

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,
May 19, 2016
10:33 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair

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

GERRY EVENWEL

ALEJANDRO "ALEX" MEADE

JERRY ROMERO

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P R O C E E D I N G S

1
2 MR. JONES: Okay. It is 10:33. The May
3 meeting of the Texas State Affordable Housing
4 Corporation's board of directors is called to order.
5 William Dietz, Vice Chair?

6 (No response.)

7 MR. JONES: Gerry Evenwel, member?

8 MR. EVENWEL: Present.

9 MR. JONES: Alex Meade, member?

10 MR. MEADE: Here.

11 MR. JONES: Jerry Romero, member?

12 MR. ROMERO: Here.

13 MR. JONES: I presume to be here. I self-
14 identify as being here. I know that is not funny. Okay.
15 Is there any public comment at this time?

16 (No response.)

17 MR. JONES: Okay. At this time, we'll have
18 David Long with our President's report.

19 MR. LONG: Thank you, Mr. Chairman, Members.
20 Good morning. As always, your Board packet includes the
21 program reports through Tab Items A, B and C.

22 There are no exceptional items to report this
23 month. But please note that Quarterly Compliance and
24 Resident Services report is available under Tab B. Again,
25 that is a quarterly report, so we don't see that every

1 month.

2 I also want to note that the monthly
3 development finance report, which will be presented by Mr.
4 David Danenfelzer, is going to be addressed under Agenda
5 Item 4. And in addition, the monthly financial reports
6 that are presented under Tab C -- we'll also be going a
7 little bit more in depth on those, under Tab Item 5, when
8 we discuss the operating budget a little bit more.

9 At this time, I want to take just a minute to
10 introduce the Board to a couple of our newer employees.
11 You have probably all mostly either heard about it, or
12 know of them.

13 But I am going to enlist Liz's help, and
14 introduce two new employees and just recognize them, and
15 have them wave their hands. So go ahead.

16 MS. BAYLESS: Thanks, David. Liz Bayless,
17 Executive Vice President. I just wanted you all to have a
18 chance to meet our two newest employees.

19 Jesse Sepeda has actually been with us since
20 November. But he has always been busy working at Board
21 meeting times, so you haven't had a chance to meet him
22 yet. We asked him specifically to come in today, so that
23 you all could see him.

24 Jesse is our maintenance technician who is
25 doing a terrific job of taking care of 15 single family

1 rental properties, the Rollins Martin Apartment Building,
2 the 1910 East MLK office building, and helping us with
3 this building as well. He has good experience in
4 apartment maintenance, and we have just been delighted to
5 have him on board. And especially James and Celina have
6 been delighted to have him on board.

7 Then I want to tell you the good news, that we
8 filled the open position of Homeownership Programs
9 Manager. We hired Joniel Crim. Joniel started with us on
10 April 1st, and she has 27 years of experience in the
11 housing industry. She came to us from TDHCA, where she
12 spent seven years, most recently managing the Neighborhood
13 Stabilization Program.

14 And before that, she had 20 years as a mortgage
15 loan originator, a mortgage branch manager, and a realtor.

16 We are delighted to have Joniel on board, and she has had
17 a terrific first month and a half with us. I just wanted
18 you to be able to say hello.

19 MR. JONES: There you go. Thank you, Liz.

20 MR. LONG: I also wanted to bring your
21 attention why you don't have a copy of it, because it is
22 50 some odd pages long. I wanted to recognize Melinda,
23 Nick and Betsy for their efforts.

24 I get these reports when they come in, and it
25 is from the State Auditors report. And there is a

1 requirement under the Public Funds Investment Act of 1995
2 that state agencies, universities in the State of Texas
3 and community colleges are reviewed by the State Auditors
4 Office.

5 And we were included in this most recent
6 review. There were 14 agencies, including seven
7 universities and 50 community colleges that were reviewed.

8 And while I don't know that it is something
9 that I can give you all the details on, I'm going to have
10 to give you a copy of a 50-some-odd page report. But what
11 is interesting, and what I wanted to tell you is that this
12 report really is required.

13 And what it does is, it takes a look at the
14 implementation of controls that we have as an organization
15 in the form of investment policies, contracting, training,
16 reporting and reviewing, as well as, you know, obtaining
17 audits that are submitted to the State Auditors report.
18 And as you know, we have done those annually, and have
19 always had a clean audit. And I again, I thank our staff
20 for that. They do a great job, and it is very impressive
21 to say that we have had clean audits since I have been
22 here.

23 The reporting comes this year, as I said, the
24 reporting included 14 state agencies, seven universities
25 and 50 community colleges, and I just wanted to report to

1 you, and I am pleased to report that the Corporation was
2 identified as fully compliant, which means, we had no
3 findings that were reported by the State Auditors Office.

4 And I would just like to, again, thank Melinda, Nick and
5 Betsy for their work, because I think it goes sometimes
6 unsaid.

7 But there is a lot of work that goes on behind
8 the scenes to make sure that we have everything in order
9 and if you will, our ducks are in a row. And it continues
10 to amaze me that we continue to be so good at what we are
11 doing, because of the staff we have. And I just thank
12 them for that. I just wanted to recognize them for that.

13 June is coming up. It is Homeownership month.

14 As a result of that, the Corporation's Homeownership
15 staff have been very busy, not only in the past, but going
16 forward and making -- things coming up.

17 Over the last month, they had meetings with the
18 State Board, the San Antonio Board of Realtors, the Texas
19 Association of Realtors. They did a United Texas course.

20 They hosted an Overcoming Down Payment Hurdle webinar
21 with the realtor associations across the state.

22 And they led four lender trainings that were
23 webinars, and one realtor housing counselor webinar. In
24 addition to that, they are going to be having a lot of
25 upcoming events. And I will go over those. I didn't want

1 to skip around too much. But there is a lot of things
2 that we are going to be doing in June, including some
3 additional trainings, some recognitions that we'll be
4 doing, as well as going out and making sure that we are
5 attending conferences and making our programs known.

6 Moving on to grants and donations, the
7 Corporation, since our last Board meeting in March has
8 received a total of \$7,500 in grants and donations from
9 various organizations and individuals, including
10 Insperity, Frost Bank, Down Payment Resource, which is a
11 partner of ours, MGIC and several individuals who work
12 with our lender program.

13 Upcoming meetings, events that we have either
14 attended, or that we are going to be attending. I am not
15 going to go through all of these. But I am going to hit
16 some of the highlights.

17 Katie and Janie attended the Veteran's Housing
18 Summit in San Antonio. Joniel Crim, who you just got
19 introduced to, has been attending several events with
20 Sarah. The trainings that I mentioned to you, as well as
21 her attending and participating in the events in San
22 Antonio.

23 We had a chance to meet with Julian Alvarez who
24 is, as Alex knows, is a gentleman who serves on our
25 Foundations Fund Advisory board. We had a chance to have

1 lunch -- Michael and I had lunch with him. Not Michael,
2 someone else and I had lunch with him to discuss his
3 continued role.

4 He recently was appointed by the Governor to be
5 a Commissioner at the Texas Workforce Commission. So we
6 are very complimentary of him for that position, but at
7 the same time, he is probably going to step away. But we
8 had a chance to talk with him about options and ways to go
9 with that.

10 Michael and I have been meeting with
11 legislators and partner organizations, including yesterday
12 we met with Chairman Alvarado and her Chief of Staff. We
13 have met with Frank Jackson, who is with the Texas
14 Association of Affordable Housing Providers, Jean Talerico
15 with TALHFA.

