

TEXAS STATE AFFORDABLE HOUSING CORPORATION

BOARD MEETING

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

Thursday,
April 19, 2018
10:30 a.m.

BOARD MEMBERS:

ROBERT "BOB" JONES, Chair
WILLIAM H. DIETZ, JR., Vice Chair
GERRY EVENWEL, Member
JERRY ROMERO, Member

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1
2 MR. JONES: All right. It is 10:30, and the
3 Board meeting of the Texas State Affordable Housing
4 Corporation is now called to order. William Dietz? I
5 understand he's about five minutes away.

6 MS. TAYLOR: That's right.

7 MR. JONES: All right. Gerry Evenwel?

8 MR. EVENWEL: Here.

9 MR. ROMERO: Jerry Romero?

10 MR. ROMERO: Here.

11 MR. JONES: And I'm here. So we do have a
12 quorum. Is there any public comment at this time?

13 (No response.)

14 MR. JONES: Okay. Hearing none, at this time,
15 we'll have the executive vice-president's report.

16 MS. TAYLOR: Good morning, Chairman Jones and
17 Board members. I'm Janie Taylor, executive vice-
18 president, and -- hello.

19 MR. JONES: Okay. Let me go back again.
20 William Dietz, vice-chair?

21 MR. DIETZ: It's 10:29.

22 MR. JONES: Oh, that clock is off. He goes by
23 TSAHC time. You've got to say present, though.

24 MR. DIETZ: Present.

25 MR. JONES: Now we've got a bigger quorum.

1 MS. TAYLOR: Okay. So do you want to get
2 started? Yeah? Okay. So we have in the Board book -- we
3 have the Home Ownership Finance Report that staff does
4 every month, also the Development Finance Report that it's
5 done monthly, the Quarterly Fundraising Report and the
6 Monthly Financial Reports.

7 Do you all have any questions specific to any
8 of the reports from staff?

9 (No response.)

10 MR. JONES: Okay.

11 MS. TAYLOR: Okay.

12 MR. JONES: All right. Hearing none --

13 Ms. TAYLOR: Okay. Well, so as part of our
14 normal monthly report from the President, we go over some
15 updates from the program areas, and I do want to let you
16 know that yesterday the loan committee -- that's the Texas
17 Impact Fund loan committee -- met here in the office.

18 Mr. Romero sits on that committee. And we did
19 not have any new loans to consider, but we did review
20 reports on the existing loan portfolio. Mr. Romero, did
21 you have anything that you wanted to add or say regarding
22 the meeting we had yesterday?

23 MR. ROMERO: No, we just -- again, we were just
24 doing reports that we have been reviewing for -- every
25 month. The formats gotten a lot better and I believe we

1 are going to be looking at a ratification of --

2 MS. TAYLOR: Of one of them today.

3 MR. ROMERO: -- just one loan, that we've
4 approved in the past.

5 MS. TAYLOR: That's right. So an update on our
6 Home Ownership Program. The team, the Home Ownership
7 staff, has been incredibly busy. They have conducted,
8 since January, 12 overcoming-the-down-payment-hurdle
9 classes, and two United Texas trainings.

10 The United Texas trainings is an official class
11 of the Texas Association of Realtors, and it's part of a
12 larger training. They've done 12 -- actually a total of
13 14 since January, and these classes are for realtors and
14 they're held all over the state of Texas.

15 So staff has been really busy with those.
16 The -- our Home Ownership staff and Katie Claflin also
17 went to the Neighborworks Laredo Homebuyer Fair that was
18 held last month. I do have a staff announcement for the
19 team. We haven't met in a couple of months, so we haven't
20 had a chance to introduce you to our newest team member.

21 Her name is Donnetta McGrew. Donnetta, you
22 want to raise your hand? There she is. And Donnetta is
23 working with Delia and Tim in the compliance section of
24 the team, and she's running the MCC Program, and she's
25 assisting with loan compliance.

1 Just a little bit about her background. She
2 has a -- she's a veteran. She served in the military.
3 She also worked in bank customer service, but most
4 recently she worked for New American Funding in loan
5 modification and foreclosure analysis, and she's been with
6 us for a few months and she's been great, already coming
7 up with new ways so we can improve our processes, and
8 we're just happy to have her.

9 And so I'd like to have you guys welcome her on
10 board. We do have one other person that I'm just going to
11 briefly mention, Ashley Holsinger, who's right there in
12 flower dress, she joined us at the same time as Donnetta,
13 and she's also on the Homeownership team.

14 She's been fantastic and we hate the fact that
15 we have to tell you that she's leaving us already, and
16 that's because she's engaged to be married and her fiancé
17 is being transferred to Chicago. So just unexpected, and
18 they both are fantastic.

19 So we hate losing her, but we do have a new
20 employee that we hope will be getting started next month.

21 So we're -- we'll be happy to introduce to the -- to her
22 replacement at that point. So --

23 MR. JONES: Hello, goodbye.

24 MS. TAYLOR: Hello, goodbye.

25 MR. JONES: That could be a song.

1 MS. TAYLOR: That could be.

2 MALE VOICE: It is.

3 MS. TAYLOR: So another program that the
4 Homeownership team actually oversees is a training program
5 for housing counselors and nonprofit affordable housing
6 development staff that we call Housing Connection. This
7 training is being held in San Antonio at the Federal
8 Reserve Bank, and it will be held in June.

9 So we've opened up registration for that, and
10 we've changed the format of that program this year. So
11 we're very excited to see how it works out this year. And
12 so we have some fundraising updates, some of which are in
13 your report.

14 The -- we received a \$5,000 grant from Frost
15 Bank, another \$5,000 grant from Insperity. Those are
16 supporting the Housing Connection training I just
17 mentioned. We also received a \$1,000 donation from a
18 lender, Flora Biscotto.

19 She's with First Choice Loan Services, and
20 that's also supporting the Housing Connection training.
21 We did receive a \$7,500 from Texas Capital Bank, and
22 that's an annual grant that they're doing for three years
23 that's part of the Texas Housing Impact Fund.

24 They also gave us a \$750,000 investment last
25 year, and we used that for the Texas Housing Impact Fund,

1 and that investment specifically, we've used it recently
2 to fund the Chicon, which is a 28-unit, mixed-income,
3 mixed-use condo complex just down the road from us here in
4 east Austin, and we actually had conducted a tour.

5 I know we sent that email and invited you all
6 if you were interested or were in town to attend. We gave
7 a tour to the Texas Capital Bank staff. And we also will
8 be having -- they're going to be having their grand
9 opening in May.

10 So we'll send out an email about that, if
11 you're available, and it's May 19, I believe. And then
12 the one last thing in regards to fundraising is that we
13 have received a \$500,000 grant from the Rebuild Texas
14 Fund, and that is to support disaster recovery due to
15 Harvey, and Katie will be speaking -- Katie and Michael
16 will be speaking about that a little later in the agenda.

17 Half of the grant is up front and the other
18 half is a matching grant. So 250,000 is a matching grant,
19 so we're going to have to raise the additional 250,000 to
20 be able to access that. And just a couple of little --
21 I'm sorry. Go ahead.

22 MR. JONES: 250- to max it, and that is by
23 other entities --

24 MS. TAYLOR: Yes.

25 MR. JONES: -- or ultimately, we would match

1 it?

2 MS. TAYLOR: I think the intent from the
3 Rebuild Texas Fund folks is that we would bring other
4 funders on board, and Katie and Michael and Laura have
5 already started reaching out to other potential funders
6 that have already stated an interest in assisting in that.

7 MR. JONES: But tell me -- if they came up
8 short, would we --

9 MR. ROMERO: I mean, I would think that would
10 be an opportunity for us, if we could also match it dollar
11 for dollar --

12 MS. TAYLOR: Right.

13 MR. ROMERO: -- to get to that point and to
14 entice other funders to be part of the program.

15 MS. TAYLOR: Right. I think that it's
16 something that we can discuss with them at that point if
17 they are open to that.

18 MR. JONES: But we'll see.

19 MS. TAYLOR: Yeah.

20 MR. JONES: Yeah, we'll know in enough -- how
21 much time before -- to raise it?

22 MS. TAYLOR: Katie, do you know the answer to
23 that?

24 MS. CLAFLIN: Katie Claflin, director of
25 communications and development. There's no set time line

1 with the Rebuild Texas Fund. They know that raising funds
2 of this amount does take some time, and so they've not
3 given us a deadline in which we need to raise the funds.

4 MR. JONES: And you anticipate what? You'd
5 like to see it done in what, one year, two years?

6 MS. CLAFLIN: Yeah, I think a year.

7 MS. TAYLOR: Within a year, yeah. MR.
8 JONES: Okay.

9 MS. CLAFLIN: Is what we're hoping for. Yes,
10 yes.

11 MR. JONES: Okay.

12 MR. ROMERO: When do they anticipate that you
13 would start working under this program?

14 MS. TAYLOR: So there is actually an agenda
15 item that you all will be approving the guidelines for the
16 program --

17 MR. ROMERO: Okay.

18 MS. TAYLOR: -- that will be utilizing these
19 funds. So as soon as we -- actually we're hoping to start
20 pretty quickly, hopefully next month, opening up the
21 application process, and this is for critical home repair
22 for homes that were damaged due to Harvey.

