

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,  
December 10, 2015  
10:32 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair

WILLIAM H. DIETZ, JR., Vice Chair

GERRY EVENWEL  
ALEJANDRO "ALEX" MEADE  
JERRY ROMERO

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P R O C E E D I N G S

1  
2 MR. JONES: It's 10:32 and a half, and the  
3 December meeting of the Texas State Affordable Housing  
4 Corporation Board of Directors is called to order.

5 William Dietz, Vice Chair?

6 MR. DIETZ: Here.

7 MR. JONES: Gerry Evenwel, Member?

8 (No response.)

9 MR. JONES: Alex Meade, Member?

10 (No response.)

11 MR. JONES: Jerry Romero, Member?

12 MR. ROMERO: Here.

13 MR. JONES: And I am here, and we do have a  
14 quorum.

15 The first order of business, is there any  
16 public comment at this time?

17 (No response.)

18 MR. JONES: Hearing none, at this time the  
19 Chair calls on Bill Dietz, Vice Chair of the Texas State  
20 Affordable Housing Corporation for the Audit Committee  
21 report.

22 MR. DIETZ: We met as an Audit Committee  
23 meeting this morning at 9:30 a.m. and were presented with  
24 the full audit from the last fiscal year. Everything went  
25 very well, and the audit was approved by the Audit

1 Committee for presentation to the Board of Directors.

2 MR. JONES: Understood. Any other discussion  
3 or comment? Any public comment?

4 (No response.)

5 MR. JONES: Okay. Thanks, Mr. Dietz.

6 At this time we call the president of the  
7 Corporation with his report.

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

9 As always Tab items A through C are your  
10 program and financial reports, including the investment  
11 report. If you have any questions, we're more than happy  
12 to answer those. There are no exceptional items that we  
13 would need to report to you at this point in time. And as  
14 Mr. Dietz noted, under Tab item 2 for the meeting we'll be  
15 having Ms. Dena Jansen come up with Melinda Smith to  
16 provide you the summary of the audit that they completed  
17 for the fiscal year ended August 31, 2015.

18 A couple of updates. The office space at 1910  
19 is now fully leased, we have a third tenant. The three  
20 tenants we have are the Texas Association of CDCs, United  
21 Way of Texas, and the Children's Defense Fund. I'd like  
22 to thank Liz for putting so much time and effort into  
23 getting that leased up. She and Janie worked on a  
24 brochure and we got our final lease signed. The last  
25 tenant, the Children's Defense Fund, will move in the

1 first of the year, but currently we have two tenants that  
2 are actually in the building.

3           Regarding that building, there's a few punch  
4 list items that are still left. David Danenfelzer  
5 continues to facilitate coordination with the architect  
6 and the contractor to finish that up. We hope that all  
7 done up by the end of the year, if not sooner.

8           A couple of updates. The Rollins Martin  
9 Apartments, we continue to do renovations at that. Jesse  
10 Sepeda, who is our maintenance technician that we hired,  
11 has been over there and coordinating and making sure  
12 things are moving forward. What I would remind you of is  
13 we started with putting in new HVAC units and tankless  
14 water heaters, we put in new kitchen appliances, and we're  
15 redoing the washer/dryer closets in each of the units.  
16 Those are being finished up now. And they've also started  
17 putting on new roofs. Hopefully all of that will be done  
18 by the end of the year as well.

19           Under the Single Family Rental program, we had  
20 the opportunity to sell one of our properties that we had  
21 purchased, a home in Pflugerville. We felt that it was  
22 not in the -- let me put it this way, it was on a cul-de-  
23 sac and we felt that one of the neighbors was no longer  
24 good in the sense that we think they were operating a  
25 business out of the home, and we felt it was best to sell

1 it and purchase a home in a different location. We were  
2 able to sell it for a profit and we'll put that money back  
3 into another home, to go back to the number of units we  
4 had originally in the program that the Board approved.  
5 That closing took place on Monday, December 7. And I want  
6 to thank James and Celina for all their work in making  
7 sure we keep that program moving forward.

8           The RFP, a couple of months ago the Corporation  
9 put out an RFP for depository services, and the responses  
10 were due on December 4. We had four inquiries, two  
11 complete responses were received, one from Wells Fargo and  
12 one from Frost Bank, and we'll continue to review and  
13 score and go over those, and we hope to have that in front  
14 of the Board members for the February Board meeting for a  
15 formal recommendation for acceptance of one of those  
16 offers.

17           A couple of quick updates. Yesterday, David  
18 Danenfelzer and I traveled to Dallas to attend the  
19 Woodside Village Apartment complex multifamily transaction  
20 the Board had approved. The closing is taking place today  
21 and tomorrow, and hopefully that will go off as originally  
22 scheduled. When we were there yesterday, there didn't  
23 seem to be out of the ordinary problems other than the  
24 normal finalization of documents, and so hopefully we'll  
25 get news on that by tomorrow that everything is closed.

1                   Last week the Corporation received a \$7,500  
2 grant from BBVA Compass in support of our 2016 TSHEP  
3 program. So we're very thankful that they've joined our  
4 sponsors in supporting us in that program and hopefully we  
5 can continue to work with them and have them as a bigger  
6 sponsor.

7                   MR. JONES: This is for next year?

8                   MR. LONG: Next year.

9                   MR. JONES: Because I saw in the report that  
10 they declined in 2015.

11                  MR. LONG: Who was?

12                  MR. JONES: It was a declination. They  
13 declined to participate in 2015. That's listed in the  
14 list. Right?

15                  MR. LONG: I don't know exactly, but we're just  
16 glad to have them come on board.

17                  MR. JONES: It's good that they turned around  
18 and said, We'll participate next year.

19                  MR. LONG: And one final thing would be that  
20 early next year, January 2016, Michael, Katie and I will  
21 be traveling across the state on several different  
22 opportunities to make check presentations for the recent  
23 round of Texas Foundations Fund awards, and if we happen  
24 to be in an area where one of our Board members is around,  
25 you'll be getting a call from us to hopefully attend and

1 participate in that, if possible.

2 With that, I'll conclude my remarks. I always  
3 like to make note of who of our professionals are in town.  
4 Tim Nelson with First Southwest, our FA, is here. Katie  
5 Van Dyke and Bill Gehrig are here from Greenberg Traurig,  
6 the general counsel. And I mentioned earlier Dena will be  
7 up here, Ms. Jansen, with Maxwell, Locke & Ritter will be  
8 here to give an update on the audit.

9 And with that, Mr. Chairman, I'll conclude.  
10 The only other thing I would note is if we end up having a  
11 meeting in January, it would be Thursday, the 21st, which  
12 is about a week later, but travel schedules and some other  
13 things would require us not to be able to have it on the  
14 14th. And we're not even sure if we'll need a meeting at  
15 this point, but we will certainly, as always, Mr.  
16 Chairman, keep the Board informed and move forward as we  
17 have agenda items that require it.

18 MR. JONES: Any questions at this time for the  
19 president on his report?

20 MR. ROMERO: I have a question on the  
21 financials -- I guess not the financials, our investments.  
22 We're showing three accounts, three money market accounts  
23 and NOW accounts, with three different banks. Is there a  
24 reason for that? I'm only asking, because the return on  
25 them, obviously, is not much, but is there a specific

1 program or something?

2 MR. LONG: Can you point out to me where you're  
3 referencing?

4 MR. ROMERO: It should be an investment  
5 account, page 4, general investment. It's on the Linda  
6 Patterson account.

7 MR. JONES: I don't know what you're looking  
8 at.

9 MR. ROMERO: It's in the investment report,  
10 part of the president's report.

11 MR. LONG: It's behind the green page under Tab  
12 C.

13 MS. SMITH: And what's your question?

14 MR. ROMERO: I was just wondering why these  
15 accounts were opened in different financial institutions.

16 MS. SMITH: It's primarily because the FDIC's  
17 limits is \$250,000, and if the bank won't provide us with  
18 collateralized CDs, we have to do the uncollateralized, so  
19 then we have to spread them out among a number of  
20 institutions.