16 And in addition to that, we've had the
17 opportunity to have staff attend several conferences,
18 including summits. Liz and I just returned from the
19 summit in D.C. regarding Fannie Mae for their HFA
20 preferred clients.

21 We had a chance to attend NALHFA, which was in
22 Dallas. And in conjunction with that conference, Janie,
23 Liz, Tim and Joniel attended a round table that Fannie Mae
24 invited us to meet with and talk with some of their
25 primary partners in their HFA program.

1 And then subsequent to that, TSAHC was able, in
2 conjunction with Fannie Mae to hold a lender discussion
3 meeting. And I think that went very well, and we have got
4 a lot of information from that as well.

5 We have an opportunity upcoming to participate
6 in several events. There will be launching our first ever
7 consumer webinar on June 1st, again, in conjunction with
8 June being Homeownership month.

9 Learning the Ten Steps of Buying a Home, which
10 will include information about TSAHC's homeownership
11 programs. The webinar will be offered every Wednesday in
12 June, in recognition of Homeownership Month. They have
13 upcoming, they also have Overcoming the Down Payment
14 Hurdle class in Longview.

15 They have home ownership fairs in McAllen,
16 Dallas, and Arlington. And then they have some other
17 lender trainings that would be in cooperation with the
18 Texas Association of Realtors.

19 I might also add that one of the things we have
20 been invited to participate in is with the Federal
21 Reserve Bank that has been working with the Corporation.
22 If you remember, we were involved in the Colonias
23 Initiative. They went back and did a study on colonias in
24 Texas.

25 And we were asked to be a participant in that,

1 and help sponsor the original conference they did to
2 release the information that they put together as a result
3 of us participating in that round table. And they have
4 taken it to the next step, and in June, in El Paso, they
5 are going to hold a Southwest Board of Colonias Housing
6 and Sustainable Development in the 21st Century
7 conference, and it is attached to the United Nations
8 Habitat Three US Domestic Conference. So it is a really
9 big deal, stepping towards the international conference
10 which will be held outside the United States.

11 And we are very pleased to have been asked to
12 be a partner in that, as well as a sponsor. So we'll keep
13 you informed on that. And I have given each of you a copy
14 of a little bit of the information about that conference,
15 as it is coming up.

16 It should be in the stack of paper you have, if
17 you want to read through it. Or if you would like to
18 attend, let us know, and we will make sure you have an
19 opportunity to attend. We have several staff that will be
20 attending that with me.

21 I always like to introduce our professionals.
22 Cindy Leon is here. Cindy, as you know, we are in
23 partnership with the Texas Association of CDCs as making
24 up and constituting the board for Texas Community Capital.

25 Cindy Leon has been our Board representative, one of our

1 Board representatives for several years, and we appreciate
2 her continued support, as well as the fact that she will
3 be serving today. We have a Board meeting after this
4 meeting. So she will be there for that as well.

5 MR. JONES: But she was also a former Board
6 member.

7 MR. LONG: She was also a former Board member
8 of TSAHC. Yes, sir. Thank you very much.

9 MR. JONES: Before she got snatched away to be
10 the Chairman of the DPS. Right?

11 MR. LONG: That is correct.

12 MS. LEON: That is correct.

13 MR. LONG: She has chaired the Texas Department
14 of Public Safety. That is correct.

15 MR. JONES: That is right.

16 MR. LONG: So she moved on to bigger and better
17 things, I think.

18 MS. LEON: That all depends.

19 VOICE: Bigger, maybe.

20 MR. LONG: That is true. Katie Van Dyk is here
21 with Greenberg Traurig, General Counsel. Tim Nelson and
22 Eric Pike are in the back of the room still, with Hilltop
23 Securities. And Greg Hasty who works with one of our
24 trustee firms Wilmington Trust. And he is in the back of
25 the room as well.

1 And I am sure we have other guests that are
2 here. And with that, Mr. Chairman, the only other thing I
3 would like to bring up is that our next scheduled meeting
4 will be in June.

5 The first, the second Thursday is the 9th.
6 Being that early in the month, you might consider the
7 16th, but we will keep you informed. Again, I know most
8 of you likely know exactly what that date is. Again, I
9 throw it out there as the 9th and the 16th.

10 But again, I don't know exactly when that will
11 be held. Just because of the 9th being a little early in
12 the month. But we can certainly do it then, if we needed
13 to.

14 MR. JONES: Any comments or questions for the
15 Chairman on his report?

16 (No response.)

17 MR. LONG: I believe we have one more thing,
18 I'm sorry. I always like to recognize -- Mr. Romero
19 serves on our loan committee. And we did meet yesterday,
20 and had a loan committee and reviewed three loan requests.

21 I think next month we'll see one of those at
22 the Board meeting, as a result. And so I just always like
23 to let you know that David Danenfelzer, Jo Keene and
24 Melinda and Nick, and then James Matias and Celina Mizcles
25 all serve and work with us together, along with Mr.

1 Romero, to make up that loan committee.

2 So we are making good decisions on investments
3 and loans that we are making in our partners, partner
4 organizations. So I didn't want to forget that.

5 MR. JONES: Also, Mr. Danenfelzer was in Corpus
6 Christi.

7 MR. LONG: Yes, sir. He was. Again, a lot
8 going on.

9 MR. JONES: Yes. He was --

10 MR. LONG: He spoke at the summit that was down
11 there, regarding Corpus Christi housing.

12 MR. JONES: It was pretty well attended, too.

13 MR. LONG: Good.

14 MR. JONES: And I got a lot of people --

15 MR. LONG: And I know you were there as well.

16 MR. JONES: Yes. Well, I just moderated the
17 panel. But David was good.

18 MR. LONG: Good.

19 MR. JONES: He was very good. They talked
20 about him, even after he was gone. I said, go home. Beat
21 the rain, man. Get out of here. He was appreciative.

22 At this time, we'll go to Tab Item 1.
23 Presentation, discussion and possible approval of the
24 minutes of the Board meeting held on March 24th.

25 I want to say I appreciate Jerry stepping in.

1 My assumption was that our Vice Chair would chair the
2 meeting, but something came up. Correct?

3 MR. LONG: That is right.

4 MR. JONES: And Jerry stepped in, and thank
5 you, sir. Appreciate it.

6 MR. EVENWEL: These may be approved.

7 MR. MEADE: Second.

8 MR. JONES: All right. It has been approved
9 and seconded. Any public comment regarding Tab Item 1,
10 the minutes?

11 (No response.)

12 MR. JONES: Hearing none, all in favor of
13 approval, say aye.

14 (A chorus of ayes.)

15 MR. JONES: Okay. No opposition. It has been
16 approved. Tab Item 2, presentation, discussion and
17 possible approval of a resolution regarding the submission
18 of one or more applications for allocation of private
19 activity bonds to the Texas Bond Review Board for
20 qualified mortgage bonds and containing other matters
21 incident and related thereto.

22 MS. CRIM: Good morning, Mr. Chairman and
23 members of the Board.

24 MR. JONES: Good morning.

25 MS. CRIM: I am Joniel Crim. And I am the

1 Homeownership Programs Manager for TSAHC. If you would
2 please refer to the second report of Tab A. This is our
3 production report for the mortgage credit certificates for
4 the month of April.

5 As of April 30th, you can see on the bottom of
6 the report that we had about \$84 million remaining in our
7 current supply of mortgage credit certificates. We
8 recently took steps that we expect will greatly increase
9 our MCC volume. And in fact, we had our biggest month
10 last month, ever, for MCCs.