23 MR. JONES: Well, that's why I asked a question
24 on timetable.

25 MS. TAYLOR: Yes. Well --

1 MR. ROMERO: So they're not precluding you from
2 using their funds --

3 MS. TAYLOR: No.

4 MR. ROMERO: -- until you raise the additional
5 dollars, but they do want you to try to raise the
6 additional dollars?

7 MS. TAYLOR: That's correct.

8 MR. ROMERO: Okay.

9 MS. CLAFLIN: Yeah, that's why they're giving
10 us \$250,000 up front to get started, and then the
11 additional --

12 MR. ROMERO: Okay.

13 MS. CLAFLIN: -- \$250,000 of matching grant.

14 MR. ROMERO: Okay.

15 MR. JONES: Imagine, 250- up front, and you're
16 using it, and you don't get the other 250-. Yeah, I guess
17 we'd have to jump in.

18 MR. ROMERO: Okay.

19 MS. TAYLOR: Okay. And then just to --

20 MR. JONES: Thank you, Katie.

21 MS. TAYLOR: Thank you. A few other things. I
22 believe we also sent an email out to the Board letting you
23 all know about the Rural Housing Preservation Academy.
24 This is an initiative between TSAHC, the Federal Reserve
25 Bank of Dallas, Enterprise Community Partners, and other

1 organizations, and it is meant to train developers in how
2 to preserve USDA affordable rural rental properties.

3 They're doing successions around the state, and
4 so far, they've had three, and Michael and Dave
5 Danenfelzer are speaking at a lot of them, and so the next
6 one will be held actually here at TSAHC in June. And I
7 filled for Mr. David Long a month or so ago at the Federal
8 Reserve Bank in Dallas.

9 He was supposed to speak on a summit on
10 Finding -- it -- the name of it is Finding Shelter --
11 Affordable Housing Squeeze in Texas. And so I filled in
12 for him and spoke as part of a panel.

13 MR. JONES: I think it's appropriate to say why
14 the President is not here today, would you think?

15 MS. TAYLOR: Well, he --

16 MR. JONES: He has a family emergency.

17 MS. TAYLOR: -- he had a family emergency.

18 That's correct.

19 MR. JONES: Correct.

20 MS. TAYLOR: Yes.

21 MR. JONES: I just wanted to go on record that
22 he has a family emergency.

23 MS. TAYLOR: That's correct. And I also last
24 month participated in an event that was organized by a
25 D.C.-based organization called Make Room which advocates

1 for affordable rental housing. The event was closed just
2 to journalists.

3 So it was just to journalists. And so I made a
4 presentation on our rental housing programs. And last
5 month, Michael Wilt attended the Texas Veterans
6 Coordinating Council Summit, which is held here in
7 Pflugerville.

8 It's a suburb of Austin. And he attended with
9 the intent to collaborate with veteran service providers
10 across the state to let them know about our programs. And
11 then Dave Danenfelzer is actually a member of the IRS
12 advisory committee on tax-exempt and government entities.

13 He specifically serves on the subcommittee on
14 tax-exempt bonds.

15 MR. JONES: Maybe he can help us out.

16 MS. TAYLOR: Yeah, maybe he can -- so he
17 actually attended a meeting in D.C. earlier this spring,
18 and they are actually working on a report that will
19 include recommendations on changes to the IRS voluntary
20 compliance program for bond issuers and conduit followers.

21 And that's about it. We have other things that
22 are coming up in the next month or so that staff will be
23 attending, and you know, as requested, we'll be sending
24 that information out, so y'all are aware of it beforehand
25 and can indicate if you would like to attend as well.

1 I do want to point out that we have quite a few
2 guests here today. Of course, Karen Kennard who is our
3 general counsel with Greenberg Traurig. Tim Nelson is
4 with Hilltop Securities. He's one of our financial
5 advisors.

6 Stephen McPherson -- did I say that correct?

7 MR. McPHERSON: Close enough.

8 MS. TAYLOR: Okay. Sorry. With Wilmington
9 Trust --

10 MR. JONES: Where is he?

11 MALE VOICE: McPherson.

12 MS. TAYLOR: Steve --

13 MR. JONES: Oh, on the back row.

14 MS. TAYLOR: Back row.

15 MR. McPHERSON: Yes, sir.

16 MS. TAYLOR: And --

17 MR. JONES: This is not church.

18 MS. TAYLOR: -- yes. Jose Gayton with UMB, and
19 Aaron Fitzpatrick and Caresse -- Caresse, you'll have to
20 have to help me out with your last name.

21 MS. TANKERSLEY: Tankersley.

22 MS. TAYLOR: Tankersley, with Bank of Texas.

23 And that concludes my portion. Yes?

24 MR. ROMERO: Question --

25 MS. TAYLOR: Yes?

1 MR. ROMERO: -- what was the purpose of your
2 presentation to this closed meeting of journalists?

3 MS. TAYLOR: So the Make Room organization,
4 which is an organization that was created by the MacArthur
5 Foundation and the Ford Foundation, they advocate for
6 affordable rental housing, and they, I think earlier this
7 year, started doing the -- there's doing these kind of
8 journalism tour events.

9 They -- I know they held one in Miami. Houston
10 was on their list. And they're trying to get journalists
11 to write about the need for affordable rental housing in
12 whatever market they're targeting. They chose Houston
13 because of the hurricane and the aftermath that they've
14 seen and the lack of affordable rental housing that's been
15 available.

16 And that's all I have for you to do.

17 MR. JONES: Any questions or comments?

18 (No response.)

19 MR. JONES: Okay. Let's go on to the agenda.
20 Item 1, presentation, discussion and possible approval of
21 minutes of the Board meeting held on February 15, 2018.

22 MR. EVENWEL: I move that it be approved.

23 MR. ROMERO: Second.

24 MR. JONES: Moved and second. Any other
25 discussion? Any public comment on this item?

1 (No response.)

2 MR. JONES: Okay. Hearing none, all in favor
3 of approval, say aye.

4 (A chorus of ayes.)

5 MR. JONES: All right. Item 2, presentation,
6 discussion and possible approval of a resolution regarding
7 the submission of one or more applications for allocation
8 of private activity bonds, notices of intention to issue
9 bonds and state bond applications to the Texas Bond Review
10 Board and declaration of expectation to reimburse
11 expenditures with proceeds of future debt for the Walnut
12 Creek Apartments.

13 MR. DANENFELZER: Good morning. David
14 Danenfelzer, senior director of development finance. As
15 noted, this is a new bond project that we are asking for
16 your permission to induce and get approval on in an
17 inducement resolution.

18 As always, the inducement is sort of our first
19 step to get involved in the project. We received this
20 application on March 9, I believe, and staff has reviewed
21 and gone through the paperwork for it. We believe it
22 qualifies under our targeted housing need for at-risk
23 preservation developments.

24 The property is located here in Austin, Texas,
25 and it is an older property, built in 1972. It's 98

1 units. One of the units will be reserved for a staff
2 person. Usually an onsite maintenance or leasing agent
3 will be on site.

4 The property will get a new life under this.
5 It did get some additional funding and financing for
6 capital needs back in 2000. It received bonds and
7 4 percent tax credits at that time. It is now at the end
8 of that compliance period for those bonds, and this new
9 transaction would add additional capital to again bring
10 the property back up, new mechanical systems, new roofs,
11 do other upgrades to the units and to the landscaping and
12 streets and roads around the property so that it can, you
13 know, have a new life, get another 15 years of useful
14 service out of it.

15 The total development project cost is around
16 \$19 million. That includes a lot of -- a lot of that
17 includes the cost of acquisition, but there is significant
18 rehab of around 40,000 per unit. Staff has not gone to
19 look at the property, even though it is here in Austin,
20 but I am familiar with it.

21 I've driven past it many times over the years.
22 It's in a neighborhood just north of what we call the
23 Mueller Development here in Austin, which is a very up-
24 and-coming area. It is the old airport here in Austin and
25 it has all new development in that area.

1 And we actually have a couple of staff people
2 that live around and in this neighborhood. So it is
3 located in what we think is a very good area. It has
4 access to good schools, including the Liberal Arts and
5 Science Academy in Austin, which was ranked number 27 in
6 the nation in U.S. News and World Report in 2017-2018
7 school year.

8 The borrower's not able to come today, but I'll
9 give you some information about them. Levy Affiliated is
10 founded in 1988. The company has been developing and
11 managing mix-used commercial and housing developments for
12 some time.

13 Currently, they manage around 15 properties
14 with 1,500 units in them, and so this is kind of right in
15 their bailiwick of types of properties. Around 100 units
16 is their average. They have some smaller and a few
17 larger, but for the most part, right around a 100-unit
18 transactions of what they look at.