21 MR. ROMERO: And is the FDIC at \$250-? I  
22 thought it had gone up to \$500-.

23 MR. LONG: It's still \$250-.

24 MR. DIETZ: There was a temporary increase  
25 effective in 2008.

1 MS. SMITH: Right. When everything went  
2 bananas with the market.

3 MR. ROMERO: That was my only question. I  
4 thought you had some special program where you had to  
5 separate the funds or something.

6 MR. LONG: It's not like a CDer CD where you  
7 would split it up. It's more because of the FDIC; if we  
8 can't get collateralization on it, we have to move it  
9 around so that we don't exceed the FDIC insurance limits.

10 MS. SMITH: We do still try to do the CDers  
11 when we can, when they're available, but in this case  
12 they're not.

13 MR. ROMERO: That was the only question I had.

14 MR. JONES: Satisfactorily answered?

15 MR. ROMERO: Yes.

16 MR. JONES: Thank you, Melinda.

17 You said that's the end of your report?

18 MR. LONG: Yes, sir.

19 MR. JONES: I thought you were going to include  
20 some of your activities.

21 MR. LONG: Okay. I would like to thank the  
22 Board and Mr. Jones specifically. I was able to complete  
23 the Governor's Executive Development Program. It was a  
24 three-week course that required me to be out of the office  
25 for training, and it was done through the Governor's

1 Office in conjunction with the LBJ School at UT, and I was  
2 able to complete that course this last month. So I thank  
3 Mr. Jones for his recommendation and getting accepted and  
4 being able to complete it. It was a very well done and  
5 very informative training.

6 MR. ROMERO: Do you have a picture of you in  
7 the cap and gown?

8 (General laughter.)

9 MR. JONES: He is being very modest. This is  
10 the 34th class, it's performed by invitation by the  
11 governor of the State of Texas, it's a highly sought seat  
12 in the class. I was honored to make a recommendation  
13 directly to the governor on his behalf.

14 "The State of Texas Lyndon B. Johnson School of  
15 Public Affairs, the University of Texas at Austin.  
16 Awarded to David W. Long for recognition of successful  
17 completion of the Governor's Executive Development  
18 Program, Class 34. Presented this 30th day of December  
19 2015. Greg Abbott, Governor of Texas. The Lyndon B.  
20 Johnson School of Public Affairs, Barry Bales, Director,  
21 Governor's Executive Development Program."

22 The governors do this to create a net pool of  
23 talent that can be called on at any time in service to the  
24 State of Texas. Congratulations, David.

25 MR. LONG: Thank you.

1 (Applause.)

2 MR. JONES: I told him: I recommended you but  
3 I didn't think you were going to get through it -- no, I'm  
4 kidding, I did think you would.

5 Is there any public comment regarding the  
6 president's report?

7 (No response.)

8 MR. JONES: Hearing none, thank you, David.

9 At this time, Tab 1: Presentation, discussion  
10 and possible approval of minutes of the Board meeting held  
11 November 12, 2015. Have you reviewed it and would like to  
12 make a motion?

13 MR. ROMERO: I make a motion to approve the  
14 minutes as presented.

15 MR. JONES: Move to approve.

16 MR. DIETZ: Second.

17 MR. JONES: And seconded. Any further comments  
18 or discussion?

19 (No response.)

20 MR. JONES: I thought the minutes were well  
21 done considering the amount of discussion we had. Any  
22 public comment regarding the minutes?

23 (No response.)

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

1 (A chorus of ayes.)

2 MR. JONES: Any opposed? Any abstentions?

3 (No response.)

4 MR. JONES: Okay. It passes.

5 Item 2: Presentation, discussion and possible  
6 approval of the annual independent financial audit for the  
7 fiscal year ended August 31, 2015.

8 MS. SMITH: Good morning. My name is Melinda  
9 Smith. I'm the CFO. And we're here to present the audit  
10 which was presented to the Audit Committee earlier this  
11 morning. Dena Jansen, who is the partner in charge of our  
12 audit, with Maxwell, Locke & Ritter, is here to present  
13 the report and go over it briefly with you.

14 Before she begins, I wanted to take the  
15 opportunity -- I did this at the Audit Committee too --  
16 I'd like to really thank Betsy Aldrich for preparing the  
17 confirmations and the work papers that the auditors used,  
18 there are just a ton of them. And I would like to thank  
19 Nick Lawrence in particular because we did everything  
20 through him this year for the audit. He was the point of  
21 contact for the auditors, and he did a wonderful job. I  
22 didn't even speak to them hardly this year. So I really  
23 appreciate that so much.

24 So now I'll turn it over to Dena.

25 MR. DIETZ: Before we do that, I'd like to

1 point out, because I didn't earlier, Gerry Evenwel, who is  
2 a normal member of the Audit Committee, was not present,  
3 therefore, Jerry Romero sat in on his stead, and so Jerry  
4 and I were the two Board members there at the Audit  
5 Committee meeting.

6 MR. JONES: Right. I think we agreed on that  
7 the last meeting.

8 MR. DIETZ: Yes.

9 MS. JANSEN: Thank you for adding that.

10 I'm Dena Jansen with Maxwell, Locke & Ritter.  
11 Glad to be here today.

12 As we mentioned, we met earlier this morning  
13 and went over all of the financial statement drafts in  
14 detail, so I'm going to provide a summarized report for  
15 the full Board.

16 We are in year two of our engagement, and I'd  
17 like to offer my thanks as well to the team, Melinda and  
18 Nick and everyone here at TSAHC. As we end up having  
19 questions for many staff members, we appreciate their  
20 responsiveness and timeliness to get us through things.

21 Being a component unit in reporting information  
22 to the state, there are some filing deadlines and all of  
23 those were met. There was a draft due November 20. We  
24 met that and now we'll be able to issue and do the final  
25 delivery by December 20.

1           At the end of the day, the highlights that I'd  
2 like to offer are that as far as the financial statements  
3 for the fiscal year ended August 31, 2015, we are  
4 rendering an unmodified opinion, this is a clean opinion,  
5 which does state that we felt the financial statements do  
6 present fairly, in all material respects, the financial  
7 position of the Corporation.

8           We are also required to not only perform this  
9 in accordance with Generally Accepted Auditing Standards  
10 but Government Auditing Standards. There's a second  
11 report and in that report we also note that as we looked  
12 at the financial statements and the internal control  
13 structure of the entire organization, there were no  
14 significant deficiencies or material weaknesses, as it  
15 relates to internal controls, that we need to be aware of.

16       So it's not a true opinion rendered in that regard, but  
17 that is the cleanest report you can get on that  
18 information.

19           We also look for areas of compliance, we look  
20 at Public Funds Investment Act, and other areas where  
21 there could be compliance requirements, and also our tests  
22 did not disclose any instances of noncompliance. So all  
23 good things to report.

24           As far as other required communications --  
25 which we went over these in detail -- there weren't any

1 significant changes in your accounting policies or  
2 practices that we need to let you be aware of. We did not  
3 have any disagreements or difficulties in performing the  
4 audit. We also did not have any auditor identified audit  
5 adjustments of misstatements, so there were some client  
6 proposed entries that we reviewed after we got here, but  
7 at the end of the day, for us to be able to let you know  
8 that we did not identify any adjustments also gives you  
9 some comfort that the financial information you're  
10 reviewing through the year did not require any adjustment  
11 for the annual audit.

12 We aren't aware of any other consultations with  
13 other accountants and felt like all of our communications  
14 were in the normal course of business as your auditors.

15 From a financial perspective, when we met a  
16 couple of times in the planning phases and then with an  
17 update last month, the items that really then presented  
18 themselves as fluctuations or variances in the financial  
19 statements were the redemption of the Series 2005B and  
20 preparation then for 2006B.

21 MS. SMITH: 2005B and 2006A.

22 MS. JANSEN: B and 6A. Thank you. Since the  
23 investments related to those were redeemed right prior to  
24 the fiscal year end but then the actual redemption of the  
25 debt happened in September, so that is the only subsequent

1 event that is disclosed in the financial statements.