11 Our hope is that this increase in volume will
12 continue to grow. And this higher volume means that we
13 need to really keep a close eye on our supply of MCCs.
14 And based on our production last month, we fully expect
15 that we will use up our current supply before the end of
16 2016.

17 To prevent not being able to meet this
18 increased demand for MCCs, you will notice on Tab 2, we
19 are asking you to approve a resolution to allow TSAHC to
20 apply for bond allocation under our single family bond
21 cap. As long as it is in 2016, this resolution leaves
22 that exact timing of the application somewhat to the
23 discretion of our executives, and will also depend on the
24 Corporation's need for additional funding.

25 Also, the timing may or may not be before the

1 collapse in August of this year. The amount will also be
2 discretionary, but will not exceed 200 million. If you
3 will notice under Tab 3, we are asking you to approve a
4 resolution to allow us to convert that bond allocation to
5 mortgage credit certificates.

6 MR. JONES: Are we covering these at the same
7 time?

8 MR. LONG: If I may, let me interject. And I
9 should have mentioned this to you earlier, Mr. Chairman,
10 and I didn't get a chance to.

11 These resolutions in the past have either been
12 submitted as one resolution by bond counsel or two. And
13 because of the timing on these, Mr. Dransfield, who
14 drafted these for us with Norton Rose, Fulbright, our bond
15 counsel, elected to separate them so that it gives us some
16 flexibility in the timing. And so what I have asked
17 Joniel to do is present them as -- from a discussion
18 standpoint --

19 MR. JONES: Okay.

20 MR. LONG: But you will need to vote on them
21 separately. So I am sorry.

22 MR. JONES: So she is going to refer to Tab 3.

23 MR. LONG: She just, because they are
24 interrelated.

25 MR. JONES: So we are not really taking action?

1 I mean --

2 MR. LONG: Well, you are going to take action
3 on both of them. But we need to do one or the other. We
4 need to do one, we need to do them separately in vote
5 wise.

6 MR. JONES: So we need to do them separately.

7 MR. LONG: But we are just talking through both
8 of them together, because they are interrelated, if that
9 is okay with you, sir.

10 MR. JONES: So how do I say that? That we're
11 just --

12 MS. VAN DYK: It is only discussion. And then
13 when you go to vote on it, just say, we are voting on Tab
14 2. And then ask for a motion on 2. And then do the same
15 thing for 3.

16 MR. JONES: All right. So let me get ready for
17 that. So you are going to blend them. All right.

18 MS. CRIM: Yes, sir. So if you will notice on
19 Tab 3, we are asking you to approve a resolution to allow
20 us to convert that bond allocation to mortgage credit
21 certificates. A \$200 million bond allocation will convert
22 to approximately \$125 million in MCCs.

23 And just as David was saying, you know, we
24 separated the resolutions to simply -- we'd like that
25 flexibility to take down the allocation and then

1 separately do those conversions to MCCs. So please let me
2 know if you have any questions. And I ask your approval
3 of these two resolutions.

4 MR. JONES: I am trying to see if I followed
5 that.

6 MR. LONG: So in my opinion, Mr. Chairman, what
7 you would do is, we would go back and visit.

8 MR. JONES: No. I mean, what are we doing
9 again?

10 MR. LONG: We are basically asking the Board
11 two different requests.

12 MR. JONES: Right.

13 MR. LONG: The first request is to allow us to
14 go to the Bond Review Board and seek to take down an
15 allocation not to exceed 200 million in bond authority.

16 MR. JONES: In addition to what we already
17 have.

18 MR. LONG: In addition to what we already have.

19 MR. JONES: Okay. All right. That is the --

20 MR. LONG: What we already have is already in
21 place.

22 MR. JONES: Right.

23 MR. LONG: That has already been approved and
24 taken care of. In addition to that, we are asking the
25 Board in resolution three, under Tab 3, to allow us at

1 some date in the future to convert that to mortgage credit
2 certificates, that allocation to mortgage credit
3 certificates.

4 MR. JONES: Right. How long does it last?

5 MR. LONG: Well, it will last as long as it is
6 available and brought down by borrowers.

7 MR. JONES: Before the end of the year. I
8 mean --

9 MR. LONG: We anticipate \$125 million would
10 certainly take us through whatever shortfall we have this
11 year and 2017.

12 MR. JONES: Okay.

13 MR. LONG: But we would have the ability in
14 2017, or in 2018, depending on what we need to do to take
15 down additional allocations.

16 MR. JONES: And if we don't use it all --

17 MR. LONG: It continues until it is used for up
18 to three years.

19 MR. JONES: Okay. That is right. All right.
20 I have got it. Any questions, Jerry?

21 MR. ROMERO: I will move to approve the
22 resolution as it stands.

23 MR. JONES: At Tab 2.

24 MR. ROMERO: At Tab 2.

25 MR. MEADE: Second.

1 MR. JONES: It is moved and seconded. Any
2 public comment on Tab 2?

3 (No response.)

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

6 (A chorus of ayes.)

7 MR. JONES: Any opposition?

8 (No response.)

9 MR. JONES: No. It is approved. Tab Item 3.
10 Presentation, discussion and possible approval of a
11 resolution regarding conversion of allocation for private
12 equity bonds to mortgage credit certificates and
13 containing other matters incident and related to, thereof.

14 MR. ROMERO: Move to approve as presented.

15 MR. JONES: Move to approve.

16 MR. MEADE: Second.

17 MR. JONES: Seconded. Any public comment?

18 (No response.)

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

21 (A chorus of ayes.)

22 MR. JONES: Unanimous approval. Tab 2 as well
23 as 3 have been approved. Thank you.

24 MS. CRIM: Thank you.

25 MR. JONES: Item 4, presentation and discussion

1 of recent updates to the Corporation's development finance
2 programs.

3 MR. LONG: A while back, the Board had asked
4 the Corporation staff to every once in a while update the
5 Board on program areas, and kind of status updates, as to
6 how we were doing, what we were doing. And just to kind
7 of provide the Board kind of a refresher on the different
8 activities that the Corporation participates in.

9 And we kind of made the decision that David
10 would get to start that off. We haven't been in front of
11 you in a while with this specific program update, so we
12 had asked David, and he is going to provide you with kind
13 of an update on the Development Finance.

14 MR. DANENFELZER: All right. David Danenfelzer
15 with Development Finance Programs. Instead of my usual
16 one-page report, I increased it to three pages, so there
17 is a little extra reading.

18 And so we are going to be looking at the same
19 three programs we always do look at: our Affordable
20 Communities of Texas, the Texas Housing Impact Fund, and
21 our multifamily private activity bond finance programs.

22 As usual, I'm going in the same order that my
23 normal report does, but I've tried to elaborate on a
24 number of things in this report. Talking a little bit
25 about history, the current program, and then looking to

1 the future on each.

2 As you know, the Affordable Communities of
3 Texas program was founded in 2008. And we feel it has
4 been pretty successful. We have successfully acquired 560
5 vacated and foreclosed properties to date.

6 We have renovated and sold 137 homes for low
7 and moderate income households. We've helped an
8 additional seven households with very low income obtain
9 rental housing through that portfolio. And we've helped
10 more than 70 veteran families with low cost and mortgage-
11 free housing since the program began.

12 Overall, between homes sold to actual low
13 income homebuyers, as well as households that are assisted
14 by our local partners through the buyers agent program and
15 property transfers. And some properties which we
16 received, but that were not appropriated for redevelopment
17 as affordable housing, have been sold.

18 We have actually moved 226 total properties
19 through the portfolio. And we have about 22 that are
20 currently for sale, and eight that are under contract at
21 the time this report was made.