19 They specialize in the housing assistance,
20 Section 8 rental contract properties as well. So they
21 have a good track record with HUD. We did do some calls
22 around to some of the other states where they work,
23 including California and Arizona, and got good feedback
24 from those states and their compliance staff on the track
25 record Levy has.

1 At this time, I'll just kind of open it up to
2 questions, if there are any.

3 MR. JONES: No, I noticed that you named
4 California and all, but they also -- what -- Louisiana,
5 Hawaii, North Carolina?

6 MR. DANENFELZER: Yes.

7 MR. JONES: And the total of 1,500. So do they
8 maintain them, or at some point do they sell them off, or
9 what?

10 MR. DANENFELZER: Yeah, right now --

11 MR. JONES: Because with all of these states'
12 activities, it seems like that's a small amount for
13 talking about Hawaii, Louisiana, North Carolina,
14 California. So they do something with them. Right?

15 MR. DANENFELZER: They do. I mean, for the
16 most part, they do hold so far their portfolio. The
17 affordable housing component for Levy is relatively new.
18 They started purchasing --

19 MR. JONES: Okay.

20 MR. DANENFELZER: -- in and around 2005, 2006.

21 It's a growing area that they're very interested in
22 becoming a larger part --

23 MR. JONES: Okay.

24 MR. DANENFELZER: -- of their business plan,
25 but for the most part, they also have property management

1 on the commercial side in all of the states they currently
2 work in, and that has been much longer for them. They
3 started that in the 1980s and then --

4 MR. JONES: Okay.

5 MR. DANENFELZER: -- it's a much more
6 significant portfolio. The son of the founder, Jacob
7 Levy -- the founder's son, Jacob, is now the principal,
8 and he is overseeing their affordable housing component
9 and he's been very involved.

10 He's looking at additional properties in Texas
11 already in order to kind of expand in the areas where they
12 have other commercial properties.

13 MR. JONES: This will be the first Texas
14 venture?

15 MR. DANENFELZER: This will be their first
16 Texas affordable housing venture. They have two
17 commercial properties here in Austin.

18 MR. JONES: Okay.

19 MR. DANENFELZER: They have properties in
20 Corpus Christi and Dallas right now.

21 MR. JONES: Okay.

22 MR. DANENFELZER: So --

23 MR. ROMERO: David, you said -- how many units
24 are being held aside for 30 percent and below?

25 MR. DANENFELZER: Right now, we're looking at

1 5 percent of the units will be 30 percent and below.

2 That's our --

3 MR. ROMERO: That's our target.

4 MR. DANENFELZER: Yeah, that's our target.

5 MR. ROMERO: Are those going to be mixed, you
6 know, as far as one bedroom, two bedroom, three bedroom,
7 do you know?

8 MR. DANENFELZER: Yes.

9 MR. ROMERO: Okay.

10 MR. DANENFELZER: Yeah. Actually -- it's
11 actually about 10 percent of the units are for 30 percent
12 of area median income and below. If you go into the
13 operating pro forma, which I believe is page 5 -- it might
14 be 4 -- you'll note that the top line for each of the
15 segments of the unit types, the one-bedroom --

16 MR. ROMERO: Uh-huh.

17 MR. DANENFELZER: -- are the 30-percent units.

18 So it's four one-bedroom --

19 MR. ROMERO: Okay.

20 MR. DANENFELZER:-- five two-bedroom and one
21 three-bedroom. So it's not exactly a mix of three, three
22 and --

23 MR. ROMERO: No, that's fine. But you were --

24 MR. DANENFELZER: -- four, but -- and then the
25 employee-occupied unit is going to be a one-bedroom, one-

1 bath unit. So that will be just for an employee, usually
2 like I said, maintenance or leasing staff usually have
3 that.

4 And that's a pretty common thing among the
5 contract or housing assistance project contract Section 8.

6 It's an older kind of holdover from the '60s and '70s
7 when HUD was creating that program, but this contract is
8 subject to allowing them that one unit.

9 So they're going to keep it open for a staff
10 person.

11 MR. ROMERO: Okay.

12 MR. DIETZ: Remind me. This is the
13 application, and then would we also approve the bond?

14 MR. DANENFELZER: Correct. So this is
15 simply the initial application. What you're giving us
16 today is authority to move forward with negotiating the
17 bond documents, to go ahead and do public hearings, the
18 TEFRA notice and TEFRA hearing. We'll go through all
19 that, as well as apply for a reservation from the Texas
20 Bond Review Board of the bond cap, and then we'll bring
21 this deal back to you once it has been underwritten.

22 Also, most likely, it will be underwritten or
23 have been awarded already 4 percent tax credits from the
24 Department of Housing, and then you'll get a chance to
25 approve the bonds at that time, and then we'll have to

1 bring it back to the Texas Bond Review Board for one last
2 look so they can approve the final bonds as well as AG
3 approval of the bond documents.

4 MR. JONES: Any other questions or comments?

5 (No response.)

6 MR. JONES: Okay. I'll entertain a motion on
7 item 2.

8 MR. ROMERO: I make a motion to approve.

9 MR. JONES: It's been approved --

10 MR. EVENWEL: Second.

11 MR. JONES: -- and second, as written. Any
12 public comment at this time?

13 (No response.)

14 MR. JONES: All right. Hearing none, all in
15 favor of approval, say aye.

16 (A chorus of ayes.)

17 MR. JONES: Okay. And then -- okay. Thank
18 you. Now, let's go to item 3, presentation, discussion
19 and possible approval of the loan agreement relating to a
20 \$1,000,000 revolving loan to be made by the Corporation to
21 CDC -- Community Development Corporation, I guess -- of
22 Brownsville to be used by CDC of Brownsville to make
23 single family loans pursuant to MiCasita Loan Program.

24 MR. DANENFELZER: David Danenfelzer, senior
25 director of development finance. So again, this project

1 was reviewed by the Board in December 2016. The Board did
2 approve and review the application at that time and the
3 scope of work.

4 The project is simply that we looking at
5 partnering and financing a new affordable housing project
6 that is being created by the Community Development
7 Corporation of Brownsville. As our role, what we'll be
8 helping to do is finance the initial mortgage and initial
9 cost of, sort of, construction and mortgaging of these
10 homes that are predominantly disaster-resistant homes, and
11 the home structure is something that is very new.

12 It's a bit modular and it's very quick to
13 build. It's a model that's won several awards as far as
14 its construction type, but what's really key to us is that
15 we think they'll be able to reach significantly lower area
16 median income than we traditionally do under our normal
17 mortgage programs and lending programs.

18 The target here is really going to be
19 households at 50 percent or below area median income, and
20 the majority of the households will be actually be using
21 the product to replace a dilapidated or existing home that
22 is substandard.

23 So in many cases, the homeowner actually owns
24 the land and what we'll doing is, sort of, mortgaging a
25 new structure to be built on that property. Our plan is

1 to hold those mortgages for one, two, possibly up to three
2 years, and then those mortgages are going to be sold into
3 a secondary market through Rio Grande Valley Multibank and
4 through the Federal Home Loan Bank.

5 The pipeline for that secondary mortgage system
6 is kind of why we are coming back around, because it's
7 taken some time to get all the regulatory and other
8 documents set up, and it's my understanding that our
9 counsel, upon reviewing the loan documents a few months
10 ago that we revised, decided that it would be best to come
11 back to re-ratify the decision of the Board to approve
12 this loan, and also put it in a resolution form. So --

13 MR. JONES: And why was that decision made?

14 MR. DANENFELZER: All I know is, our counsel
15 just felt, because it had been such a long period of time
16 between the Board's initial vote that they felt they
17 should go ahead and re-ratify it.

18 MR. JONES: But you said there were changes?

19 MR. DANENFELZER: There really were no changes
20 in the structure of the development or our loan terms. I
21 know that there was some legal updates to the documents,
22 the loan documents that we provided, but other than that,
23 there were no structural changes in the actual loan or the
24 terms of the agreement.

25 MS. KENNARD: I think that the reason -- Karen

1 Kennard, general counsel for the Corporation. I think the
2 reason for bringing it back for the Board was that it had
3 become stale. There were some changes that we believe
4 from a contracting perspective, we just needed the Board
5 to re-ratify the agreement.

6 MR. JONES: Okay.

7 MS. KENNARD: So sometimes because of the
8 length of time in a transaction, even though all of the
9 terms are basically the same, our advice was that it come
10 back before the Board so that the Board could reaffirm
11 moving forward with the loan.

12 MR. JONES: It makes sense.

13 MS. KENNARD: Okay?

14 MR. JONES: Thank you.

15 MS. KENNARD: You're welcome.

16 MR. JONES: Any other questions?

17 (No response.)

18 MR. JONES: No? Okay. Is there a motion?

19 MR. ROMERO: I make a motion to approve the
20 ratification of the loan agreement that was originally
21 issued in 2016?

22 MR. DANENFELZER: Correct.

23 MR. JONES: Are you adding that to the
24 language?

25 MR. ROMERO: Yeah, it is a ratification of that

1 loan agreement.