2 This morning we opened it up for questions and  
3 we didn't have many there, but felt that the committee was  
4 comfortable with recommending approval, but offer for any  
5 questions that you might have.

6 MR. JONES: I'm going to sic our watchdog on  
7 you. Jerry?

8 MR. ROMERO: I asked questions earlier.

9 MR. JONES: If you've got no more left, any  
10 other questions or comments? I read through and I'm  
11 satisfied that you guys scrutinized that in detail. So if  
12 there's no other questions, any public comments or  
13 questions regarding our audit?

14 (No response.)

15 MR. JONES: I have one question. You guys just  
16 do what they call bean counters. Right?

17 MS. JANSEN: We do count beans. Actually, I  
18 count drywall, I count whatever I've had to in my career  
19 as an auditor, which we were talking about earlier.

20 MR. JONES: With all of this paper, is the  
21 career that you picked really what you wanted to be?

22 MS. JANSEN: I like to ask questions and I like  
23 people, so I think I'm good. And I always get to  
24 basically ask more and more questions. I would be lying  
25 if I said it's the last question or answer I'll ever have.

1 MR. JONES: Because Melinda said you hardly  
2 came in.

3 MS. JANSEN: Oh, no. We were here. And we  
4 actually really appreciated the involvement, and we meet  
5 outside of the audit time to make sure we're updated on  
6 planning.

7 MR. JONES: Because we look very hard to find  
8 qualified people to scrutinize because we want to be  
9 right.

10 MS. JANSEN: Absolutely.

11 MR. JONES: We want to be right, we want to be  
12 straight, and it's a testimony to the staff that what you  
13 found was the way it was. So again, that's a thank you to  
14 our staff, and thank you very much.

15 Any public comment?

16 (No response.)

17 MR. JONES: Hearing none, all in favor of  
18 approving the independent financial audit for year ended  
19 August 31, 2015.

20 MR. LONG: You need a motion and a second.

21 MR. JONES: Wasn't there a motion? We gave  
22 accolades but no motion.

23 MR. ROMERO: I will make a motion to approve  
24 the audit as presented.

25 MR. JONES: Motion to approve.

1 MR. DIETZ: Second.

2 MR. JONES: Motion and second. Any public  
3 comment regarding the motion that's on the floor or the  
4 item discussed?

5 (No response.)

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

8 (A chorus of ayes.)

9 MR. JONES: Passed unanimously. Thank you.

10 MS. SMITH: Thank you so much.

11 MR. JONES: Actually, the Audit Committee  
12 really does the heavy lifting on this for the Board.

13 MR. ROMERO: She made it easy.

14 MR. JONES: She made it easy?

15 MR. ROMERO: Yes. A lot of good information.

16 MR. JONES: Item 3: Presentation, discussion  
17 and possible changes to the Texas Foundations Fund  
18 program.

19 (General talking and laughter.)

20 MS. TAYLOR: Good morning, Mr. Chairman and  
21 Board members. Katie and I are here to discuss changes to  
22 the Texas Foundations Fund program. We're considering  
23 making these changes this coming year, so we're not here  
24 today to actually ask you to approve anything but we just  
25 wanted to discuss the possible changes.

1 MR. JONES: So just a discussion item.

2 MS. TAYLOR: Yes.

3 So these changes and initiatives came about as  
4 a result of discussion and research we did the last six  
5 months. We created a working group that included staff  
6 and Mr. Bill Dietz and Mr. Jerry Romero. And as you may  
7 recall, in June of this year the staff recommended the  
8 creation of this working group and it was something that  
9 was discussed in the Board meeting in June, and the  
10 working group was established to tackle the structure of  
11 the program, the Texas Foundations Fund, and to come up  
12 with ways to increase the budget size of the program from  
13 funding sources outside of what TSAHC commits to the  
14 program each year.

15 So the working group met in June and decided on  
16 the following main goals, which are in the writeup that's  
17 in your board book: the first one was to reexamine the  
18 structure and purpose of the Texas Foundations Fund, and  
19 then the second one was to explore the possibility of  
20 various funding mechanisms to support the Texas  
21 Foundations Fund long term.

22 So initially, at the direction of Mr. Romero,  
23 we looked at whether there would be any benefit to TSAHC  
24 and the Texas Foundations Fund if we created a separate  
25 nonprofit foundation or if we created an endowment as

1 well. And the staff then went and spent a considerable  
2 amount of time researching different aspects of these  
3 questions. And what we quickly realized is that neither  
4 option really created any substantial benefit for TSAHC or  
5 the program itself. For example, we found that  
6 organizations that created a separate nonprofit foundation  
7 were organizations that were not already a nonprofit, and  
8 since TSAHC is already a nonprofit, creating a separate  
9 nonprofit foundation would really not add any benefit to  
10 the program but would create a lot of additional  
11 organizational work and expenses relating to accounting  
12 and legal, fundraising and separate staff.

13 And also, while we were doing this research we  
14 spoke to other organizations around the country that have  
15 similar programs to the Texas Foundations Fund, and it was  
16 during those conversations with those organizations that  
17 triggered ideas on how we could restructure the program  
18 and how we could partner with the nonprofits that get  
19 funding from this program.

20 And so now I'm going to turn it over to Katie  
21 to discuss the changes we're proposing and why we're  
22 proposing making these changes.

23 MR. JONES: And this is going to be in  
24 consideration of number one of the considerations?

25 MS. TAYLOR: That's right. And after her

1 presentation, I'll come back and discuss the funding.

2 MS. CLAFLIN: Good morning. Katie Claflin,  
3 senior development coordinator, and I'm going to go  
4 through the proposed changes to the structure of the  
5 Foundations Fund.

6 So when we first started talking about the  
7 structure of the Foundations Fund with the working group,  
8 we knew there were some challenges to the current  
9 structure that we wanted to address. The challenges had  
10 been brought to our attention both by the applicants that  
11 we've worked with, as well as with our internal  
12 discussions.

13 And those challenges were, number one, that  
14 under the current regional structure, nonprofits and local  
15 governments in small MSAs were often scored against the  
16 nonprofits and the local governments in the larger MSAs  
17 and those nonprofits in the smaller MSAs often didn't have  
18 the grant-writing resources to compete with the  
19 organizations in the larger areas. And then the second  
20 challenge is also that each year we receive several more  
21 high quality applications than we're ever able to fund.  
22 And then finally, we had received some feedback from the  
23 applicants that the current application process was  
24 strenuous for the amount of funding that was currently  
25 available.

1           So we wanted to find a structure that would  
2 allow nonprofits and local governments in smaller markets  
3 to compete with those in the larger markets that would  
4 allow us to fund more applicants and that would reduce the  
5 amount of time that applicants spent actually completing  
6 their applications. But we did know that with the current  
7 amount of funding available that funding more applicants  
8 could potentially mean reducing the amount of funding  
9 available to each applicant. So we wanted to find a way  
10 to ensure that our funding still had a meaningful impact  
11 on the programs that we fund, but also ensuring that our  
12 nonprofit partners had other funding to support their  
13 programs.

14           And so this is the structure that we are  
15 proposing. This working group is proposing changing the  
16 Foundations Fund to a matching fund that would only match  
17 public and private funds raised by selected partners. All  
18 applicants meeting certain threshold requirements would  
19 qualify as selected partners, regardless of the region  
20 served, and would be eligible for funding.

21           MR. JONES: Can we just do them one at a time?

22           MS. CLAFLIN: Sure.

23           MR. JONES: So the first thing is to do  
24 matching funds, they wouldn't be direct grants, they would  
25 raise money and we would match whatever they raised?

1 MS. CLAFLIN: Up to a certain limit.

2 MR. JONES: Up to a certain limit, but do they  
3 have to raise a certain amount to qualify for match?

4 MS. CLAFLIN: It would be a dollar for dollar.

5 MR. JONES: It doesn't matter. If they're  
6 worthy and deemed a good application to be funded, then it  
7 would be funded on a matching basis.

8 MS. CLAFLIN: Right. And I will talk about  
9 that. Just a couple of bullet points down I'll talk a  
10 little bit about what that selection process will look  
11 like and then what the steps will be from there.