22 And one of the things we always struggle with
23 is, these reports obviously reflect a point in time. We
24 usually try to pick the beginning of the month.

25 But so much happens on a daily basis in the ACT

1 program, it is likely a couple of these properties
2 actually are sold already and that more are under sale,
3 and more are being redeveloped. So these numbers
4 constantly change for staff on a daily basis.

5 As far as what we are focusing on right now,
6 one of the big things we are looking at is increasing
7 production, particularly redevelopment of properties
8 purchased, using Texas Neighborhood Stabilization Program
9 funding, which was a federal program that came through at
10 the end of 2008 and 2009. And we were able to buy the
11 bulk of our properties originally with that program.

12 We have moved a number of those properties, as
13 you can see, 42 have been sold. And all of these are
14 sales to home owners. But we continue to want to step up
15 the process of that, and focus on redeveloping those lots.

16 We have also been, you know, looking for new
17 ways to increase our production. While we only have five
18 homes currently that are used by local partners, and one
19 of our local partners here in Austin, Accessible Housing
20 of Austin for rental, we are looking at ways in the order
21 to allow more of our local partners to do this type of
22 activity.

23 And finally, as we look to increase our
24 production, we are also looking for new markets. We
25 received \$500,000 last fall from Texas Community Bank that

1 is based out of Laredo. And we are helping them deploy
2 those funds -- or they help us deploy those funds in six
3 different counties across the state of Texas.

4 But predominantly, we are focused on Del Rio,
5 the area around Harlingen, Brownsville, San Antonio.
6 Atascosa County is also in there, which is just south of
7 San Antonio. And we are continuing to see activity there.
8 We have already gotten three homes under construction on
9 that.

10 We have a couple more in Hidalgo County that we
11 are looking at doing now. The first three were in Cameron
12 County. And then we are looking for new partnerships in
13 Del Rio and Laredo, specifically.

14 I don't know if you want me to continue to go
15 through each of these, or if you wanted to ask questions
16 on any of the individual programs.

17 MR. JONES: Does he have to? That is not
18 necessary.

19 MR. DANENFELZER: Okay. So we'll move on to
20 Texas Housing Impact Fund. The Corporation has been
21 lending funds directly since 2003. And the program, while
22 growing slowly through time, is really an important
23 program for us.

24 It helps us leverage other resources, as well
25 as helps many of our local partners to leverage our

1 resources to produce housing. One of the highlights, in
2 looking at the data that I have seen is, particularly in
3 2007, we started the interim construction loan program,
4 which we are now calling a revolving line of credit.

5 And this has been the bulk of our activities
6 over the last four or five years. But we helped build and
7 rehabilitate 123 homes for low and moderate income
8 homebuyers. And 66 of those homes have overlapped with
9 our Affordable Communities of Texas Land Bank.

10 So that is important for us to note that almost
11 half of the production also supports our other programs.
12 And we have really been able to, you know, increase
13 credit, particularly to low, or I should say, smaller non-
14 profits in particular areas of the state, and produce over
15 \$3 million of lending that have gone into that housing.

16 The overall portfolio of the program, too, has
17 been really key, when we look at our permanent rental, and
18 we list the current loan portfolio. There have been other
19 loans completed, particularly revolving loans that have
20 been completed and then renewed or terminated after their
21 completion in the life cycle.

22 But our permanent rental continues to be on the
23 books. Those are long-term loans. But I like the fact
24 that, you know, we've been able to leverage, you know, out
25 of the 4.4 million of current outstanding loans that we

1 have out there, more than \$36 million in property value.

2 So although our loans sometimes are a very
3 small piece of the project, an overall project, they
4 really do have a significant impact in making deals
5 feasible and possible in communities that are often not
6 helped by more traditional affordable housing programs.
7 Any questions on the Impact Fund?

8 (No response.)

9 MR. DANENFELZER: I'm going to move on to
10 multifamily bonds, then. As you know, multifamily bonds
11 are something which, again, is not a program that we bring
12 to you on a monthly basis.

13 But we do slowly, and spend lots of time when
14 we do get a deal, in order to make it some of what we
15 think the better deals that are being done. The
16 Corporation's statute that gives us authority to issue
17 these bonds does require that the Board set specific
18 targeted housing needs.

19 And for the last several years, we really have
20 focused in on the key four that we still have today. At-
21 risk preservation and rehabilitation of existing
22 affordable housing, rural and smaller urban markets,
23 senior and service-enriched housing, and disaster-relief
24 housing.

25 And we have lumped those into four specific

1 categories. While nearly all of the projects we do also
2 are affected by the 4 percent Housing Tax Credit program,
3 and are reviewed through the Texas Department of Housing
4 and Community Affairs underwriting process, we also do
5 significant underwriting ourselves in order to make sure
6 these are feasible projects.

7 MR. JONES: When was the last time we have been
8 involved in any disaster-related housing?

9 MR. DANENFELZER: As far as our bond program,
10 the disaster housing has never been one of the key areas
11 we've looked at. We started that program actually in 2009
12 after Hurricanes Rita and Dolly impacted Texas in 2008.
13 We added that in 2009 as a consideration. We did not see
14 any activity out of Hurricane Ike after that.

15 And we have only once, since I have been here,
16 been asked to specifically consider a project. And that
17 was fairly recently in the area of Rowlett, Texas, which
18 was hit by tornados. A five county area was actually hit
19 just outside of Dallas last winter. I believe it was in
20 December, it was hit by an F5 tornado.

21 It tore up more than a 1,000 homes and
22 apartments. We would still consider that project if they
23 came back. But they were looking for other sources in
24 order to put together a full package.

25 MR. JONES: So we have it there in place.

1 MR. DANENFELZER: Right. We have it there in
2 place. And really, it is not so much to -- it is not a
3 really a feasible way to assist households or properties
4 that have actually been impacted, but rather the community
5 where they may have lost apartments and housing units
6 which can, in some cases, take years to rebuild.

7 And if a developer comes into that community
8 and can build new units in order to replace those that
9 have been lost, we would be able to help them. The key
10 areas this helps are those urban areas which we generally
11 don't target, like Houston, Dallas, Austin and San
12 Antonio. But like I said, you know, it is a program we
13 have open and eligible, but we have never really had an
14 application apply under that set-aside.

15 Another thing that I wanted to touch on as we
16 look forward in the bond programs is, the bond markets are
17 coming back quite strong in many ways for multifamily.
18 You know, with the financial crisis in 2007, 2008, there
19 was actually a couple of years where there were absolutely
20 no multifamily housing deals being done in Texas using
21 private activity bonds and 4 percent credits.

22 We did one of the first ones after the crisis
23 in 2010. And we have continued to, you know, plug along
24 at our normal pace. But the rest of the market has also
25 been picking up, predominantly in those urban markets.

1 One of the things I have been doing annually or
2 at least fairly regularly, I get invited to speak on
3 boards about housing bonds, in particular. And I will be
4 going to do the Texas Housing Conference which is
5 sponsored by the Texas Affiliation of Affordable Housing
6 Providers each year.

7 And in doing my research for that presentation,
8 I have come across some interesting trends. Looking at
9 applications, particularly just for 4 percent credits,
10 because of -- they are often layered. This is the best
11 resource for the data.

12 Over the last 18 months, 20 of the 25
13 applications that are reviewed for 4 percent tax credits
14 were in the largest metro areas for Texas. That includes
15 Austin, Dallas-Fort Worth, Houston and San Antonio. Eight
16 of the projects targeted senior housing.