2 MR. JONES: That's not what it says, though.

3 MR. DANENFELZER: Oh, we actually have a
4 resolution and -- that you'll be approving that resolution
5 that --

6 MR. JONES: At another meeting?

7 MR. ROMERO: No, this it.

8 MR. DIETZ: No, it's at this meeting.

9 MR. JONES: Okay, but that's not what we're
10 voting on now.

11 MR. ROMERO: I'll move to approve the --

12 MS. TAYLOR: Resolution.

13 MR. ROMERO: -- resolution as presented.

14 MR. JONES: Okay.

15 MR. DANENFELZER: Okay.

16 MR. EVENWEL: Second.

17 MR. JONES: Moved and second to approve the
18 resolution as written in item 3. Any further discussion
19 of the Board? Any public comment?

20 (No response.)

21 MR. JONES: All right. All approved of the
22 motion, say aye.

23 (A chorus of ayes.)

24 MR. JONES: All right. That's approved.

25 Item 4, presentation, discussion and possible approval of

1 the 2018 Texas Foundations Fund guidelines.

2 MR. WILT: Good morning, Chairman and Board
3 members. I'm Michael Wilt, manager of external relations.

4 I'm here to present Tab Item 4, an action item asking you
5 to approve the 2018 Texas Foundations Fund guidelines.
6 With your approval of the guidelines today, we plan on
7 opening up the application as early as tomorrow.

8 As you'll recall, in February, we released a
9 draft of the guidelines for public comment. The public
10 comment period was open from February 16 through March 19.

11 We received five comments during that time. Three of the
12 comments said that the program was working well and to not
13 change anything, and the other two comments were from
14 people who didn't understand the program and assumed this
15 was for personal grants.

16 Based upon that feedback, we haven't made any
17 changes to the guidelines and I'm happy to answer any
18 questions that you may have.

19 MR. JONES: Board?

20 (No response.)

21 MR. JONES: Okay. There's no question.

22 Allright. Is there a motion?

23 MR. EVENWEL: So moved.

24 MR. JONES: So moved -- what?

25 MR. EVENWEL: Motion --

1 MR. JONES: Oh, to approve?

2 MR. EVENWEL: Yeah. I'm sorry.

3 MR. JONES: No, your wife would attempt on us,
4 but she said that's not a proper motion, so moved. I'm
5 going to tell her. Move to approve. Is there a second?

6 MR. ROMERO: Second.

7 MR. JONES: Any further discussion? Any public
8 comment?

9 (No response.)

10 MR. JONES: All in favor of approval of Item 4,
11 say aye.

12 (A chorus of ayes.)

13 MR. JONES: Okay.

14 MR. WILT: Thank you.

15 MR. JONES: Now we're back to 5, we're down to
16 5, Presentation, discussion, and possible approval of the
17 Texas Community Capital proposed changes to bylaws
18 related to increase of the number of TSAHC-appointed Board
19 members and related changes to Board composition.

20 MR. DANENFELZER: Good morning. David
21 Danenfelzer, senior director of development finance.
22 This -- as you recall, a couple months ago, I was actually
23 appointed as a member of the Board for Texas Community
24 Capital by this group.

25 I thank you for that. And as part of the work

1 that I'm focused on, in order to move forward with the
2 goals of Texas Community Capital and the involvement by
3 TSAHC in that organization, one of those goals is to go
4 ahead and advance an application for CDFI certification.

5 In order to do that, the consultants that we
6 are working with at TCC have recommended that the TCC
7 board be expanded to give it better geographical
8 representation across the state of Texas. As you can see
9 from the information, originally the board has been five
10 members, two appointed by TSAHC and two by the Texas
11 Association of CDCs and one at-large member.

12 We are now expanding that or recommending
13 expansion to nine members, three of which will be
14 appointed by each of the appointing agencies, which is
15 TSAHC and TACDC, as well as three at-large directors. One
16 of the key aspects within the bylaws of TCC is that as an
17 appointing entity and as a controlling entity, what we
18 have is the right to approve any changes to the board
19 makeup.

20 And so we are requesting today that we approve
21 these changes as presented and then that these changes
22 will also be, we believe, approved by the TACDC board and
23 then ratified by the Texas Community Capital board or the
24 joint board of all the appointees.

25 I'll open it up for questions, if you have any.

1 MR. EVENWEL: On the red-line copy --

2 MR. DANENFELZER: Yes.

3 MR. EVENWEL: -- on the first page of it, under

4 the -- in the paragraph, it says, "number of directors."

5 About halfway down, it talks about a majority vote. In

6 one sentence, it says, "Majority vote by the acting

7 directors," and then in the next sentence, it starts out

8 by saying, "Upon majority resolution."

9 For a layman, that's confusing.

10 MR. JONES: You're down on item 6. Right?

11 MR. EVENWEL: Well, no, we're on 5.

12 MR. JONES: I think the --

13 MR. EVENWEL: Oh, did we -- we're on 5. Right?

14 MR. DANENFELZER: In 5.

15 MS. TAYLOR: We're on 5.

16 MR. JONES: Okay.

17 MR. DANENFELZER: Right. And that would be,

18 sort of, Subsection 3 of Article 3.

19 MR. JONES: What page are you on, sir?

20 MR. EVENWEL: The first section -- the first

21 page of the red-line stuff.

22 MR. JONES: Got it. `

23 MR. ROMERO: Section 3 --

24 MR. JONES: Uh-huh.

25 MR. ROMERO: -- right about the middle of that

1 section.

2 MR. JONES: All right. Which line are you
3 referring to?

4 MR. EVENWEL: Oh, about right in the middle
5 where it starts out, "Majority vote."

6 MR. JONES: Okay. Okay. "Upon majority
7 resolution." Let me see.

8 MR. DANENFELZER: Right.

9 MR. EVENWEL: Well, I was just -- I'm just
10 confused --

11 MR. DANENFELZER: So here's --

12 MR. EVENWEL: As long as everybody understands
13 what you're trying to do, I can do what -- but it's just
14 confusing the way it's worded.

15 MR. DANENFELZER: Yeah, and my understanding of
16 this -- these two sentences --

17 MR. JONES: Got it.

18 MR. DANENFELZER: -- is that the first one
19 regarding majority vote is that the TCC board, the
20 members, the three members from TACDC and three members
21 from TSAHC, have the right to vote on the three at-large
22 members --

23 MR. JONES: Uh-huh.

24 MR. DANENFELZER: -- and that just requires a
25 majority vote of those six. Then in the next sentence

1 what we're actually doing is talking about any increases
2 or decreases in the actual number of board members would
3 need to have been done through a resolution --

4 MR. EVENWEL: Okay. So --

5 MR. DANENFELZER: -- with a majority vote.

6 MR. EVENWEL: -- the majority resolution is the
7 result of the majority vote? I'm just --

8 MR. DANENFELZER: Yeah, I actually see them as
9 two separate actions, one being a vote for new members to
10 be added to the board. The other one is any changes to
11 the maximum number or minimum number of the board. So if
12 the joint resolution would require -- or the majority
13 resolution would allow TCC to potentially expand to 10 or
14 11 members in the future --

15 MR. EVENWEL: I mean, I think I understand what
16 you're trying to do --

17 MR. DANENFELZER: Okay.

18 MR. EVENWEL: -- and I think I understand the
19 words. It's just confusing when you use, majority vote,
20 and then all of sudden, you're --

21 MR. DANENFELZER: And then --

22 MR. EVENWEL: -- in a majority resolution. Is
23 it --

24 MR. DANENFELZER: Right.

25 MS. KENNARD: Right.

1 MR. EVENWEL: -- is it workable?

2 MS. KENNARD: And I think --

3 MR. EVENWEL: I'm sorry. Not --

4 MS. KENNARD: Karen Kennard --

5 MR. DANENFELZER: No, no, that's --

6 MS. KENNARD: -- Board counsel. Yeah. I
7 understand --

8 MR. JONES: Unless you change the words
9 around -- upon the resolution of the majority of board of
10 director's --

11 MS. KENNARD: I think -- and this item may be a
12 little bit more confusing, because you as a Board are
13 approving a narrow section --

14 MR. EVENWEL: Uh-huh.

15 MS. KENNARD: -- of the bylaws, and so that's
16 just to increase your appointees to the board. We have
17 provisions in here that aren't necessarily for your Board
18 to approve. And so I think what the feedback should be is
19 that we will ask TCC to clarify that particular provision
20 so that it may be clear, and we can explain to them, or
21 David can explain to them why we believe that that
22 provision is not as clear as it should be, if that's the
23 direction you want us to send to them, because --

24 MR. EVENWEL: But I think what --

25 MS. KENNARD: -- today we're approving you

1 expanding your numbers.