12 So all applicants meeting certain threshold  
13 requirements would qualify and would be eligible.  
14 Partners would submit an application every two years  
15 through an online application process, however, funding  
16 would be made available each year, so partners wouldn't  
17 need to wait two years to receive funding from the  
18 Foundations Fund.

19 The funding available to each selected partner  
20 would depend --

21 MR. JONES: Partners would be selected every  
22 two years through an online application and funding would  
23 be available each year. So you would qualify for two  
24 years of matching funds?

25 MS. CLAFLIN: Yes.

1 MR. JONES: Okay, all right. Got it.

2 MS. CLAFLIN: And our hope is that by only  
3 having them submit an application every two years, we  
4 would reduce the amount of time that they would need to  
5 spend completing that application process.

6 MR. JONES: Okay. Makes sense.

7 MS. CLAFLIN: And then the funding available to  
8 each partner each year would depend both on the funding  
9 available as determined by TSAHC's Board and the total  
10 number of selected partners.

11 MR. JONES: Which could result in the selected  
12 partners doing a good job of raising funds of which we  
13 might not be able to match all the funds.

14 MS. CLAFLIN: Right. Well, the total amount of  
15 funding to each partner would depend on both the --

16 MR. JONES: So you would match up to X number  
17 of dollars.

18 MS. CLAFLIN: We match up to, right, and we  
19 would communicate with them the total amount of matching  
20 funds available to each partner.

21 MR. JONES: My radio station just was wrapping  
22 gifts in the mall last weekend and anybody that donated we  
23 had another firm that would match it dollar for dollar up  
24 to \$2,000. Of course, I realized that whole match thing  
25 pretty much, I was wrapping.

1           Go ahead. That makes sense, and that's what  
2 people seem to be going to, too, the matching which really  
3 expands the amount of money that the qualified agencies  
4 get.

5           MS. CLAFLIN: And as Janie mentioned in her  
6 earlier remarks, we did communicate with some other  
7 organizations that have this type of structure and it  
8 seemed to be working pretty well for them.

9           So partners will only have to apply every two  
10 years and it's also important to note that these proposed  
11 changes would eliminate the current rule which prohibits  
12 organizations from receiving funding more than two years  
13 in a row.

14           MR. ROMERO: So that was my question there.  
15 Did we discuss putting a limit in general, or they could  
16 come in every two years for the same organization and be  
17 qualified every two years, every two years, every two  
18 years?

19           MS. CLAFLIN: Yes. Under the current proposed  
20 changes, we're thinking that every two years the same  
21 organizations could qualify.

22           MR. ROMERO: That's something that we're still  
23 going to work on, right, the mechanics? Because we're  
24 going to go right back to where we were when we first  
25 started the process: you have those strong nonprofits

1 that continue to apply every two years and they'll be on  
2 there; when do the other organizations have an opportunity  
3 if they're always going to score higher and be selected?

4 MS. TAYLOR: So one of the things that Katie  
5 mentioned at the beginning is that we're going to set  
6 threshold criteria, and everyone that meets that criteria  
7 is eligible. And although we haven't determined that  
8 threshold criteria, there won't be any scoring.

9 MR. ROMERO: Understood.

10 MS. TAYLOR: So there won't be that every  
11 organization that scores for this much or higher only  
12 those get to be partners for two years. It would be  
13 everyone that meets that criteria.

14 MR. JONES: In other words, smaller people  
15 would not be excluded.

16 MS. TAYLOR: Unless they don't meet the  
17 threshold criteria.

18 MR. ROMERO: I understand that. So how are you  
19 going to determine from those eligible organizations who's  
20 going to get the money?

21 MS. TAYLOR: They will all be eligible for  
22 matching funds.

23 MR. ROMERO: Sure. But how many applications  
24 did we have last year?

25 MS. CLAFLIN: Thirty-seven.

1 MR. ROMERO: And how many were sent to the  
2 advisory board to review and approve?

3 MS. CLAFLIN: Thirty-four.

4 MR. ROMERO: So we only gave out sixteen  
5 awards?

6 MS. CLAFLIN: Yes.

7 MR. ROMERO: So if we had thirty-four  
8 organizations that were eligible at that threshold,  
9 where's the money going to come from to give everybody?

10 MS. TAYLOR: And I think Katie is getting to  
11 that. But if we had used that structure this time and  
12 then thirty-four organizations would have received  
13 funding -- would be eligible to receive funding, matching  
14 dollars, and we estimated it would have been about \$15,000  
15 each. This year we awarded several -- many grants over  
16 \$15,000.

17 MR. JONES: So the bigger guys wouldn't have  
18 gotten the \$50-, everybody might have gotten \$15- in  
19 matching funds.

20 MR. ROMERO: So that number can technically go  
21 down if you had more and more organizations eligible every  
22 year or every two years.

23 MS. TAYLOR: That is certainly possible and we  
24 have to consider it.

25 MR. JONES: Because the balance is funding more

1 qualified organizations, expanding the number of  
2 organizations we help. That's the foremost reason for  
3 this new system.

4 MR. ROMERO: So depending on available dollars  
5 and the number of organizations that are eligible, we'll  
6 have to modify the criteria on that given year as to what  
7 the maximum can be to each one organization.

8 MS. TAYLOR: That's correct.

9 MR. JONES: And try to raise more money to give  
10 more money in higher levels of the threshold to the  
11 expanded amount of organizations that will benefit.

12 MR. DIETZ: Wouldn't it be true that  
13 probably -- this may not be true across the board, but  
14 many of those entities that we might be granting \$50,000  
15 to as a percentage of their overall budget, that might not  
16 be a huge percentage, but somebody that we're bringing  
17 \$15,000 to, it could be a large percentage. You might be  
18 making more of an impact to that organization that you're  
19 giving \$15,000 to than the ones that we used to give  
20 \$50,000 to and we can't anymore under the new guidelines,  
21 if it pans out the way that we're discussing.

22 MR. ROMERO: Which we had that discussion  
23 before, how much of a real impact are we having on some of  
24 these organizations.

25 MR. JONES: But it seems like you're finding

1 more organizations that determine or could use money and  
2 we need to try to help as many, as broad a cross-section  
3 as we can, and this is the solution for now.

4 MS. TAYLOR: I think that was one of the  
5 concerns that because we were using a regional structure,  
6 and we could have created more regions and then that also  
7 reduces the amount of funding available per region. But  
8 what we are finding is there were areas of a region that  
9 maybe didn't have the staffing resources to create an  
10 application that would score as high as the application of  
11 the nonprofit that had very sophisticated and highly  
12 educated development staff, fundraising staff that were  
13 raising millions of dollars. So those organizations that  
14 were outside of a major MSA but were still in the same  
15 region as a major MSA, were not ever getting funded.

16 MR. JONES: And having to fill out paperwork  
17 every year was another burden on the smaller. So if they  
18 qualify now, they'll be eligible for two years of matching  
19 funds.

20 MS. TAYLOR: Right.

21 MR. JONES: Okay. Which also cuts down on the  
22 staff evaluations and all that, other than just making  
23 sure they're doing what they said with the money.

24 Okay. Go ahead.

25 MS. CLAFLIN: And so after partners have been

1 approved to receive matching funds, all they would need to  
2 do then is just submit a refunding request with proof that  
3 they had funding that was eligible for match, and then we  
4 would submit that funding to them. And then at the end of  
5 every year they would just need to submit a brief summary  
6 to document their use of our matching funding.

7 MR. JONES: Then staff would verify it.

8 MS. CLAFLIN: Yes.

9 MR. ROMERO: That was my question: How do you  
10 verify the proof of funding from their side?

11 MS. CLAFLIN: I think it would depend on the  
12 type of funding, but for grant funding, a grant award  
13 letter.

14 MR. ROMERO: From another entity or whatever  
15 the case may be.

16 MS. CLAFLIN: Right, exactly.

17 MR. JONES: Although they could use that letter  
18 three or four times.

19 MS. CLAFLIN: We would make sure in our review  
20 process that they were not submitting the same letter for  
21 multiple matching funds. We're not going to match the  
22 same funding more than one time.