17 Seven -- which means those remaining were all
18 just family-oriented developments -- seven were for
19 acquisition and rehab, again, meaning that most of them
20 are new construction and that five of the -- only five of
21 the projects included service-enriched or supportive
22 housing, and really it only accounted for 73 units out of
23 5,000 total units being approved or reviewed. And then
24 only three were in counties where the population is under
25 400,000.

1 This is part of the regular research I do every
2 year. I am doing it particularly for this presentation,
3 but I think it is important to note that this is some of
4 the base data that I use every year to bring to you new
5 ideas, or update our targeted housing needs. And we
6 continue to feel that that is necessary, because our goal
7 is not to do what everyone else is doing.

8 It is to target those needs that are not being
9 met by the rest of the market. And by targeting those
10 smaller urban markets or rural areas, we can see that
11 there is a clear need outside of major metropolitan areas
12 for bond funds to be issued and utilized.

13 With that, I am not going to say more details
14 from the presentation itself, or the packet. But I am
15 open for any questions you have.

16 MR. JONES: We want the whole presentation. I
17 am going to leave you alone. Stop picking on me.

18 MR. DANENFELZER: It is okay.

19 MR. JONES: Any questions for David, or any
20 comments?

21 (No response.)

22 MR. JONES: I'm always impressed with your
23 presentations, David. Just for the record.

24 MR. DANENFELZER: Thank you, sir.

25 MR. JONES: I appreciate it. Okay.

1 Presentation, discussion and review of the Fiscal 2016
2 operating budget.

3 MR. LONG: Mr. Chairman, I am going to kind of
4 start this off. And I think Mr. Romero had some comments
5 on it as well. What you have before you is a comparison
6 of budget to actual for the month ended March 31, 2016.

7 And this came about as a result of last month's
8 Board meeting where the Board, while we did not do an
9 agenda -- excuse me, a formal budget amendment, the Board
10 did authorize the additional allocation of resources to
11 assist us in rehabilitating and renovating the Rollins-
12 Martin Apartment Complex, upwards of \$225,000 in
13 additional proceeds, above what was originally approved by
14 the Board when we acquired the apartments. The changes
15 came from us moving four -- showing that we had resources
16 in four other budgeted line items that we would probably
17 look to use those monies in.

18 However, we never really did a formal budget
19 amendment, because the Board approved doing it -- moved,
20 just making sure the monies were available. I understand
21 that we had some excess funding in those other budget line
22 items.

23 However, Mr. Romero had asked the question, and
24 we wanted to make sure that we made sure the Board
25 understood exactly what that would look like. One, how

1 those numbers would look if we would amend the budget.
2 And two, to reflect for the Board that even with those
3 changes, we are still on target in terms of our
4 percentages and actual expenditures within those line
5 items for the year.

6 MR. JONES: Let me get this correct. You said
7 if we would do a budget amendment, which we don't need to
8 do.

9 MR. LONG: That is correct.

10 MR. JONES: So --

11 MR. LONG: It was just to show the Board that
12 we were still within the limits, even if we were to move
13 the money.

14 MR. JONES: If you had to move the money via
15 budget amendment.

16 MR. LONG: Correct.

17 MR. ROMERO: Well, no. The budget amendment
18 was, you normally wouldn't do a budget amendment unless
19 you were changing the actual budget.

20 MR. JONES: Correct.

21 MR. ROMERO: So we weren't going to change the
22 actual dollar amount. What I had asked David to do,
23 because when I got the Board packet and I reviewed it, I
24 knew that we had taken action on what, \$225,000?

25 MS. SMITH: 260, I think --

1 MR. ROMERO: \$266,000. In looking at the
2 budget that they sent to us in the Board packet, there was
3 no reflection of that money anywhere.

4 MR. JONES: Okay, right. Got it.

5 MR. ROMERO: So what I asked David, for the
6 purposes of someone looking, or someone looking at the
7 minutes from the prior month and this month, they would
8 say wait a second, you guys --

9 MR. JONES: Understood. That makes sense.

10 MR. ROMERO: -- took 266. So I just wanted,
11 David first and foremost, I wanted to review the budget as
12 the normal course of business for this Board, so we know
13 where we are at as far as --

14 MR. JONES: As well as have it on record.

15 MR. ROMERO: Correct.

16 MR. JONES: What we are doing and why we are
17 doing it.

18 MR. ROMERO: Exactly. That way if someone was
19 to look at it, they would say, okay. Here is where that
20 money was moved from. This line item, this line item.

21 MR. LONG: Right. And so what we had was
22 basically four line items that were -- Melinda had
23 presented it as we could have available funds to cover the
24 additional expense that was being allocated to Rollins-
25 Martin. And those included salaries, professional fees,

1 insurance, and program expense.

2 Those four items totaled a little over -- right
3 at \$225,000, which is the number that I was expressing
4 earlier. The total allocation of funding, including the
5 piece that is still available that we haven't spent yet,
6 from what the Board originally approved, totals \$266,000.

7 MR. JONES: How would you have shown it if he
8 hadn't asked for a comparable. Would we have been able to
9 see it?

10 MR. LONG: Since we did move the money, the
11 answer is no. Which is why Mr. Romero called the
12 question.

13 MR. JONES: Okay.

14 MR. LONG: And let me give a couple of comments
15 on that. And Melinda, please chime in if you feel
16 appropriate. But since it wasn't done as a formal
17 amendment, we didn't put it in the Board book.

18 Since it wasn't formally amended, it
19 didn't --in my opinion, it didn't warrant us making a
20 change in the numbers. Understanding fully now what Mr.
21 Romero wanted, we could have done what we did here, and
22 showed it without it being a formal budget amendment.

23 MR. ROMERO: That's why you did this extra one.

24 MR. LONG: Right, two. Two is given the
25 renewal rate at Rollins-Martin Apartments, a majority of

1 the monies that we asked for was to allow for monies to be
2 available to renovate remaining apartments.

3 That is likely not going to happen any time
4 soon. Because we aren't getting people moving out. We
5 have people continuing to renew their leases.

6 And so, therefore, we wouldn't be expending
7 those monies, most likely this current budget year. So
8 Melinda and I kind of took a conservative stance. But we
9 certainly now, having had a conversation with Mr. Romero,
10 understand why it was appropriate and important for the
11 Board to see exactly how those monies would lay out if we
12 were to move them away, and we needed to use them right
13 away.

14 So that you can see as an example, under
15 professional fees and professional services, or for that
16 matter, even salaries and payroll expenses, with those
17 monies moved, we still are at 50 to 57 percent of our
18 budget, and we are seven months into the fiscal year. So
19 we are on track, if not below maintaining those budgeted
20 line items, even if we were to move those monies, which
21 was really what we were trying to reflect.

22 And I think, Mr. Romero, that is what you were
23 trying to show. Correct?

24 MR. ROMERO: Yes. And I think one of the other
25 things that I wanted to make sure that we as a Board

1 understood where they were within the budget process, as
2 far as, you know, if you are halfway through your year,
3 your fiscal year, and you have used up 50 percent of your
4 budget, you are right on target.

5 MR. LONG: Right.

6 MR. ROMERO: You know, if there was some
7 variances because something came up, you would see the
8 differences and Melinda does a real good job of footnoting
9 that information.

10 MR. LONG: So what we wanted to reflect here is
11 to just show you where we stood in those expenditures, and
12 the percent of the budget and or the dollar variance from
13 actual or amended budget or to the changed budget as the
14 Board approved last month.

15 MR. JONES: And since you don't anticipate that
16 they are going to be utilized this budget year, it is not
17 a moot point, but if it were to be used this year, what
18 would you do?

