Motion carries.

5 MS. CLAFLIN: Thank you.

6 MR. ROMERO: Moving on to tab item 6:

7 Presentation, discussion and possible approval of a
8 resolution approving policies and procedures of the Texas
9 State Affordable Housing Corporation relating to its
10 compliance with Federal Tax rules applicable to tax-exempt
11 bonds issued by the Corporation.

12 MS. SMITH: Good morning. My name is Melinda
13 Smith and I'm the chief financial officer.

14 This particular tab item is we're asking the
15 board to approve policies related to tax compliance for
16 our single and multifamily bonds, and this is something
17 that is really required by the IRS or they prefer that we
18 have written policies and procedures. And it's a question
19 that appears in our annual Form 990 tax return, really
20 just an informational return, but that question always
21 pops up, and we felt like it was very important to have
22 those policies and procedures documented so we could check
23 yes in that box.

24 And our general counsel helped us come up with
25 these policies and procedures, and we're asking the board

1 to approve them today.

2 MR. ROMERO: Is there anything significant we
3 should be aware of?

4 MR. MEADE: What's the difference between the
5 packets?

6 MS. SMITH: I am so sorry. I passed out a
7 different version from what was in your board book, and
8 the changes were minimal. We had some semicolons that
9 were in the wrong place.

10 MR. LONG: Essentially, when we received them
11 in house, Mr. Meade, we looked through them, as we always
12 do when we're preparing the board book, and we felt that
13 there was some typographical errors that needed to be
14 addressed, and there was one section that had been left
15 blank, and so we asked counsel to go back and revisit
16 those, and what you have in front of you is the revisions
17 to that from the counsel.

18 MS. VAN DYK: There's very few but you can look
19 through them and pass it along.

20 MR. LONG: There's nothing of any significant
21 change, it was just more typographical and one blank that
22 we needed to have added.

23 MR. ROMERO: Any questions?

24 MR. MEADE: No.

25 MR. ROMERO: All right. If there are no other

1 questions, I'll go ahead and entertain a motion to approve
2 the policies and procedures for the Texas State Affordable
3 Housing Corporation relating to its compliance with
4 federal tax rules applicable to tax-exempt bonds issued by
5 the Corporation.

6 MR. EVENWEL: So moved.

7 MR. MEADE: Second.

8 MR. ROMERO: We have a motion and we have a
9 second. Is there any further discussion? Any public
10 comment?

11 (No response.)

12 MR. ROMERO: All in favor, aye.

13 (A chorus of ayes.)

14 MR. ROMERO: Any opposed?

15 (No response.)

16 MR. ROMERO: Motion carries. Thank you,
17 Melinda.

18 MS. SMITH: Thank you.

19 MR. ROMERO: Moving on to tab item 7:
20 Presentation, discussion and possible approval of the
21 commitment of the Corporation's available funds in a total
22 amount not to exceed \$266,000 for the purpose of
23 completing the renovations of the Rollins Martin
24 Apartments.

25 MR. LONG: Mr. Chairman, what you have before

1 you is a schedule of the expenses, both incurred to date
2 on the Rollins Martin Apartments that we purchased, as
3 well as some itemized costs that we anticipate we'll have
4 to incur going forward.

5 A little background. The Corporation, with the
6 board's approval, purchased the Rollins Martin Apartments
7 which is over here in East Austin. It's a small complex,
8 it's 15 units with a community room. Our expectation was
9 that with the purchase and the rehabilitation of the units
10 that we expected and the board had authorized us to spend
11 \$1.25 million. As you can see in the schedule in front of
12 you, the money that was spent for acquisition and closing
13 costs was just under a million dollars, and then we've
14 incurred some significant costs as we've replaced a
15 significant amount of what I call main units, i.e., the
16 HVAC units, hot water heaters and appliances throughout
17 the units to start with.

18 Since then, as tenants have moved out and we've
19 had units available, we've started the rehabilitation
20 process of each of those units, and there has been
21 significant rehabilitation of those units. Melinda has
22 laid out for you, and I'm going to let her go over those
23 costs, but our staff dealing with this, Celina and James,
24 have done a really good job of identifying and tracking
25 those costs on an ongoing basis. So we've completed two

1 units so we know exactly what those costs are. All the
2 units are identical so we have a real good footprint to
3 what we think those costs are going to be going forward
4 for the additional units.

5 So what we're asking for today is for you to
6 approve an additional amount of money that Melinda is
7 going to go over with you. Looking at this, if you will,
8 as an acquisition project, originally the \$2.25 million
9 and we determined that we need some additional money, we'd
10 like to have you consider that based on the presentation
11 that Melinda is going to give.