23 MR. JONES: It's crazy that we would think  
24 that.

25 (General laughter.)

1 MS. CLAFLIN: And so another thing I wanted to  
2 point out is that we did conduct a survey of everyone who  
3 had applied for a Foundations Fund grant in the past two  
4 years, mentioning this proposed structure change to them,  
5 and the results were generally very positive. So we  
6 always want to make sure that we get the feedback of the  
7 nonprofits and local governments that we partner with, and  
8 so we did make sure to do that before bringing these to  
9 you.

10 MR. JONES: Okay. So the rationale, the  
11 situation, the potential solution seems good. Now the  
12 money part. Right? The funding mechanism?

13 MS. TAYLOR: Right. Well, and before we move  
14 from this, I do want to say that some of the big things  
15 that we need to work on before we come back to you with  
16 new guidelines is that we need to figure out what do those  
17 thresholds look like. And also, for matching funds, what  
18 are we going to allow in terms of -- we've figured out  
19 what kind of matching funds we'll allow actual grants, but  
20 also possible in-kind donations like an in-kind donation  
21 from Home Depot or something like that. But how far back  
22 will we allow them to show us that, did they receive it  
23 six months ago or a year ago.

24 MR. JONES: You're talking about being able to  
25 fund retroactive?

1 MS. TAYLOR: Right. So let's say they want to  
2 ask for matching funds in September.

3 MR. JONES: Previously qualified but we didn't  
4 have the money.

5 MS. TAYLOR: Right. Are they providing us with  
6 proof of matching funds for a grant that they got three  
7 months ago, six months ago, and so how far back will we  
8 allow them to go.

9 MR. JONES: This will be a first-time  
10 transitional kind of situation.

11 MS. TAYLOR: Right. So there's other things  
12 that we need to consider and we're going to discuss before  
13 we come back.

14 MR. ROMERO: Before you move on. So Julian  
15 raised some money for the Valley. How is that going to  
16 tie into this process if they want those monies to stay  
17 specifically there?

18 MS. TAYLOR: I'm glad you brought that up  
19 because that's another of the benefits that we see with  
20 this model is that we could use that money very quickly.  
21 We could have the nonprofits utilize that money very  
22 quickly. In the current model, for example, you've seen  
23 the \$20,000 that was raised by the Rio Grande Valley  
24 Partnership that our Advisory Council member, Julian  
25 Alvarez, was the one who coordinated that event that

1 raised that money, that money was raised in October of  
2 last year and we received that money in December. We are  
3 just now putting that money out as grants for the area  
4 that he designated.

5 What we're going to try to do is be flexible.  
6 If we get funding from someone that wants to just use it  
7 in a certain area, we're going to contact those partners,  
8 our approved partners in that area and let them know we  
9 have additional money available for you if you can show us  
10 your matching dollars you can get it.

11 MR. DIETZ: So our regions that we define would  
12 basically go away, but a donor could still define whatever  
13 region they wanted using whatever boundaries they wanted  
14 to.

15 MS. TAYLOR: The city and county. In the  
16 application process we do plan to ask them still, the  
17 nonprofit, what counties/areas are you serving.

18 MR. ROMERO: So the old model had TSAHC  
19 matching up to \$25,000 from the grantor. Correct?

20 MS. TAYLOR: Right.

21 MR. ROMERO: What you're suggesting now is that  
22 if we got those monies they're going to be used first and  
23 not necessarily matched by TSAHC?

24 MS. TAYLOR: Well, that's something that we  
25 haven't decided yet and that's something that we would

1 have to come back to the Board for you to decide.

2 MR. ROMERO: Because that was one of the  
3 selling points when we visited with the Western Refining,  
4 so it's definitely something that we need to discuss so  
5 that we don't give the wrong impression when we go out and  
6 see people.

7 MR. JONES: That you're switching what you  
8 agreed the basis on which you raise the money. So the way  
9 to answer that is to use that to match other nonprofits in  
10 that same area the first year.

11 MR. ROMERO: But the selling point to this  
12 organization was that if they gave \$25-, they were going  
13 to get \$25- from TSAHC that was going to be spent in the  
14 El Paso market. This would change that process.

15 MS. TAYLOR: Not necessarily.

16 MR. JONES: Actually, it does say that we're  
17 going to match.

18 MR. ROMERO: But what you just said about Rio  
19 Grande Valley is that you would use that money first.

20 MS. TAYLOR: No. I said we could use it very  
21 quickly. The nonprofits could access that funding very  
22 quickly.

23 MR. DIETZ: Because rather than having to wait  
24 for the next cycle, you already have a list of people from  
25 that region.

1 MS. TAYLOR: Now, whether the Board decides  
2 that they're going to match any donation made to the  
3 Foundations Fund, that's something that will have to come  
4 back to the Board for you to decide.

5 MR. JONES: But we already know that we have to  
6 match \$25,000 to that \$25- that was raised to be used in  
7 that area.

8 MR. ROMERO: Under the old model.

9 MS. TAYLOR: And that's something that you  
10 decided last year, last fiscal year.

11 MR. JONES: And we already matched it and  
12 awarded it from last year? So that's already been done?

13 MS. TAYLOR: You approved those in September.

14 MR. JONES: So that's been done. So going  
15 forward you have to go sell them on the new thing.

16 MR. ROMERO: We need to come up with a process  
17 to make sure that the message we're giving to these  
18 additional funders, they understand how it's going to  
19 work, whatever we decide, whatever you come back with and  
20 the Board approves.

21 MR. JONES: And it's not real different from  
22 what you said about matching their \$25- in your area.

23 MS. TAYLOR: So I'll go back to the  
24 fundraising. So one of the things that we discussed, in  
25 fact, this summer is whether we should consider creating

1 an endowment, and we did a lot of research on the  
2 structure of an endowment and what it takes to create one,  
3 and we talked a lot about it with Jerry and Bill. And what  
4 we realized is that although an endowment is a great tool  
5 for a stable source of funding for an organization or a  
6 program, TSAHC is not yet in a position to raise the  
7 millions and millions of dollars necessary to create an  
8 endowment that would sustain the funding level that we  
9 need each year for the program.

10 MR. JONES: Endowments have to have a lot of  
11 money in it to be worth it. It's got to sit.

12 MS. TAYLOR: Yes, exactly. So short of some  
13 infusion of millions of dollars from a funder or another  
14 source, we believe that we're years away from creating an  
15 endowment for this program. So again, unless something  
16 changes and we get somebody that wants to invest millions  
17 of dollars into this program, we're not there yet.

18 MR. JONES: But that's also coupled with the  
19 fact that people like Mr. Romero are putting a lot of  
20 pressure to continue to raise more money period to be used  
21 and put right into the system.

22 MS. TAYLOR: That's exactly right.

23 MR. JONES: The legislature expects us to but  
24 there's a lot of pressure just to increase that amount  
25 without stuff that you can set aside that won't be used

1 any time soon.

2 MS. TAYLOR: That's exactly right. That's one  
3 of the challenges is that organizations that create an  
4 endowment, they find themselves raising money to create  
5 the endowment, but then they also need to raise money to  
6 continue whatever program or organization they're trying  
7 to fund at the same time.

8 But what we do plan to do -- and it was in your  
9 writeup -- is that we plan to do a couple of different  
10 things, and one of them is that we want to plan and  
11 execute for the first time some sort of event that will  
12 raise money for the Texas Foundations Fund in this coming  
13 year. The specifics of what that is has not been  
14 determined, but we're talking to other organizations on  
15 how they could partner with us, on the benefits of doing  
16 one type of event versus another. And in addition to,  
17 we're going to talk with the Advisory Council in hopes  
18 that they have additional ideas for us in figuring out  
19 what their role would be in helping us with this event.

20 And then in addition to, we plan to do an  
21 online giving campaign in this coming year that  
22 specifically raises money for the Texas Foundations Fund.

23 But we also want to partner with other organizations that  
24 are in the housing industry and have their support to  
25 promote our online giving campaign to their members.