19 MR. LONG: We would actually utilize the
20 resources that were approved us from last month.

21 MR. JONES: And how would you show it? Would
22 you have to go back and then still --

23 MR. ROMERO: No. I think the line items would
24 reflect that. Because the money for the single family,
25 multifamily program expenses, that is going to be

1 increased. That is where the money is now.

2 MR. JONES: So we still wouldn't need to do any
3 amendments, or anything.

4 MR. LONG: Right. I don't believe we would.
5 No, sir.

6 MR. ROMERO: And then come next budget cycle,
7 if you hadn't used it all, then you would just put that
8 money into that --

9 MR. LONG: Then we would actually present to
10 the Board a formal budget request with those numbers being
11 changed.

12 MR. JONES: Okay. All right. Thank you,
13 David.

14 MR. LONG: I am sorry. Do any of the Board
15 members have any questions on that? I know this is
16 somewhat clouded. I appreciate Mr. Romero bringing it to
17 our attention because if it was.

18 MR. JONES: Do you have anything to add?

19 MR. EVENWEL: Well, footnote 4 has got a bunch
20 of hashtags in it.

21 MR. JONES: Yeah, I saw that, too.

22 MR. LONG: Footnote 4.

23 MR. ROMERO: You didn't -- you couldn't -- you
24 had to expand the column.

25 MS. SMITH: Are you referring to the number

1 signing.

2 MR. ROMERO: Yes.

3 MS. SMITH: That is my fault. I made a mistake
4 there. I tried to correct that a number of times. And
5 every time I did --

6 MR. JONES: It switched it.

7 MS. SMITH: \$291,000.

8 MR. JONES: Is what?

9 MS. SMITH: Is what it should be.

10 MR. ROMERO: Right.

11 MR. JONES: It should be what?

12 MS. SMITH: \$291,000.

13 MR. ROMERO: You just have to expand your
14 Excel.

15 MS. SMITH: You know, it was the oddest thing.
16 It was like Excel was after me that day.

17 MR. JONES: Anything you want to add now?

18 MS. SMITH: If you would like, I can go over
19 the budget and where we are to date. Primarily, I just
20 wanted to point out that on our expenditures, if you look
21 at total expenditures, we are at 52 percent of the budget.

22 We are seven months into this fiscal year, so a
23 little over half. So we are -- on a total basis, we are
24 right where we need to be on expenditures. On revenues,
25 we are actually over budget on almost every line item.

1 Part of that is just timing. For example, on
2 the multifamily program revenue -- you know, primarily the
3 multifamily program revenue, we are over, and lending,
4 simply because of the timing of obtaining revenue and the
5 payoff of the loan that we just talked about, the
6 \$291,000.

7 But in my opinion, we are right where we need
8 to be, and I think we will end the year pretty much on
9 target. There will be a few line items that we will not
10 make this year. But for the most part, I think we will be
11 fine on every line item.

12 MR. ROMERO: And if I could add to that --
13 because that was the other thing that I spoke to David
14 about -- when you look at the grants and donations, we are
15 at 3 percent of the overall budget, where we should be
16 much higher than that. And part of that was we did not
17 receive an equity investment that we had applied for.

18 But I've asked David to go ahead and put an
19 agenda item next month, so that the program development
20 people can come and tell us what their plans are going to
21 be to offset what we lost, and how we are going to try to
22 get back on budget. It's going to be tough, I know.

23 MS. SMITH: And they had applied for one, and
24 it was declined. And now they have reached out to another
25 entity, as I understand it, for another EQ2. And then we

1 did receive \$24,000 in donation income in April.

2 MR. LONG: And I would add that, you know,
3 Janie and staff are out meticulously looking for grants
4 and opportunities for EQ2s, and PRIs that are relevant to
5 the programs and resources that we are looking for, that
6 blend with what we do here.

7 So I am more than happy to have that
8 conversation, Mr. Romero, next month, if you would ask.
9 And we'll be prepared for the agenda item, when we have
10 our meeting.

11 MR. ROMERO: So, excuse me real quick. You
12 just said an additional \$24,000? So we are close to about
13 \$50,000 now?

14 MS. SMITH: Right.

15 MR. JONES: That's always been a sticking
16 point, because of the uniqueness of the Agency.

17 MR. ROMERO: Right.

18 MR. JONES: And if that doesn't show -- that is
19 the legislative question, always. What distinguishes you
20 guys.

21 MR. ROMERO: Right.

22 MR. JONES: And that is always a tough thing.

23 MR. LONG: Yes, sir. I mean, we are out
24 looking and being prudent, but at the same time it's
25 important for us to try and meet that threshold. Yes,

1 sir.

2 MR. JONES: I think the method of equity
3 investments does the trick.

4 MR. LONG: They have been very successful and
5 it is just -- you know, we just need to be continuing to
6 reach out and make contact with those organizations that
7 we feel are interested in working with us as a partner.

8 MR. JONES: Understood. Any other comments or
9 questions?

10 MR. EVENWEL: So for a non-banking guy, being a
11 million dollars net income, brackets around it, is okay.

12 MS. SMITH: Yes.

13 MR. EVENWEL: If my checkbook was that way, it
14 would not be okay.

15 MR. JONES: David said it, again, the old
16 timing issue. But still, it wouldn't be okay, if we had a
17 checkbook. Right. Bad timing. Okay. Any other comments
18 regarding this Tab Item 5?

19 (No response.)

20 MR. JONES: All right. Thank you. Let's move
21 on to six, final item.

22 MS. SMITH: Thank you so much.

23 MR. JONES: Presentation, discussion and
24 possible approval of the appointment of a member to the
25 board of directors of the Texas Community Capital, Limited

1 Liability Corporation.

2 MR. LONG: I wanted to bring this to the
3 Board's attention. As I mentioned earlier in my
4 presentation, later today, the Texas Community Capital
5 Corporation will be meeting to have a Board meeting.

6 Several years ago, the Corporation, TSAHC, and
7 TACDC came together with the idea that we could generate,
8 or not generate, but we could form a non profit
9 organization that could be utilized for a variety of
10 functions, including community development, economic
11 development, and housing-related resources. The
12 Corporation had, for many years, had Ms. Leon serving as
13 one of our Board representatives, and Mr. Romero. Mr.
14 Romero stepped aside about a year and a half ago.

15 And as we move forward, TCC has greatly
16 expanded its capacities and its resources specific to
17 community development, related to a small dollar loan
18 program that is an alternative to payday and title lending
19 that they have worked up. And it had become quite
20 successful. And it has created a model that a lot of
21 other states are looking to utilize.

22 And Ms. Leon has continued to serve for this
23 Board, as your representative on that, and making --
24 helping them make decisions to move forward. I also serve
25 in a capacity as an administrator for TCC in partnership

1 with the Executive Director at TCC -- TACDC, Matt Hull.

2 As we move forward, TCC's balance sheet has improved.

3 One of the goals originally was that this Board
4 had asked if our reason for being involved was so that we
5 could eventually have the Texas Community Capital
6 Corporation seek to become certified as a CDFI. We made
7 that application about three or four years ago. It was
8 declined, based on the fact that we really didn't have a
9 lot of resources, and had not been around long enough to
10 really justify the new thresholds.

11 I believe that we are back to that point where
12 we want to consider reapplying. Our balance sheet looks
13 stronger. Our information related to the activities we
14 are performing, the partnerships that have been created
15 continue to be growing. And I think it would be very
16 important for the Corporation that TCC's Board to be
17 complete. As a result of that, I was asking that the
18 Board consider making an appointment from one of your
19 members of the Board or, similar to Ms. Leon, where you
20 would have the authority to bring someone to the Board
21 that would be a representative for your membership on the
22 TCC Board.