12 So Melinda, if you don't mind going over those.

13 MR. ROMERO: You meant to say one point two.
14 Right?

15 MS. SMITH: Yes.

16 MR. LONG: One point two. I apologize. What
17 did I say?

18 MR. ROMERO: Two point two.

19 MR. LONG: If you want to give me that, we'll
20 take it.

21 (General laughter.)

22 MS. SMITH: As David mentioned, the remaining
23 funds that we're asking for consist of essentially to
24 rehab the individual units which I've got detailed here.
25 It costs around \$15,080 under the column estimated cost

1 per unit to rehab one of those units, so to do the
2 additional 13 units would be around \$196,000. And then we
3 had some additional work that needed to be done. The
4 siding on the property probably needs to be replaced,
5 there's work that needs to be done on the stairwells and
6 the windows.

7 And then the last item listed is rehab of the
8 community center for \$10,000. In the board resolution you
9 will note that it says \$266,000 we're requesting. The
10 difference between that and what I have here, the \$225,000
11 at the end of our schedule here, really consists of what
12 was originally estimated to turn that community area into
13 another unit. It would have been around \$50,000 to do
14 that in its entirety, and we haven't quite decided which
15 direction would be the best direction to go in terms of
16 just to leave that common space for a community area or
17 actually turn it into another unit. So that's where the
18 original \$266,000 came from. Without turning it into
19 another unit, it would be \$225,000.

20 MR. LONG: And the logic there was the
21 difference is \$50,000, but we've added back in of that
22 \$50- ten of it, so you have a \$40,000 variation there
23 because we added \$10- to go ahead and actually rehab the
24 community room to bring it up to speed as all the other
25 units are being rehabbed as well. So it would get new

1 flooring and paint and it would have all the upgrades that
2 we need to make it a nice community room at this time.

3 MS. SMITH: And the other thing I wanted to
4 mention is this is a project that will stretch out over
5 many years because we're only rehabbing the units as they
6 are vacated, and folks don't leave very often, so it
7 probably will be -- I have no way of knowing -- three to
8 five years it will take us to renovate those units.

9 MR. ROMERO: So a couple of questions. So the
10 item request not to exceed \$266,000, I think that's
11 probably appropriate given that we don't know what you're
12 going to find. Even though you might not want to change
13 the community room into a single family unit, nonetheless,
14 if something else comes up, have you come back to the
15 board to request another change for another \$10- to
16 \$20,000. I think the way it's set up to not exceed
17 \$266,000 would work for you guys?

18 MR. LONG: Yes, sir.

19 MR. ROMERO: The other thing is, Melinda, at
20 the next meeting, if you would, I know that we're not
21 going over the budget so it's not a budget amendment, but
22 could you possibly identify which categories the money is
23 coming from in order to pay for this? Even though it's
24 not going to happen in one year, I understand that.

25 MS. SMITH: Right. And I went ahead and did

1 that. If we had to pull it out of this year's operating
2 budget, at least, the primary areas would be from
3 salaries. We lost a person, we're hiring a new person,
4 there were some salary savings there. Professional fees,
5 our audit didn't cost us as much as we had anticipated,
6 and then there were some other professional fees that came
7 in lower than we anticipated. We got a better rate on our
8 vacant property insurance and saved us around \$30,000. So
9 there was \$70,000 from salaries, \$90- from professional
10 fees, \$32- from insurance, and then the final \$32.5- from
11 program expense. We budgeted a fairly large amount for
12 direct lending and single family program. It doesn't look
13 that by the end of the year we'll expend all of that. I
14 think we'll have plenty in that line item. So if we had
15 to pull the whole \$225- or even the \$266- from the current
16 operating budget, we could do that.

17 MR. LONG: We just wanted you to know that we
18 weren't exceeding what was originally approved at last
19 year's budget meeting, but at the same time there is
20 flexibility within some of the budget line items to make
21 this happen. We don't anticipate that if you were to ask
22 us at the end of August how much money we had spent that
23 it would be \$266,000 or even the \$225- because we just
24 don't have the turnover in the units that we've had in the
25 past and we are only doing these as units turn, and it's

1 just obvious to us that we're not going to see that much
2 turnover in any one year.

3 MR. ROMERO: I don't recall if on the budget we
4 reflect a maintenance/repair/replace line item for the
5 project. Do we?

6 MR. LONG: Not for Rollins Martin per se.

7 MS. SMITH: What was the question? I'm sorry.

8 MR. LONG: Do we have a maintenance and repair
9 allowance in the budget?

10 MR. ROMERO: For the Rollins Martin.

11 MS. SMITH: We set aside a reserve for repairs
12 and maintenance. We did have budgeted for repairs and
13 maintenance, but I don't mind telling you it's locally
14 small.