1           So those are the two main fundraising new  
2 initiatives that we plan to do this coming year, and we're  
3 hoping that that will be a good first step and we can grow  
4 can build upon that to either grow an event and continue  
5 to increase the awareness of the Foundations Fund and the  
6 organization, and then just increase the number of  
7 individual donors that give to this program.

8           Any additional questions?

9           MR. JONES: Undoubtedly a statewide event?

10          MS. TAYLOR: Whether it's a statewide event --

11          MR. JONES: Or if it's done in regions?

12          MS. TAYLOR: Exactly. Those are all the things  
13 that we're considering.

14          MR. JONES: And what's your deadline for doing  
15 that in order to get an application out for 2016? Or you  
16 may not do funding in 2016? These all have to be in  
17 place, everything has to be pretty much in place in order  
18 to start the process for 2016. Right?

19          MS. TAYLOR: Right. So Katie can talk about  
20 what our next steps are for the guidelines.

21          MS. CLAFLIN: So we're thinking we'd like to  
22 keep the same timeline that we kept in the past few years  
23 which would mean that we would bring the draft guidelines  
24 to you in February. They would then go out for public  
25 comment for thirty days. So then we would bring the final

1 guidelines to you for approval at the April Board meeting.  
2 At that point, the partner application would open up, it  
3 would be open for six weeks or two months. And then the  
4 staff would then go through those. Shortly after that,  
5 mid to late summer, we would select the partners, at which  
6 point we would announce the funding available to each  
7 partner, and then the selected partners would then be able  
8 to submit through the funding requests.

9 MR. JONES: And that's based on knowing that we  
10 do have at least the \$350- that we put in or whatever.

11 MS. TAYLOR: What the Board decides and then  
12 any additional funding that we were able to get.

13 MR. ROMERO: Is it your intent to send the  
14 proposed guidelines that doesn't have the minimum  
15 thresholds to the Advisory Council for review before  
16 coming to the Board?

17 MS. CLAFLIN: Yes. And that timeline would  
18 likely be late January.

19 MR. JONES: And that's before February then.

20 MS. CLAFLIN: Right.

21 (General talking and laughter.)

22 MR. JONES: I think well done, well presented,  
23 well thought out, and we'll see. The Board will support  
24 it. It sounds like it makes sense, and a lot of people  
25 are going to the matching fund concept anyway, because it

1 helps you do more for yourself and really maximizes what  
2 you said you want to do. I like it, I think it's good.

3 Any other comment, discussion? Any public  
4 comment?

5 MR. DIETZ: Thank you for bringing it to us.

6 MS. TAYLOR: And thank you, Mr. Dietz and Mr.  
7 Romero. They've been active in the discussions and  
8 bringing up important points from different aspects.

9 MR. JONES: It sounds like the Texas  
10 Foundations Fund is going to get better.

11 Any public comment?

12 (No response.)

13 MR. JONES: Okay. Thank you. There's no vote  
14 on this, so thank you very much.

15 MS. TAYLOR: Thank you.

16 MR. JONES: And finally, we don't have any  
17 closed meeting stuff, right, Counselor? I'm just making  
18 sure because I wanted to say: And our last item.  
19 Presentation, discussion and possible approval for  
20 publication and public comment of the draft of the Texas  
21 State Affordable Housing Corporation 2016 Action Plan.

22 MR. WILT: Good morning, Chairman Jones, Vice  
23 Chairman Dietz, Board Member Romero. I'm Michael Wilt,  
24 external relations specialist for the Texas State  
25 Affordable Housing Corporation, and I'm here to present

1 the Corporation's draft 2016 Annual Action Plan.

2 This plan is prepared in accordance with Texas  
3 Government Code Section 2306.566, which requires our  
4 Corporation to develop a plan to address the state's  
5 housing needs. According to Section 2306.0721(g), the  
6 Corporation's annual action plan must be included each  
7 year in the State Low Income Housing Plan prepared by the  
8 Texas Department of Housing and Community Affairs.

9 I want to thank each of the program managers  
10 for providing data and information about the successes and  
11 direction of their programs and also for reviewing the  
12 final draft. I also want to thank Janie, Katie and Liz  
13 for their thorough review of the plan. Many eyeballs have  
14 seen the draft before you and all of the edits have been  
15 incorporated into this document.

16 Briefly regarding the process, today we are  
17 asking for approval and publication of the draft plan and  
18 to make it available for public comment beginning on  
19 Monday, December 14, and concluding on Friday, January 22  
20 of 2016. This public comment period will include a public  
21 hearing that we will be having in conjunction with TDHCA  
22 on Thursday, January 14 at the Stephen F. Austin Building.

23 We will then bring the plan back to you for final  
24 approval in February.

25 Briefly regarding the plan, you will find the

1 Corporation's stated objective on page 2 which is to  
2 continue to implement innovative approaches to fulfill its  
3 mission while maintaining the success of its current  
4 programs. The Corporation's mission is to serve the  
5 housing needs of low, very low, and extremely low income  
6 Texans and other underserved populations who cannot access  
7 comparable housing options through conventional financial  
8 channels.

9 We accomplish that mission through our  
10 programs. The plan includes descriptions for each of our  
11 programs and their corresponding 2016 implementation  
12 plans. Beginning on page 3 you'll find our homeownership  
13 programs that include our Homes for Texas Heroes home loan  
14 program, Home Sweet Texas Home loan program, Mortgage  
15 Credit Certificate program, and homebuyer and financial  
16 education programs.

17 On page 7 you'll find a description of our  
18 Texas Housing Impact Fund and its corresponding  
19 implementation plan on page 8. Pages 9 and 10 cover our  
20 Affordable Communities of Texas and multifamily private  
21 activity bond programs. Pages 11 through 13 cover asset  
22 oversight and compliance, single family rental program and  
23 multifamily rental program. And finally, on pages 13  
24 through 15 you'll find a description of the Texas  
25 Foundations Fund and our corresponding implementation plan

1 for that program.

2 With that, I invite any questions on our draft  
3 annual action plan.

4 MR. JONES: Anything in the plan you want to  
5 emphasize to us?

6 MR. WILT: I would emphasize that under  
7 homeownership programs, in terms of 2016 implementation,  
8 we are trying to expand our marketing efforts, as we do  
9 every year. There are still many Texans, and Americans,  
10 for that matter, who don't know that down payment  
11 assistance is available to them, and not only in  
12 underserved -- there are areas that don't use our program  
13 as much as other areas -- but across the board it's still  
14 a big concern. So we'll continue to expand our outreach  
15 efforts to promote the programs, not only to Realtors and  
16 lenders but to potential homebuyers themselves.

17 I'd also note under the Texas Housing Impact  
18 Fund that that is a new program name, formerly our Direct  
19 Lending program, and that we are focused in 2016 on  
20 providing more money for that and also maybe giving out  
21 some money under that program. But that will be a big  
22 drive in the following year is really marketing that  
23 program and trying to get more money available to it.

24 In terms of the single family rental program  
25 and multifamily rental program, I believe that we are done

1 purchasing properties, and whereas, in past years we've  
2 been expanding the portfolio under both of those programs,  
3 we don't anticipate, according to the program managers,  
4 that that program will be expanding further.

5 MR. JONES: Is there any way to track whether  
6 there's an increase in use of our website for inquiries  
7 and evaluations and strategies? Because you can do on and  
8 do the little calculator that we have -- I heard it's  
9 state of the art still. Any way of tracking if that usage  
10 is up or down on anything?

11 MR. WILT: Yes. We have Google Analytics and  
12 we have very good data on increased web traffic. We also  
13 created specific landing pages under our homeownership  
14 programs for each of the different types of loans that you  
15 can get and we've seen a dramatic increase in traffic as  
16 we continue to work with our third party vendor on the  
17 website improvements.

18 MR. JONES: The best way is to get whom  
19 involved: individuals on to the website, or to get  
20 Realtors to be aware of the program on behalf of helping  
21 individuals who are looking for housing or homes?