2 MR. EVENWEL: -- you're trying to do.

3 MS. KENNARD: Correct.

4 MR. EVENWEL: I just to make sure it's the
5 right way to say it.

6 MS. KENNARD: Correct. Yes.

7 MR. EVENWEL: Okay.

8 MR. JONES: Well, just an idea. I mean, if it
9 says the point about majority vote by the active
10 directors, and then upon resolution of the majority --

11 MS. KENNARD: Uh-huh.

12 MR. JONES: -- of the board of directors, I
13 just see a switch in the words. It says the same thing.
14 But it's clear if you say upon resolution of the majority
15 of the board --

16 MS. KENNARD: Correct. No, I agree. I agree
17 that it's confusing.

18 MR. JONES: It's just a flipping of the --

19 MS. KENNARD: I agree, I agree.

20 MR. JONES: Okay.

21 MR. ROMERO: We're talking about three
22 different organizations. That's why --

23 MS. KENNARD: Correct.

24 MR. JONES: Right.

25 MS. KENNARD: And we're talking specifically

1 today about you agreeing that your appointee -- your
2 number of --

3 MR. JONES: Uh-huh.

4 MS. KENNARD: -- appointees will be increased.

5 MR. ROMERO: Right.

6 MS. KENNARD: And that's the action that --

7 MR. JONES: Which -- does it affect whether we
8 switch the majority word -- majority resolution? When
9 does that -- that doesn't require any kind of vote --

10 MS. KENNARD: I think --

11 MR. JONES: -- to switch those words?

12 MS. KENNARD: I don't think that you -- because
13 these are -- the only action I think that is before you
14 is, are you going to increase your appointees from three
15 to six?

16 MR. JONES: Which is what was in red?

17 MS. KENNARD: Correct.

18 MR. ROMERO: Uh-huh.

19 MR. JONES: We're not talking about the rest of
20 it.

21 MS. KENNARD: Correct.

22 MR. DANENFELZER: Correct.

23 MR. JONES: Okay.

24 MS. KENNARD: But as a majority member of this
25 third-party Board, you can give direction to say, we

1 believe that this is confusing --

2 MR. JONES: Uh-huh.

3 MS. KENNARD: -- and we would like to see you
4 consider changing that to the words that you just used to
5 clarify that this provision -- when laymen or anybody else
6 are reading these provisions, they more clearly understand
7 how you operate --

8 MR. JONES: Right.

9 MS. KENNARD: -- and you are well within your
10 authority to do that, to send that direction.

11 MR. DIETZ: But that's really a separate
12 thing --

13 MS. KENNARD: Correct.

14 MR. JONES: It is.

15 MR. DIETZ: -- that we can do it informally --

16 MS. KENNARD: Correct.

17 MR. DIETZ: -- or -- yeah --

18 MR. JONES: One says, we can increase our
19 representation. The other one, the board can increase its
20 representation.

21 MR. DIETZ: Uh-huh.

22 MS. KENNARD: Correct.

23 MR. DIETZ: Right.

24 MS. KENNARD: Correct. But I don't have a
25 problem with you sending that direction at all, because it

1 is confusing. I agree.

2 MR. DIETZ: Has the TCC board already approved
3 this, or do they approve it after we approve it? Which
4 one is it?

5 MR. DANENFELZER: So we approve it first --

6 MR. DIETZ: We approve it --

7 MR. DANENFELZER: -- and then the TCC board
8 will ratify the decision of both TACDC and TSAHC.

9 MR. JONES: But the effect is to increase the
10 size of the board by increasing our representatives on the
11 board --

12 MR. DANENFELZER: Correct.

13 MR. JONES: -- who still have to be approved by
14 a majority of the overall board.

15 MR. DANENFELZER: No.

16 MR. ROMERO: Each organization has --

17 MR. DANENFELZER: We --

18 MR. ROMERO: -- to approve that --

19 MR. DANENFELZER: -- right.

20 MR. ROMERO: -- and I think TACDC's already
21 done it. Correct?

22 MR. DANENFELZER: Correct.

23 MS. KENNARD: Correct.

24 MR. ROMERO: So we're coming in and --

25 MR. JONES: To make it official.

1 MR. ROMERO: -- yeah. We're making our part of
2 it official, and then TCC as a whole, that board, will
3 start making the changes necessary to add the additional
4 three board members.

5 MS. KENNARD: Correct.

6 MR. DANENFELZER: Right.

7 MR. ROMERO: Yes, it's confusing.

8 MR. JONES: Okay. I guess they know what
9 they're doing, if not how to say it, but. All right.
10 Anyother discussion or questions?

11 MR. EVENWEL: Page 1 of the non-red-lined
12 draft -- you did a good job of getting in -- just about
13 the last paragraph number -- directors -- in the middle,
14 it says, "Appointing authority," -- has those little
15 quotation marks around, but you missed one quotation mark.

16 MR. DANENFELZER: Oh --

17 MS. KENNARD: Okay.

18 MR. DANENFELZER: -- okay.

19 MR. JONES: Where? Oh, at -- before the end of
20 the sentence?

21 MR. EVENWEL: Yeah.

22 MR. DANENFELZER: Yeah.

23 MR. EVENWEL: No, right here.

24 MR. ROMERO: Yeah, right below, "TSAHC Board."

25 MR. DANENFELZER: Yeah, and --

1 MR. JONES: You say it because that's the end
2 of the sentence.

3 MR. EVENWEL: Yes.

4 MR. JONES: There's a period.

5 MR. DANENFELZER: But it should be in quotes,
6 the --

7 MR. JONES: Right.

8 MR. DIETZ: -- full -- there should be a closed
9 quote.

10 MR. ROMERO: "Appointing authority," quotes on
11 both sides, I guess?

12 MR. DANENFELZER: Yeah.

13 MR. ROMERO: Okay. That's all.

14 MR. DANENFELZER: Understood.

15 MR. ROMERO: You just weren't as committed.
16 Right?

17 MR. JONES: Now, if the quote comes at the end
18 of a sentence --

19 MR. ROMERO: All night long I'm doing this --

20 MR. JONES: -- doesn't the quotation mark come
21 after the period, though?

22 MR. ROMERO: Yes.

23 MR. JONES: Because it's the end of the
24 sentence. Right?

25 FEMALE VOICE: Yes.

1 MR. DANENFELZER: Grammatically, yes, that
2 would be correct.

3 MR. JONES: I knew that. Okay. Any other
4 changes or corrections? I mean, that's not really what
5 we're voting on, but even just calling it to your
6 attention.

7 MR. DANENFELZER: Thank you.

8 MR. JONES: Okay. We're going to have a motion
9 on -- what are we on? Item -- I now have forgot now.

10 MR. ROMERO: Item 5.

11 FEMALE VOICE: Five.

12 MR. JONES: On Item 5, as written. Is there a
13 motion?

14 MR. EVENWEL: Move --

15 MR. JONES: Hearing none --

16 MR. EVENWEL: -- move we approve.

17 MR. JONES: Okay. Been moved to approve.

18 MR. DIETZ: Second.

19 MR. JONES: And been seconded. Any further
20 discussion? All right. Any public comment on Item
21 Number 5?

22 (No response.)

23 MR. JONES: All right. All in favor of the
24 motion to approve as written, say aye.

25 (A chorus of ayes.)

1 MR. JONES: All right. It's approved.

2 MR. DANENFELZER: Thank you.

3 MR. JONES: What was at the hearing red-lined
4 as written. Item 6, presentation, discussion and possible
5 approval of the appointment of members -- member or
6 members to the board members of Texas Community Capital,
7 LLC.

8 MR. DANENFELZER: Good morning. Dave
9 Danenfelzer.

10 MR. JONES: So we could do one or more under
11 that --

12 MR. DANENFELZER: Correct.

13 MR. JONES: -- wording.

14 MR. DIETZ: That's correct, sir. So in this
15 presentation, this section of -- or the request we're
16 asking is for you to do a couple things. One is we are
17 proposing -- staff is proposing that you vote and approve
18 the appointment of Mr. Roy Nash to serve on the Texas
19 Community Capital Board on behalf of TSAHC.

20 There's some information there, but I can say
21 personally I know Mr. Nash well. We've worked with him
22 for many years. He is a great, great leader within -- and
23 across the affordable housing field in Texas.
24 Neighborworks Waco has been a growing organization for
25 many years, solidly performs year over year financially

1 and otherwise.

2 They do both rental housing, single-family
3 rental, but more importantly, they have some great single-
4 family new construction and rehab programs in the Waco and
5 in around surrounding communities of that central Texas
6 area.

7 The other two things that we're asking you to
8 do here in the last paragraph of the summary there is to
9 reaffirm and ratify the terms of your other appointees.
10 First, Ms. Cynthia Leon, who has served for the past four
11 years.

12 Her term ends this June and although it may be
13 a little early we're asking you to go ahead and reaffirm
14 an additional four-year term for her, since we had this
15 opportunity to come to you today. Cynthia has already
16 agreed to extend her term and I do believe that upon her
17 reappointment by this Board it is being recommended that
18 she be appointed within TCC as the chair of the TCC board
19 of directors.

20 We'll have to wait for your renewal of that,
21 though, at this time. And then for me, we just also
22 wanted to clarify, in talking with TCC, that my
23 appointment by this Board is to complete the term of Mr.
24 Romero, and his term was to continue until June 2020.