23 Mr. Romero, I know, has served in the past. I
24 don't know if you are interested in continuing to serve
25 again. But certainly, at this point, I just wanted to

1 open it up.

2 And that was my take, that if we are going to
3 submit an application in the near future for a CDFI
4 certification, or TCC, I think it would be very important
5 and prudent for us to have a complete board.

6 MR. JONES: The Board.

7 MR. LONG: That is correct. So I wanted to
8 bring that to the Board's attention and see if we couldn't
9 today, either give me the authority to move forward
10 finding a Board member outside of the Board -- current
11 TSAHC Board, or if someone on the Board would like to
12 serve in that capacity.

13 MR. JONES: I think first and foremost, for
14 anybody on the Board, what is the restraints of time, the
15 requirements?

16 MR. LONG: For us right now, we meet every
17 other month. We will meet more often if we need to.

18 We can, unlike this organization, we can meet
19 by phone. So we have phone call meetings. As far as time
20 constraints, Ms. Leon might be able to -- do you want to
21 come up and answer? Do you mind?

22 MS. LEON: Sure.

23 MR. LONG: She can give you a better take on
24 kind of what her constraints are as your representative.
25 And I would like her to kind of give feedback, if you

1 don't mind.

2 MS. LEON: Sure. Cynthia Leon, Board member of
3 TCC. First of all, I want to thank the Board here for
4 appointing me to this position and I recognize that I am
5 accountable to each and every one of you. And I thought I
6 had better come to a meeting, in case --

7 MR. JONES: And not hiking off in the
8 Himalayas.

9 MS. LEON: Exactly. The Andes.

10 MR. JONES: The Andes. Sorry.

11 MS. LEON: In terms of time constraints, oh. I
12 just want to reiterate something that David just mentioned
13 to you in terms of the progress that the partnership has
14 made with TCC and the Texas Association of Community
15 Development Corporations.

16 At first, it was rocky going, like any other
17 organization, in terms of the objective. But I think we
18 are at a point now, which -- our major objective at the
19 time that we did form that relationship was to apply for
20 being a statewide CDFI. Which of course, doesn't exist
21 now. Right, David?

22 And so that was the whole purpose. And like
23 David said, at the beginning, they turned us down. But
24 now, there is substantial effort that has been made that
25 we are on the verge of the next data application.

1 So we can expect to submit an application
2 within the next couple of months. So that is exciting
3 news. And so I think a lot of things are happening that
4 are very exciting that he has briefed you on already.

5 In terms of time, as a board member, which is
6 the reason I am sitting here now, it doesn't really take
7 that much time. We meet every two months, mostly by
8 phone. It is always better if you can be here in person.

9 So sometimes, we have been here on the same day that's
10 your Board meeting.

11 So that really doesn't take much time, if you
12 can stay a couple of hours later. So you read the
13 material. They send reports. Just like your Board meets.

14 And so -- but frankly, I would say, just a few hours
15 every two months of your time.

16 And it really doesn't take that much to absorb
17 the information that has been provided. But I am
18 available here to answer any questions anybody has. I am
19 accountable to you --

20 MR. JONES: What happens in the event the CDFI,
21 community development financial institution -- what
22 happens in the event that the application is rejected a
23 second time? I mean, this is just --

24 MR. LONG: What would -- well -- my
25 recollection --

1 MR. JONES: What would happen to the group? To
2 them?

3 MR. LONG: Well, the group continues. The
4 existence of TCC is what it is.

5 MR. JONES: Right.

6 MR. LONG: And it is more a matter of TSAHC's
7 involvement as it relates to what we expect to receive in
8 terms of our partnership with this organization. So the
9 goal was to have the CDFI certification so that we could
10 leverage dollars from the fund, the CDFI fund, in support
11 of our mission, utilizing that relationship with TCC and
12 TACDC. And I think that is still a valid direction for us
13 to pursue.

14 So to answer your question, Mr. Chairman, would
15 be, if it doesn't succeed, I think we step back. Find out
16 why it didn't succeed, and determine how best to move
17 forward to make the application again.

18 MR. JONES: Which we had done before -- made
19 the same kind of step back before. Periodic --

20 MR. LONG: But the first round, I would add,
21 was probably a little premature. We went at it with an
22 expectation that as long as we were in existence, and that
23 we had a strong Board --

24 MR. JONES: Right.

25 MR. LONG: And that we had some form of

1 financials, that the CDFI would consider us as a viable
2 entity going forward, given the support of the other two
3 organizations. We found out that wasn't the case.

4 And in order to improve that, we have made
5 significant strides to ensure that the financials of the
6 organization, as well as the activities and the programs
7 and the loan volumes that we are now involved in, are much
8 broader. We probably have seven to eight partners that we
9 work with, making these loans. And --

10 MS. LEON: Eleven thousand.

11 MR. LONG: And about 11,000 loans are on the
12 books statewide. Now, we don't manage those. Those are
13 just activities that were part of the function that was
14 created in this program.

15 MR. JONES: Okay. So when you said that their
16 balance sheet is strong, are you talking in terms of
17 dollars, like bottom line?

18 MR. LONG: I don't have that in front of me.

19 MR. JONES: You said it is financially strong.

20 MR. LONG: Stronger. Well, when we started, we
21 basically had about four loans on the books and about a
22 thousand dollars in the checking account. But the
23 expectation was, we would move forward from there.

24 We have received in excess of \$500,000 in
25 grants and donations since we started this effort to move

1 forward. We continue to have funding be available. And
2 as a result, I think that after our Board meeting today,
3 we'll have a much better picture of what those financials
4 look like.

5 But I think in order for us to consider moving
6 forward as a Board, for the CDFI application, it will look
7 much better for the application if the TCC's Board is
8 complete. And the vacancy is open for this Board to fill.

9 MR. JONES: So the question is, is any Board
10 member interested in finding out more, or exploring the
11 idea of participation or being on the board. Or do you
12 think we should be given guidance and direction maybe to
13 come back with a recommendation.

14 MR. ROMERO: Well, I served on the Board. And
15 David and I had this conversation. And I would be willing
16 to serve again, but I want to make sure that none of the
17 Board members want to do it. If you all want to do it, I
18 would be happy to step aside.

19 But again, I want to make sure everybody has
20 that opportunity. I don't want to take it just because I
21 have served on that board before. I guess my question
22 right now is, what is the board makeup right now?

23 MS. LEON: It is the same.

24

25 MR. ROMERO: The same.

1 MR. LONG: It's the same membership. And I'll
2 just tell you, Mr. Garvin, John Garvin serves as a member-
3 at-large.

4 The way it works is, TACDC has two membership
5 appointments. TSAHC has two membership appointments. And
6 then those four members pick a member-at-large.

7 Cindy Leon serves as TSAHC's member, plus we
8 have a vacancy. John Garvin serves as the member-at-
9 large. And then Tom Wilkinson and Gerry --

10 MR. ROMERO: Carlton.

11 MR. LONG: Yes -- serve as the two board
12 members appointees from TACDC.

13 MR. JONES: Mr. Meade, did you?

14 MR. MEADE: And Jerry can --

15 (General laughter.)

16 MR. JONES: He says he volunteers, he seconds
17 that. And you know the players too, already. Right?

18 MR. ROMERO: Yes.

19 MR. JONES: So I think that it is crucial --
20 what do you think, other Jerry. It is a crucial
21 transition period. And rather than have somebody go and
22 start with a learning curve, I think Jerry could just jump
23 in. Especially if they're saying they want to go back for
24 the application and all.