22 MR. WILT: I can't really speak to what the  
23 most effective strategy is.

24 MR. JONES: But are Realtors participating? I  
25 mean, the first person is really a Realtor. If they don't

1 know about our programs and what we do, then the second  
2 question is that it's got to be the Realtor. And I know  
3 you're doing real estate education programs, Realtor  
4 education programs. Are you following me?

5 MR. WILT: Yes, I am. I think Janie is going  
6 to take that one.

7 MS. TAYLOR: Janie Taylor, manager of  
8 Communications and Development.

9 As Michael mentioned, we can look at data on  
10 all of our web pages of our website and see which ones are  
11 being visited the most and we can look at what parts of  
12 the state.

13 MR. JONES: In other words, effective.

14 MS. TAYLOR: Yes. And we continue to see an  
15 increase in the traffic. In terms of who is best to  
16 target, either consumers or Realtors and lenders, they all  
17 are. Our strategies include methods for targeting all of  
18 them, and they each have a section on our website.  
19 There's a Realtor and lender section that includes  
20 information on the program, marketing materials, training.

21 MR. JONES: What he refers to as landing pages.

22 MS. TAYLOR: Landing pages, so when you have  
23 your different menus up there, there's a lender and  
24 Realtor section and they have information there that they  
25 need in order to get information on the programs

1 themselves and how they can get more educated on the  
2 programs or they can market the programs to potential  
3 homebuyers.

4           And then for the consumer we have things for  
5 them on the website. The eligibility quiz is a big huge  
6 thing. We do Google ads and those are pretty effective,  
7 but probably the biggest thing that we've done is our  
8 search engine optimization strategy, how to improve what  
9 is considered organic searches to our website, and that's  
10 when you search for anything, any key words, and what  
11 comes up in the first page in the very first few items  
12 because that's what people mostly look at, so below the  
13 ads but what comes up first. And so we've been working  
14 really hard for almost two years now on increasing where  
15 TSAHC comes up for certain key words, primarily in the  
16 homebuyer programs, and that has increased dramatically.

17           MR. ROMERO: I was just going to ask is there  
18 any way of determining where these hits are coming from  
19 throughout the state and so forth?

20           MS. TAYLOR: Yes. It's amazing and sort of  
21 scary the amount of information that you can get.

22           MR. ROMERO: I'd just like to see the  
23 concentration of where the majority of calls are coming  
24 from but how disbursed the inquiries might be.

25           MS. TAYLOR: I'm happy to put something

1 together for you to send to you directly or present.

2 MR. JONES: You can just make a little brief  
3 thing.

4 MR. ROMERO: Sort of similar to what Paige had  
5 provided to us that one time when she wrote all the homes  
6 that we had been partners to with the Mortgage Revenue  
7 program, the bond program.

8 MS. TAYLOR: So you want to see where people  
9 are coming from?

10 MR. JONES: They can just generalize it, saying  
11 that is this, and we find that so-and-so and so-and-so in  
12 this area. Like a summary.

13 MR. ROMERO: Like a blue dot could mean a  
14 hundred people, a hundred inquiries.

15 MS. TAYLOR: So Google Analytics has reports  
16 that you can actually produce, and so I probably won't  
17 recreate the information, I will just create reports.

18 MR. JONES: Just a summary.

19 I had two people ask me a question. One was a  
20 young man, does he qualify for any help from the agency.  
21 I told him to go online, I gave him the website. I know  
22 you do a three question preliminary test just to see if  
23 they can go further.

24 And the second one was the mayor of Corpus  
25 Christi. I was interviewing her on my show, and she said

1 they're trying to do something with housing, affordable  
2 housing in Corpus Christi, and what they're doing now is  
3 taking little small lots and talking about loaning  
4 builders the money to build affordable housing and get it  
5 back and whatnot, and it's almost like they're trying to  
6 reinvent the wheel. What would I tell her to do? Who  
7 would I tell her to call if she wanted to have somebody on  
8 her staff get in touch with TSAHC? Ask her to call David  
9 Danenfelzer probably?

10 MS. TAYLOR: Right. So the Texas Housing  
11 Impact Fund is a program similar to what you just said in  
12 terms of developers can borrow money to build housing, and  
13 then they would repay us. So that's the program that we  
14 have already.

15 MR. JONES: But it's all there on the website.  
16 I just don't know where it all is. I go in there and I  
17 get lost too, it's just so much stuff.

18 MS. TAYLOR: Depending on who you are, we've  
19 organized the website by the audience, so it's the  
20 consumers or homebuyers and lenders and renters. We also  
21 have Realtors and lenders, we have developers. So the  
22 tabs are all for the audience.

23 MR. JONES: So you, sir, are convinced and feel  
24 pretty good that this action plan for 2016 meets, hits,  
25 focuses, accentuates, targets where we need to be to move?

1 MR. WILT: Yes. As I mentioned, it's been  
2 reviewed several times by all the program managers and  
3 other people on staff, so I feel very confident in the  
4 draft plan that's before you.

5 MR. JONES: Any other questions, comments? Any  
6 public comment?

7 (No response.)

8 MR. JONES: Hearing none, the floor is open to  
9 approve for publication and public comment the draft of  
10 the Texas State Affordable Housing Corporation's 2016  
11 Annual Action Plan. Is there a motion?

12 MR. ROMERO: I move to approve.

13 MR. JONES: Move to approve.

14 MR. DIETZ: Second.

15 MR. JONES: Moved and seconded. Any further  
16 discussion from the Board? Any public comment?

17 (No response.)

18 MR. JONES: Hearing none, all in favor say aye.

19 (A chorus of ayes.)

20 MR. JONES: Thank you very much.

21 MR. WILT: Thank you.

22 MR. JONES: That's always my answer: Tell them  
23 to call David -- Danenfelzer, that is. And he's dressed  
24 nice and we didn't get to talk to him or nothing. He's  
25 got a nice blue tie on.

1           MR. LONG: He spent a lot of time in front of  
2 you last month.

3           MR. JONES: That's right. So what's the tie  
4 for today? In case?

5           MR. LONG: We don't have any need for a closed  
6 meeting, but under other business, as I sent you all an  
7 email, Paige Omohundro has accepted a position that is  
8 actually going to cause her to leave the state. She's  
9 going to move to Denver, Colorado, and I wanted to take a  
10 minute to recognize Paige. And I'm going to read this  
11 because I don't want to be too sloppy on it.

12           Paige has been with us almost ten years this  
13 January, and I remember having the opportunity to welcome  
14 her as Ms. Paige McGilloway when she first started as the  
15 new programs manager for our single family programs, and  
16 she impressed us in her interview and she hadn't spent a  
17 lot of time working directly in the bond program but she  
18 had been a manager and she had a lot of people skills and  
19 she was just very impressive. And I will tell you that in  
20 the ten years since she has been working with us, she has  
21 not disappointed us in that expectation that she showed us  
22 in the interview.

23           When you work with someone for ten years, you  
24 get the ability to know someone both from a professional  
25 standpoint and as a person and her character, and I don't

1 think there's someone that I'd consider to -- she met all  
2 that, and we're very proud to have her here. So today  
3 it's my regret to tell you that she is leaving but I also  
4 want you to know that even though we're losing a part of  
5 our family here at TSAHC, we really wish her and Brian,  
6 her husband, a lot of positive wishes and just the whole  
7 opportunity to recognize Paige for all that she's done for  
8 TSAHC to make it a better place to work, to be a part of  
9 and to have her as part of our family.

10 As you might imagine, Paige has been a  
11 significant part of our programs, both in the single  
12 family but also with our professional partners and  
13 everyone that she's had the opportunity to engage with.  
14 And if you know Paige -- and I know Mr. Jones has had the  
15 opportunity to watch her in action -- she is a phenomenal  
16 teacher and educator and speaker, and I would suggest that  
17 she's had a significant impact on not only all those  
18 people but also on us as coworkers.

19 So let me just kind of give you a brief  
20 overview of what Paige has done for us. When we started,  
21 Paige took over the single family programs kind of from  
22 when I had started them, and they had kind of gone through  
23 some iterations, and I don't even know what we were doing  
24 but it was certainly not the volume-wise anything like  
25 what we are doing now, and we have grown that probably

1 four or five times under her leadership.