25 So I'll continue to serve for the next two

1 years on the board unless that changes for some reason,
2 but at this time, we're asking you simply to appoint Mr.
3 Nash, reappoint Ms. Leon, and ratify the continuation of
4 my fulfillment of Mr. Romero's term on the board.

5 MR. JONES: Did we officially appoint you
6 already to finish the term, yes or no?

7 MR. DANENFELZER: Yes.

8 MR. JONES: And you want to ratify the fact
9 that we appointed you?

10 MR. DANENFELZER: Well, my understanding is
11 that at the time of my appointment it was not stated that
12 I was specifically fulfilling Mr. Romero's remaining
13 term --

14 MR. JONES: Okay.

15 MR. DANENFELZER: -- and it was not stated to
16 you what that term was, and so right now we wanted to make
17 sure that it was presented to you that Mr. Romero's term
18 went through June 2020 and that I would be fulfilling that
19 term.

20 I am not being appointed as a new four-year
21 member of the TCC board.

22 MR. JONES: So Counselor, possible approval of
23 the appointment of member or member's --

24 MS. KENNARD: Uh-huh.

25 MR. JONES: -- appointment of Mr. Nash,

1 reappointment of Ms. Leon and --

2 MS. KENNARD: Ratify appointment.

3 MR. JONES: -- ratify the appointment of -- we
4 should add that to the -- can we add that to the -- what
5 we're saying, because it just says, appointment?

6 MS. KENNARD: I know, but I mean --

7 MR. JONES: I'm just making sure.

8 MS. KENNARD: Yes, sir.

9 MR. JONES: He says, because we didn't state --

10 MS. KENNARD: Yes, sir.

11 MR. JONES: -- so he's talking about wording --

12 MS. KENNARD: Yes, sir.

13 MR. JONES: -- for clarify. Ms. Leon is
14 technically not being appointed. She's being reappointed,
15 but it doesn't need to say that.

16 MS. KENNARD: No, sir. I think the term,
17 appointment, captures --

18 MR. JONES: Yes, that's what I want to know.

19 MS. KENNARD: -- all of those actions that the
20 Board is being asked to --

21 MR. JONES: Number one, two and three under
22 recommendations?

23 MS. KENNARD: Yes, sir.

24 MR. JONES: Just saying this will cover all
25 that?

1 MS. KENNARD: Yes, sir.

2 MR. JONES: Okay. All right.

3 MR. ROMERO: So question -- so has TCC already
4 approved the changes to the bylaws?

5 MR. DANENFELZER: TCC has not approved the
6 changes to the bylaws for Article 3. We needed to do that
7 first, and then we'll --

8 MR. ROMERO: Okay.

9 MR. DANENFELZER: -- bring it back to TCC.

10 MR. ROMERO: So are we jumping gun if they
11 haven't approved -- TCC hasn't approved the changes yet?

12 MR. DANENFELZER: No. My understanding from
13 counsel is that we can go ahead and appoint --

14 MS. KENNARD: Uh-huh.

15 MR. DANENFELZER: -- and then TCC will
16 essentially accept --

17 MS. KENNARD: Yeah. Because, you know, they
18 can have a two-step process.

19 MR. DIETZ: And if they don't accept, what
20 happens?

21 MS. KENNARD: If they don't accept -- well,
22 come back and do it again.

23 MR. ROMERO: You go back to the old structure.

24 MR. DANENFELZER: We'll have to --

25 MS. KENNARD: Yeah, we'll have to --

1 MR. DANENFELZER: -- figure it out.

2 MS. KENNARD: -- yeah. Do something else.

3 MR. ROMERO: You would go back to the old
4 structure if they didn't approve?

5 MS. KENNARD: Well, the old structure.
6 Correct. Yeah. Of only having three.

7 MR. JONES: The old structure would remain in
8 place.

9 MR. ROMERO: Right.

10 MS. KENNARD: Yeah, exactly, yeah.

11 MR. ROMERO: So --

12 MR. JONES: But you don't anticipate that --

13 MS. KENNARD: I don't think -- I mean, they --
14 my understanding is they've talked through this
15 extensively --

16 MR. JONES: Right.

17 MS. KENNARD: -- so we don't anticipate --

18 MR. DANENFELZER: Yeah.

19 MS. KENNARD: -- that happening.

20 MR. JONES: They just said, go back to your
21 board --

22 MS. KENNARD: Correct.

23 MR. JONES: -- and get your stuff done and
24 we'll do our stuff.

25 MS. KENNARD: And then we'll do ours. Correct.

1 MR. ROMERO: One other question, then: In the
2 document prior to this, you talked about staggered terms.

3 MR. DANENFELZER: Correct.

4 MR. ROMERO: In this structure here, we're
5 going to have two board members that are going to be
6 coming up for renewal at the same time?

7 MR. DANENFELZER: Correct, but we -- and we
8 discussed that at the TCC board meeting last week.

9 MR. JONES: Thank you.

10 MR. DANENFELZER: Because we're going to three
11 members, as long as one of the three members by each of
12 the parties, the appointing parties, is staggered from the
13 other two, then we're considering it a staggered
14 appointment process.

15 TCC only has a four-year appointment --

16 MR. ROMERO: Right.

17 MR. DANENFELZER: -- period and when we appoint
18 two people at the same time, we're to stagger them two and
19 four, but because at this point, we came upon the
20 reappointment of Ms. Leon and then the appointment of Mr.
21 Nash, we agreed that they would both serve the four-year
22 terms, and I was just -- be fulfilling your two-year
23 remaining.

24 So there's a staggering. It's not completely,
25 you know --

1 MR. ROMERO: Not --

2 MR. DANENFELZER: -- one every year, but it is
3 a staggering. So within four -- or four years from now,
4 in 2022, if we're still involved in the same level, we'll
5 go ahead and reappoint two members at that time, and then
6 there'll be one continuing member.

7 MR. JONES: Okay. Any other discussion?

8 (No response.)

9 MR. JONES: Is there a motion?

10 MR. ROMERO: I'll move to approve the motion as
11 presented.

12 MR. EVENWEL: Second.

13 MR. JONES: Moved and second to approve Item 6
14 as stated. Any additional discussion or comments of the
15 Board?

16 (No response.)

17 MR. JONES: Hearing none, any public comment?

18 (No response.)

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

21 (A chorus of ayes.)

22 MR. JONES: It's approved.

23 MR. DANENFELZER: Thank you.

24 MR. JONES: Thank you. All right. We're down
25 to Item 7, presentation, discussion and possible approval

1 of the Corporation's program guidelines for the Housing
2 and Economic Assistance to Rebuild Texas, or what is the
3 HEART Program.

4 Rebuild Texas Program is also called the HEART
5 Program?

6 MS. CLAFLIN: So the Rebuild Texas Fund is the
7 funder. We are calling the program that we created the
8 Housing and Economic Assistance to Rebuild Texas Program.

9 MR. JONES: Oh, I see.

10 MS. CLAFLIN: So they both have the word --

11 MR. JONES: H-E-A-R-T?

12 MS. CLAFLIN: Yeah, uh-huh.

13 MR. JONES: To assist Rebuild Texas HEART
14 Program, a special disaster recovery grant program to be
15 administered in partnership with the Enterprise Community
16 Partnership.

17 MS. CLAFLIN: Yes. Good morning again. My
18 name is Katie Claflin, director of communications and
19 development, and I'm joined by Michael Wilt, the manager
20 of external relations. We are here to present Tab Item 7,
21 which is an action item, asking the Board to approve
22 TSAHC's program guidelines for the Housing and Economic
23 Assistance to Rebuild Texas, or HEART Program.

24 Before we present the guidelines, however, I
25 did want to give you an update on the program. Earlier

1 this year, TSAHC teamed up with Enterprise Community
2 Partners, which is a national nonprofit focusing on
3 housing and community development, to submit a joint
4 application to the Rebuild Texas Fund, to support a
5 disaster recovery grants program that provides grants to
6 nonprofits that are providing critical home repairs and
7 other housing services to households that have been
8 affected by Hurricane Harvey.

9 We decided to call the joint program, HEART, or
10 the Housing and Economic Assistance to Rebuild Texas
11 Program. In March, we were notified that our joint
12 application to the Rebuild Texas Fund was approved. As
13 Janie mentioned in her executive vice-president report,
14 TSAHC will receive \$500,000 specifically for home repair
15 grants through the program, of which \$250,000 will be
16 provided up-front, and \$250,000 will be provided as a
17 matching grant contingent upon raising additional private
18 funds.

19 The Board did approve \$100,000 commitment from
20 TSAHC for this program at the February Board meeting. So
21 that means we have \$350,000 total in initial funding for
22 repairs, with the potential for up to \$500,000 more if we
23 can secure the matching funds from Rebuild Texas and other
24 funding sources.

25 We're already started discussions with a few

1 potential funders and we're optimistic that we can raise
2 the additional funds. We have created specific program
3 guidelines for how we will administer the critical repair
4 funding.