15 MR. ROMERO: So maybe by doing this through the
16 end of August, based on what might have been spent, then
17 you can normalize that line item to show what's going to
18 be in there going forward to support the Rollins Martin
19 Apartments.

20 MR. LONG: Certainly.

21 MR. ROMERO: That way at least you have that
22 line item and you can always go back and show where the
23 money is coming from.

24 MR. LONG: Yes, sir, we can. And again, what
25 we were trying to do is just point out for the board's

1 consideration that since it was \$1.25 million originally,
2 if we add the \$225- or the \$266-, as you're proposing,
3 that number would be what we could work up and still do so
4 within this year's budget, but also know that we were
5 moving forward kind of on a long-term structuring of it.

6 MR. ROMERO: Any other questions?

7 MR. MEADE: No.

8 MR. ROMERO: If there are no further questions,
9 I'll entertain a motion to approve tab item 7 which is
10 make Corporation funds available to not exceed \$266,000
11 for the purpose of completing the renovations of the
12 Rollins Martin Apartments.

13 MR. MEADE: So moved.

14 MR. EVENWEL: Second.

15 MR. ROMERO: We have a motion and a second. Is
16 there any further discussion? Any public comment?

17 (No response.)

18 MR. ROMERO: All in favor, aye.

19 (A chorus of ayes.)

20 MR. ROMERO: Any opposed?

21 (No response.)

22 MR. ROMERO: Motion carries.

23 Moving on to tab item 8: Presentation,
24 discussion and possible approval of a resolution approving
25 the extension of the maturity date of an equity equivalent

1 investment from Wells Fargo Community Development
2 Corporation, and ratifying and approving all actions of
3 the president and executive vice president relating to the
4 election of the extension relating to such equity
5 equivalent investment, and authorizing and approving
6 further actions related thereto -- in short.

7 (General laughter.)

8 MS. SMITH: We received the EQ2 loan in May of
9 2006, and it was ten years, so it's technically due in May
10 of 2016. It has a two-year extension that we can request
11 and we have made that formal request, and they have
12 essentially approved it, however, they have asked us to
13 get this board resolution in order to do it. And then
14 there's an amendment letter that will be signed by David.

15 I apologize. There are some other financial
16 documents, some interim financial statements and analysis
17 that they asked for that's similar to what they ask for
18 annually to certify that we're using the money correctly.

19 So once we submit all of that and this resolution, then
20 it will be extended till May of 2018. So that's what
21 we're requesting today just to extend the loan two years.

22 MR. LONG: Wells Fargo has already provided us
23 with the extension letter, pending my signature, but they
24 require that we have board approval before we sign off on
25 that and submit a copy of the resolution. So again, to us

1 this is something they've already agreed to in part,
2 pending board's authorization.

3 MR. ROMERO: Any questions?

4 (No response.)

5 MR. ROMERO: If there is none, I'll entertain a
6 motion to approve tab item number 8 as presented.

7 MR. MEADE: I so move.

8 MR. EVENWEL: Second.

9 MR. ROMERO: We have a motion and a second. Is
10 there any further discussion? Any public comment?

11 (No response.)

12 MR. ROMERO: All in favor, aye.

13 (A chorus of ayes.)

14 MR. ROMERO: Any opposed?

15 (No response.)

16 MR. ROMERO: Motion carries.

17 Do have any reason to go into closed session?

18 MR. LONG: No, sir, we do not.

19 MR. ROMERO: All right. Then I guess the last
20 item is just to make sure that on your calendars the
21 proposed date would be the 21st?

22 MR. LONG: April 21, yes, sir.

23 MR. ROMERO: And with that, I'll entertain a
24 motion to adjourn the meeting.

25 MR. EVENWEL: So moved.

1 MR. MEADE: Second.

2 MR. ROMERO: We are adjourned. Thank you all
3 very much. It is now 11:30.

4 (Whereupon, at 11:30 a.m., the meeting was
5 adjourned.)

C E R T I F I C A T E

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2
3 MEETING OF: TSAHC Board
4 LOCATION: Austin, Texas
5 DATE: March 24, 2016

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 55, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Nancy H. King before the
10 Texas State Affordable Housing Corporation.
11
12
13
14
15

16 /s/ Nancy H. King 3/29/2016
17 (Transcriber) (Date)
18

19 On the Record Reporting
20 3636 Executive Cntr Dr., G22
21 Austin, Texas 78731
22
23