2 She's managed all of the bond issuances that  
3 have gone out, the bond redemptions, the conversions and  
4 certificates, the Mortgage Credit Certificate program,  
5 including the implementation of the new issuance bond  
6 program. If you remember when the market fell apart the  
7 federal government came up with a special program. Paige  
8 was instrumental in making that work. She brought on  
9 board the Mortgage Credit Certificate program, something  
10 that we debated back and forth on whether we should bring  
11 it on or not bring it on, and Paige was adamant that we  
12 should do that and that we could do it better by managing  
13 it ourselves, and she has proven once again to be correct  
14 and it's been a very big success and it's growing.

15 She managed the changeover in master servicers,  
16 currently using U.S. Bank, and she's managed that process  
17 and that is a big transaction and a big transition any  
18 time you as an issuer change master servicers. She's  
19 managed the changeover from historically we've always been  
20 a bond issuer with single family and now we do TBA. I  
21 think we were the first group in the State of Texas to put  
22 it out as a program and it's been nothing more than  
23 phenomenal in terms of volume and coordination.

24 She implemented the change when we started  
25 doing our DPA program where we used to do it where it was

1 funded and reimbursed and now we do it directly , and  
2 between her and the other program staff and the single  
3 family compliance program, we coordinate with the county  
4 to make sure we table fund all of the DPA through wires to  
5 every single closing for every one we do. It's a  
6 phenomenal amount of work.

7 Marketing efforts, she has constantly amazed me  
8 in her willingness, effort and desire to coordinate with  
9 other staff, Janie Taylor, in marketing coordination.  
10 Flyers, brochures and just her presentations, she's done a  
11 phenomenal job. She responds to countless -- and I'll  
12 repeat that -- countless phone calls to borrowers,  
13 Realtors, lenders, other partners, and she does it  
14 flawlessly. She might get a little hot off the phone  
15 after she gets off and talks to us but so be it. But  
16 she's always professional, she's always cordial, and  
17 always very informative.

18 The team of single family has grown  
19 considerably since Paige started. It is now four, if you  
20 count the single family compliance with Tim Almquist and  
21 Delia Davila and Sarah Ellinor was hired under Paige, and  
22 they do a phenomenal job working together.

23 The Corporation, as you know, worked in  
24 partnership with several organizations, but specifically  
25 TDHCA. We did the TSHEP program, the Texas Statewide

1 Homeownership Education Program. We were a partner with  
2 them, kind of fundraising, doing some administration for  
3 them, and the last two rounds of them looking for a  
4 partner, they've actually selected the Corporation to be  
5 their formal administrator and run the program. And Paige  
6 and Sarah do a phenomenal job, and Paige's leadership  
7 makes that happen very smoothly. And very proud to have  
8 had that happen for us so that we could actually get  
9 awarded that second time most recently.

10 She's done a phenomenal job, as I mentioned,  
11 working with partners, but just the relationships she  
12 builds with like Texas Association of Realtors. We've had  
13 the opportunity to really grow that relationship. It's  
14 allowed us to put, as Mr. Jones mentioned, our programs  
15 are in front of the people who are the first ones on the  
16 ground, the Realtors in the world, and she does a great  
17 job. She trains over there. I don't know how many  
18 webinars you've done. But she's just a phenomenal speaker  
19 and is really well received when she gives presentations.

20 She was a key to the creation of the Texas  
21 Financial Toolbox which is a nice online website component  
22 that we have for accessing information about financial  
23 resources. And she's led the administration of the Texas  
24 Foundations Fund in its earlier years, and as you know, as  
25 of this last round we've now exceeded \$2 million in

1 awards. So there's a lot to be said for what she did to  
2 make that move forward.

3 And she's managed several of the programs we  
4 took in partnership with the NFMC, the National  
5 Foreclosure Mitigation Council. She worked as a leader in  
6 making sure that got done.

7 In summary, there's a lot that Paige has done  
8 and a there's a lot that we're going to miss about her.  
9 We're not going to replace Paige Omohundro. We're going  
10 to look to fill the position but I don't think we're going  
11 to find someone that is Paige. But I think we wanted to  
12 make sure, Mr. Chairman and members, that you had a chance  
13 to recognize with us Paige and the accomplishments that  
14 she's done in ten years.

15 And so with that, we wanted to give you a  
16 certificate which doesn't nearly represent all that we  
17 feel about you but it's from us to you with our heart.

18 (Applause.)

19 MS. OMOHUNDRO: Thank you. And I'm not being  
20 very professional right now with crying. But it has just  
21 been a joy, an absolute pleasure and honor to work here.  
22 And all those accolades, I did not do by myself. It's  
23 because of the tremendous team that David leads that has  
24 allowed us to accomplish, and homeownership specifically  
25 allowed us to accomplish so much. So I thank this

1 wonderful, wonderful family of mine that I'm not leaving  
2 necessarily, just physically I'm going to be separated,  
3 but I guarantee everyone here that you will always be in  
4 my thoughts and in my heart, and whenever I return to  
5 Austin you will have me knocking on your door.

6 So I thank you for allowing me to serve this  
7 great organization for the past ten years.

8 MR. JONES: I think I came on about a year  
9 after. I've been here about nine years myself. Right?  
10 And it took me a while just to get McGilloway, and when it  
11 went from McGilloway to Omohundro, I was very careful when  
12 I called on you.

13 But I've watched the oohs and the aahs from  
14 your presentations. I was asked to speak to the  
15 Association of Black Realtors in Houston, big deal all  
16 over the place, people were packed in there. I was so  
17 confident in her skills that I made the speech and then  
18 yielded the balance of my time, as it were, to Paige, and  
19 when she finished you should have seen the looks on their  
20 faces, their oohs, their aahs. But knew it, I knew it all  
21 the time.

22 And you're going to be missed, no doubt about  
23 it. And thank you for being here, for helping build this  
24 agency for what it is, and you can come back, you know  
25 that. Right? Any time you can come back. Thank you so

1 much for what you did.

2 MS. OMOHUNDRO: Thank you.

3 MR. JONES: Any other comments or discussion?

4 MR. ROMERO: I think that Earnest said it best  
5 last month when he gave the presentation on that chair,  
6 you know, if you listen to one of your speeches, he was  
7 very, very excited about how you presented to the group.  
8 And I think that's one of the reasons we were able to get  
9 monies from the different components of Wells Fargo.  
10 Thank you again.

11 MR. JONES: Want to give another round of  
12 applause?

13 (Applause.)

14 MR. LONG: With that, Mr. Chairman, I would  
15 suggest we don't have any other business for the Board.

16 MR. JONES: I bet you Paige didn't want a going  
17 away party. Right?

18 Anyway, I know that it's tough to see somebody  
19 like that -- many of you, I feel the same way about the  
20 staff here and it's phenomenal what this agency has become  
21 from when we used to meet in the little room on the second  
22 floor down on Congress. Right? Over the top of the  
23 coffee shop or whatever it was, and the idea to get your  
24 own office and to buy your own property and to do this and  
25 to bring you in-house, it's been fascinating to watch the

1 quality of professionalism in staff that's a part of this  
2 agency here. And you guys have taken on TDHCA, you've  
3 taken on political parties, you've taken on and you've  
4 survived and you've flourished, and in large part it's due  
5 to people like Paige Omohundro. So I appreciate it. It  
6 makes my job easier.

7                   Having said that, the next meeting is scheduled  
8 for?

9                   MR. LONG: Potentially January 21.

10                   MR. JONES: January 21. Okay, that's a good  
11 day. Does that sound all right so far?

12                   And I also want to thank Ms. King for being  
13 here and dutifully recording our meeting. To counsel, to  
14 staff, and I won't see you guys again until next month, so  
15 Merry Christmas, Happy Hanukkah, Happy Holidays, I guess  
16 if there's any Kwanzaa folk out there, but may you enjoy  
17 the best of the season, and we'll see you next year.

18                   Meeting adjourned.

19                   (Whereupon, at 11:52 a.m., the meeting was  
20 adjourned.)