5 I did want to mention that to expedite the
6 availability of the funds, and how quickly we can make the
7 funds available, we decided not to do a public comment
8 period for this guidelines. We are working with
9 Enterprise Community Partners to set up the infrastructure
10 for the program, and we expect to start taking application
11 on May 7 if the Board approves the program guidelines
12 today. Yes?

13 MR. JONES: I heard you say, the opportunity to
14 receive another \$500,000? Is that what you said?

15 MS. CLAFLIN: Yes.

16 MR. JONES: In addition to what? To --

17 MS. CLAFLIN: So the Rebuild Texas Fund made a
18 \$500,000 commitment to us, of which \$250,000 is provided
19 up front, and then \$250,000 is a dollar-for-dollar match,
20 if we can raise an additional \$250,000.

21 MR. JONES: Right.

22 MS. CLAFLIN: So that's where that \$500,000
23 comes into play.

24 MR. JONES: Right.

25 MS. CLAFLIN: Uh-huh.

1 MR. JONES: And then you said another \$500,000?
2 But didn't I hear her say that, or -- with an opportunity
3 to get an additional 500,000?

4 MS. CLAFLIN: Yes, and that additional 500,000
5 includes the \$250,000 match from the Rebuild Texas Fund.

6 MR. JONES: So they would do it twice?

7 MS. CLAFLIN: So they're giving us the initial
8 \$250,000 --

9 MR. JONES: Right.

10 MS. CLAFLIN: -- plus an additional \$250,000 if
11 we can raise \$250,000.

12 MR. ROMERO: The total amount raised would be
13 750-.

14 MS. CLAFLIN: Yes.

15 MR. JONES: Okay. Got that. Yeah, I mean, I
16 didn't -- when I read this, I didn't read it like that,
17 until you just said. I mean, did it seem like that when
18 you read it?

19 MR. EVENWEL: Not -- I don't know.

20 MS. CLAFLIN: It's --

21 MR. JONES: Okay.

22 MS. CLAFLIN: -- it's tough. There's a lot of
23 250- and \$500,000.

24 MR. JONES: It just didn't say it in what we
25 had to read.

1 MS. CLAFLIN: Okay.

2 MR. JONES: What I just heard you say.

3 MR. ROMERO: Question --

4 MS. CLAFLIN: Yeah.

5 MR. ROMERO: -- I'm sorry. Real quick.

6 Experience required. Why would you put in that applicants
7 without a 501(c)(3) would be eligible to participate?

8 MR. JONES: What did you ask?

9 MR. ROMERO: On the eligibility requirements,
10 number 2 --

11 MR. JONES: Uh-huh.

12 MR. ROMERO: -- you say that they have to have
13 a successful track record of providing housing-related
14 services for two years, but the applicant doesn't have to
15 be a 501(c)(3), but yet the organization document above
16 that is a 501(c)(3).

17 MR. WILT: We opened up the organization type
18 in this program beyond 501(c)(3)s to --

19 MR. JONES: You have to say who you are when
20 you talk.

21 MR. WILT: Michael Wilt, manager of external
22 relations. My apologies. We opened up the organization
23 type in this program beyond 501(c)(3)s to religious
24 organizations and churches who sometimes don't have
25 501(c)(3) status but often mobilize to respond to

1 hurricane and extreme weather events.

2 MR. ROMERO: Should that be identified in here?

3 Because as I read this, I'm thinking if I'm a for-profit
4 organization and I have a proven track record of doing
5 rehabilitation, would they be eligible to be considered?

6 MR. WILT: One of four entities can be
7 considered, 501(c)(3), local governments or municipality,
8 some sort of government body, and then the church or
9 religious organization.

10 MR. ROMERO: And is it in here in the
11 documentation?

12 MR. WILT: Yes, that's eligibility
13 requirement --

14 MR. JONES: Actually, the IRS Code says that
15 those exempt from having to apply to form a 501(c)(3) are
16 governments and churches, and you can contribute to either
17 of them and they can also deduct your contributions to
18 them.

19 That's a Constitutional thing. It's always
20 been in the IRS Code, though. Some churches do it --

21 MR. WILT: Correct.

22 MR. JONES: -- to apply for it, but none of
23 them have to do it.

24 MR. WILT: Right. Correct.

25 MR. JONES: So that's what he's saying.

1 They're unique in itself. Governments --

2 MR. ROMERO: No --

3 MR. JONES: -- and schools --

4 MR. ROMERO: -- no, I understand that, but I'm
5 just saying, where does it --

6 MR. DIETZ: Under organization type.

7 MR. ROMERO: Yeah, where is it?

8 MR. DIETZ: That's the first eligibility
9 requirement.

10 MR. JONES: Okay. Right. Government
11 entities --

12 MR. DIETZ: Doesn't that address what you're
13 looking for?

14 MR. JONES: Yeah, it spells it out in one.
15 Okay?

16 MR. DIETZ: Okay.

17 MR. ROMERO: I don't see that's clearly
18 excluding a for-profit business that wants to participate.

19 MS. CLAFLIN: Okay. We will --

20 MR. ROMERO: See what I'm saying?

21 MS. CLAFLIN: -- yeah. As we're putting
22 together the wording on the application in the webpage, we
23 will make sure that to make that clarification.

24 MR. JONES: And that's not affected by what we
25 vote on? They can just do that?

1 MS. KENNARD: No, no, no, no.

2 MR. JONES: Okay.

3 MS. KENNARD: No, no.

4 MR. JONES: I've got to check with you.

5 MS. CLAFLIN: Yeah. We're also doing an FAQ
6 document, and we'll add a question in the FAQ document
7 specifically addressing that.

8 MR. JONES: Okay. Any other comments, any
9 other questions, Board?

10 MR. ROMERO: This is going to be your final
11 document?

12 MS. CLAFLIN: So this is the document that
13 we --

14 MR. ROMERO: The guidance --

15 MS. CLAFLIN: -- that -- yeah, that we're
16 asking the Board to approve on how TSAHC will administer
17 our portion of the funding. Enterprise Community Partners
18 as, you know -- as a partner in this application is also
19 receiving a grant from the Rebuild Texas Fund, and they
20 will be administering funds for other housing assistance
21 types, and we will put together joint guidelines that we
22 release to potential applicants, but all of the language
23 in this document will be included in those joint
24 guidelines.

25 MR. JONES: Can I interject here? So I

1 understand that what Jerry is saying about that last
2 sentence in number two, "Applicants without" -- see --

3 MS. CLAFLIN: Uh-huh.

4 MR. JONES: -- churches and government don't
5 need one because they're considered tax-exempt, period.
6 But when this does say, "Without the status, must be
7 specifically able to document prior experience with home
8 repairs," that sounds like it's open to for-profits or
9 anybody. It still does --

10 MR. DIETZ: Well, that would apply to
11 government entities, churches or religious organizations
12 from item 1.

13 MR. JONES: Yeah, but I'm saying, does it need
14 to --

15 MR. ROMERO: To specify that?

16 MR. JONES: -- to have a line, and if so, we
17 can approve it with the noted change or the clarification.
18 Correct?

19 MS. KENNARD: You can. This is up to you. I
20 mean, this is what staff is proposing. I'm sorry. Karen
21 Kennard, Board counsel. If you want to make changes to
22 this, you can make the recommendations now, because these
23 are going to be the guidelines for the program.

24 MR. JONES: And because when Jerry asked, is
25 this the final document? She says yes --

1 MS. KENNARD: Yes.

2 MR. JONES: -- and that issue is still
3 prevalent because it does suggest --

4 MR. ROMERO: I just don't want to have people
5 confusing the issue saying, okay, I'm not a religious
6 organization, church, whatever, but yet it says I don't
7 have to have 501(c)(3). There is no reference back to
8 item 1 --

9 MR. JONES: That's correct.

10 MR. ROMERO: -- saying it's restricted to item
11 1.

12 MS. KENNARD: Yeah. So yeah. We could change
13 that language to say, government entities and churches,
14 religious organizations --

15 MR. ROMERO: As identified in item 1.

16 MR. JONES: Or you could say --

17 MS. KENNARD: -- without identifying
18 501(c)(3)s.

19 MR. JONES: -- or you can say, as identified --

20 MS. KENNARD: Uh-huh.

21 MR. JONES: -- in item 1 --

22 MR. ROMERO: Yeah.

23 MS. KENNARD: Sure, yeah.

24 MR. JONES: -- without saying, government and
25 churches without all over again, with standards as stated

1 in item 1, or as listed in item 1. What's the best way to
2 say it?