25 MR. ROMERO: And let me explain why I resigned

1 from the Board originally. The reason I got off the
2 Board, because we had a vision of what TCC was supposed to
3 be doing.

4 MR. JONES: Right. And they weren't, I
5 remember.

6 MR. ROMERO: Yes. What happened basically,
7 just got very consumed with this whole alternative payday
8 lending program, which really didn't fall under the
9 umbrella of what TSAHC --

10 MR. JONES: I remember you saying that.

11 MR. ROMERO: And I think David has an idea and
12 a concept for a program that would probably fit very
13 nicely with TCC, because it is affordable housing.

14 MR. JONES: I remember you came in here all in
15 a huff. That isn't what I signed on for, you said. Well,
16 he said it in more, you know, diplomatic terms.

17 So are we clear on agreement? There's no
18 official anything.

19 MR. ROMERO: I wouldn't --

20 MR. LONG: It needs approval.

21 MR. ROMERO: I would just say, has Mr. Dietz
22 been spoken to?

23 MR. LONG: Yes. I spoke with him on Tuesday.

24 MR. ROMERO: Okay.

25 MR. LONG: He was happy to let you do it, if

1 you are interested.

2 MR. ROMERO: I think this was a setup from the
3 beginning.

4 MR. JONES: Well, I have the strongest reasons
5 for saying yes, and that is, you know all the ways. You
6 just jump back in. They might look at you and sigh at
7 first, since you quit on them earlier, but --

8 MR. ROMERO: Well, there will be some changes,
9 I am sure.

10 MS. LEON: I would like, if I could just say.

11 MR. JONES: Yes, ma'am.

12 MS. LEON: I think Jerry Romero would be a
13 tremendous asset to continue his service on board.

14 MR. JONES: Yes. Thank you.

15 MR. EVENWEL: Hear, hear.

16 MR. JONES: And I know you want help. You
17 don't want somebody sitting there, saying, why. Why?

18 MR. LONG: I will add that Ms. Leon shows up
19 and/or participates in almost every single meeting. You
20 have been very well represented with her on the board.

21 MR. JONES: You know, she stuffed the ballot,
22 right.

23 MR. LONG: Yes.

24 MR. MEADE: I may be riding back with you.

25 (Simultaneous discussion.)

1 MR. JONES: It is hard to find her down there.

2 But that is where she is from. All right. Is there a
3 motion? I will move. I can't make a motion.

4 MR. MEADE: I move for a motion that we accept
5 Jerry's nomination.

6 MR. EVENWEL: Seconded.

7 MR. JONES: His appointment, not just his
8 nomination.

9 MR. EVENWEL: Appointment.

10 MR. JONES: His appointment as a member of the
11 Board of Directors at Texas Community Capital, LLC. And
12 the second?

13 MR. EVENWEL: Seconded.

14 MR. JONES: Any public comment regarding this
15 Item 6?

16 MR. ROMERO: I was told that the salary is
17 doubled, right.

18 MS. LEON: Now, we do have a meeting this
19 afternoon.

20 MR. LONG: Don't go anywhere.

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

23 (A chorus of ayes.)

24 MR. JONES: Any opposition?

25 (No response.)

1 MR. JONES: No. Congratulations, Mr. Romero,
2 for taking on more work. Mr. President.

3 MR. LONG: I wanted to bring up two
4 presentations that I kind of intentionally left out of my
5 President's report. But I just wanted to make the Board
6 aware of them --

7 MR. JONES: So because of it still could be
8 connected to the President report, it is not a separate
9 agenda thing. It is not listed.

10 MS. VAN DYK: It is fine. You can just --

11 MR. LONG: Public comment period?

12 MS. VAN DYK: Yes. That is good.

13 MR. LONG: Put me on public comment.

14 MR. JONES: Okay. Did you sign in?

15 MR. LONG: As you know, the Corporation serves
16 as administrator for the Texas Statewide Homebuyer
17 Education Program. And we have really grown that into
18 being something that I think is extremely successful. It
19 is well attended.

20 And this year, we have started our round of
21 trainings. And Sarah just came back from doing a training
22 in San Antonio at the Federal Reserve Bank, at their San
23 Antonio branch.

24 And I just want to recognize a few things about
25 that training, and Sarah for her role in not only planning

1 it, but attending it, and participating in it. And making
2 sure that continues to be successful.

3 So this was the first round of the TSHEP
4 training that we hosted. As I said, we have a great
5 partner in the Federal Reserve Bank of Dallas. And they
6 allow us both their facilities, they make an opportunity
7 for us to have presentations and use their meeting rooms
8 and spaces in there.

9 Just a great host. And I think it is really
10 neat, and a very positive partnership that Sarah and the
11 Corporation have been able to maintain with them.

12 But as a result of that training, 27 counselors
13 attended and were trained. Those counselors represented
14 20 organizations from 15 different cities across the
15 state. And 100 percent of the counselors would recommend
16 attending that training to other counselors.

17 And I think that says a lot about the program
18 itself, but also about Sarah and what she has done to put
19 that together. So I wanted to hold it back, just so I
20 could mention Sarah in that. I think it says a lot about
21 what she has done, and what we have going forward.

22 And with Joniel and Sarah working together, I
23 think we could really move forward with a lot of things
24 that we have got going on in the homeownership program.
25 So I just wanted to recognize that.

1 The other thing I wanted to talk about was, we
2 had a request to put together a mortgage credit
3 certificate presentation at the request of the Lieutenant
4 Governor's Office, to present that to the Texas
5 Association of Realtors and the Texas Builders
6 Association. I was very pleased and honored to have that
7 request.

8 Then the home ownership staff, Tim Almquist,
9 Joniel Crim and Janie put together a really good
10 presentation. And I was on travel at the time. But they
11 made that presentation to the TAR and the TBA, and the
12 Lieutenant Governor's Office. And from what I understand
13 it was very successful.

14 I learned a lot about it, and about what they
15 were looking for. And it goes to the comments that Joniel
16 made earlier about the impact that we are trying to have
17 with MCC, in improving that program, making it more
18 viable. Making it more visible, and having people take
19 advantage of it.

20 So I wanted to recognize the staff and the
21 people that put that together as well as just the overall
22 scope of outreach that we are doing, Mr. Chairman, in
23 order to make sure that people have access to the programs
24 we are offering. And with that, I will conclude my public
25 comments.

1 MR. JONES: Any other comments?

2 (No response.)

3 MR. JONES: I would like to -- Ms. Joniel
4 and --

5 MR. ROMERO: Sarah.

6 MR. JONES: And Sarah and well -- especially
7 Joniel and the other gentleman.

8 MR. LONG: Jesse. Yes.

9 MR. JONES: I just want to come and shake your
10 hand, welcome you, so don't run away.

11 MR. SEPEDA: Okay.

12 MR. JONES: Okay. I hope you can come up and
13 let the whole Board welcome you, as soon as we adjourn.
14 We would appreciate that. Okay. I want to thank, as
15 usual, the excellent staff that is here and actually for
16 Joe Schafer. Appreciate you, sir, as always.

17 And, David, for the job that you are doing, as
18 well as for the due diligence of individuals like Gerry
19 and Jerry -- whether it is financial oversight or if it is
20 a bunch of hashtags, they watch everything. Between the
21 Board, they watch everything. And I always appreciate you
22 all too. So with that, this meeting is adjourned.

23 (Whereupon, at 11:39 a.m., the meeting was
24 adjourned.)