3 MR. ROMERO: What do you want to --

4 MR. JONES: I'm making Counselor work on it.
5 What's the best way to say it?

6 MS. KENNARD: You are. Yes, as --

7 MR. JONES: You just want to refer back to what
8 it says --

9 MS. KENNARD: -- yes, just refer back -- yeah.
10 As listed, or as referred to in item 1, either one.

11 MR. JONES: Or as specified and listed --
12 what's the --

13 MS. KENNARD: As specified in item -- I like
14 all your words.

15 MR. JONES: It's like --

16 MR. EVENWEL: I think we need some brackets and
17 quotation marks.

18 MS. KENNARD: I like brackets. I like
19 brackets.

20 MR. EVENWEL: Brackets and quotation marks.

21 MR. JONES: And we'll put the bracket. So
22 that'll be included in that last sentence?

23 MS. CLAFLIN: Yes, that will be amended in
24 that -- to that, applicants without a 501(c)(3) status --

25 MR. JONES: So when we move to approve it --

1 MS. KENNARD: It will be recommended --

2 MR. WILT: And for clarification, Mr. Romero,
3 did you want us to add a sentence under organization type
4 about --

5 MR. ROMERO: No, no.

6 MR. WILT: -- for-profits being excluded?

7 MR. ROMERO: No, I think just by adding that,
8 by mentioned in item 1 -- it's fine.

9 MR. WILT: Okay.

10 MR. ROMERO: I just didn't want people to read
11 that and say, oh, well, wait. There's another category
12 and I would qualify under that category.

13 MR. JONES: And this -- out of the 501(c)(3)
14 status --

15 MR. DIETZ: So he's saying if you read it --
16 yes --

17 MR. JONES: -- item -- applicants without a
18 501(c)(3) status, the brackets -- as specified in whatever
19 number one is, or organization type -- must specifically
20 be able to document prior experience with home repair
21 programs, and that takes care of it.

22 MR. DIETZ: And one other way to try and
23 clarify that would be, at the very top, under eligibility
24 requirements, applicants must meet all the following
25 requirements.

1 MR. JONES: But what way are you talking about
2 putting that, Mr. Dietz?

3 MR. DIETZ: Adding the word "all" roughly
4 under eligibility requirements, to qualify for --

5 MR. JONES: To qualify for critical repair,
6 funding applicants must meet all --

7 MR. DIETZ: of the following --

8 MR. JONES: -- of the following requirements.

9 MR. DIETZ: That way, to clear that they're
10 not -- they don't -- they can't qualify for one or other.
11 They have to qualify for all four.

12 MS. KENNARD: Correct.

13 MR. JONES: Okay.

14 MR. DIETZ: And one other question -- I hate to
15 go back to this, but the \$100,000 that TSAHC is
16 contributing -- that's not part of the 250- or the 250-.
17 So it's total of 850-?

18 MS. CLAFLIN: That's correct. Yes.

19 MR. DIETZ: That's correct?

20 MS. CLAFLIN: Uh-huh.

21 MR. JONES: I didn't read that in here. All I
22 got is what I read. Okay. So if I'm correct, the motion
23 will be as written, and as amended?

24 MS. KENNARD: Yes, sir. I mean, are you done
25 with reviewing the red line?

1 MR. JONES: Yeah, if -- when we get done, I'm
2 saying.

3 MS. KENNARD: Yes.

4 MR. JONES: It's as written and as amended.

5 MS. KENNARD: Correct.

6 MR. JONES: Or with following --

7 MS. KENNARD: Uh-huh.

8 MR. JONES: -- what -- with the recommended
9 changes?

10 MS. KENNARD: Who's to say -- the motion would
11 be to approve the guidelines as amended by the Board.

12 MR. JONES: Approve Item 7 as amended by the
13 Board?

14 MS. KENNARD: Yes.

15 MR. JONES: You're saying that. Okay.

16 MR. ROMERO: Move to approve as Item 7 is
17 amended by the Board.

18 MR. JONES: All right. It's been moved.

19 MR. EVENWEL: Second.

20 MR. JONES: Been seconded. Any other comment
21 or discussion?

22 (No response.)

23 MR. JONES: Okay. Hearing none, any public
24 comment?

25 (No response.)

1 MR. JONES: All right. No public comment as
2 well. All in favor of approval as amended by the Board,
3 say aye.

4 (A chorus of ayes.)

5 MR. JONES: I mean, that takes care of 7.

6 MR. WILT: Thank you.

7 MS. CLAFLIN: Thank you.

8 MR. JONES: You are welcome. All right. We're
9 down to 8, presentation, discussion and possible approval
10 of a resolution to restate, ratify, and affirm the
11 officers of the Corporation, and to designate and restate
12 the signature and approval authority of officers by -- is
13 it by?

14 MS. TAYLOR: Of the Corporation.

15 MR. JONES: Officers of the Corporation.

16 MS. TAYLOR: Okay. Janie Taylor, executive
17 vice-president. So as I think we've mentioned in a
18 previous Board meeting, Laura Ross has been with us for a
19 very long time and during her time here at TSAHC, she's
20 been the corporate secretary.

21 And she accepted a new position within TSAHC.
22 She's working in marketing and development, and we have
23 hired Lacy Brown as our new executive assistant, and so we
24 would like to have Lacy Brown become the corporate
25 secretary.

1 So what this tab item does and what we're
2 asking for from the Board is to go ahead and restate and
3 ratify the other officers of the Board which includes
4 David Long, Melinda Smith, myself, Janie Taylor, Cynthia
5 Gonzalez as the assistant secretary, and then adding and
6 replacing Laura Ross as the corporate secretary with Lacy
7 Brown.

8 And that is what this tab item is requesting.

9 MR. JONES: There's nothing to -- as it's
10 listed here in this minutes and certification. That's the
11 page you put in here under the tab item.

12 MS. TAYLOR: So after that page is the actual
13 Board resolution.

14 MR. JONES: Right.

15 MS. TAYLOR: Uh-huh.

16 MR. JONES: But that's -- is that what we're
17 voting on?

18 MS. TAYLOR: That's correct.

19 MR. JONES: So "be it resolved by the Board of
20 Directors of Texas State" -- "resolved, Laura Ross at her
21 new position, president David Long, chief financial
22 officer, second vice-president, secretary, assistant
23 secretary."

24 So this covers it. Again, Counselor, it's
25 not -- this motion is specific enough?

1 MS. KENNARD: Yes, sir. To ratify and
2 appoint -- you are ratifying what you're required to do
3 under the statute. The president, CFO, executive vice-
4 president, and then you are appointing the new secretary
5 of the board who is Lacy Brown.

6 MR. JONES: Okay. We don't have to say it's
7 from presented or it's stated in this. We just say that
8 and we're good?

9 MS. KENNARD: Yes, sir, you would be good --

10 MR. JONES: Thank you.

11 MS. KENNARD: -- to that say.

12 MR. JONES: All right. Okay. Any other
13 discussion on Item 8? No questions?

14 MR. EVENWEL: The first couple of pages, you've
15 got David Long and the other officers as non-Board
16 members, but then you don't repeat that in the resolution
17 and stuff. Is that okay? And we know they're not Board
18 members, but do we have to repeat that?

19 MS. KENNARD: I don't think that's legally
20 required for you to -- in the resolution to repeat that.
21 I don't think that's required. You're just required to --

22 MR. EVENWEL: I mean, we know they're not Board
23 members but --

24 MS. KENNARD: Correct. You're required to
25 ratify them as officers of the Corporation. So I think

1 the resolution as written carries out the authority that
2 you're supposed to vote on.

3 MR. JONES: So we're just hear to say that none
4 of the officers of the Corporation are Board members,
5 because all of it says non-Board members. None of them
6 are Board members. It says it.

7 MS. KENNARD: Correct. And you're voting on
8 the resolution and --

9 MR. JONES: What --

10 MS. KENNARD: -- I think the resolution is
11 tracking the language of your statute --

12 MR. JONES: So under minutes --

13 MS. KENNARD: -- the action you're required to
14 take under the statute.

15 MR. JONES: -- under minutes and certification,
16 it's necessary to say that they're not Board members?

17 MS. KENNARD: Let's see. Minutes and
18 certification -- can you point me out where that is here?

19 MR. JONES: Give her this.

20 MR. EVENWEL: Parenthetical --

21 MS. TAYLOR: Right here.

22 MR. JONES: It's in the --

23 MR. EVENWEL: Well, the first page, it says
24 that --

25 MR. JONES: Some of what we have in the book.

1 MR. EVENWEL: Okay.

2 MS. TAYLOR: To see if this --

3 MR. EVENWEL: The title of that page, minutes
4 and certification --

5 MS. KENNARD: Yeah, those are the minutes of --

6 MR. JONES: Which is the --

7 MS. KENNARD: -- yeah.

8 MR. JONES: -- official document.

9 MS. KENNARD: The official document that you're
10 voting on is the resolution. The action that you're
11 required to take is the resolution. The minutes and the
12 certification will go into the records of the
13 organization.

14 MR. JONES: Okay. So we're not voting on the
15 minutes and certification?

16 MS. TAYLOR: No, that is a --

17 MR. JONES: That's just for --

18 MS. KENNARD: That's a requirement of a --

19 MS. TAYLOR: -- that's an administrative --

20 MS. KENNARD: -- form.

21 MS. TAYLOR: -- it's an administrative --

22 MR. JONES: Okay.

23 MS. TAYLOR: -- requirement of --

24 MR. JONES: Which is going to be signed by --

25 MS. KENNARD: What you're actually voting on --

1 MR. JONES: -- the secretary that will ratify
2 it?

3 MS. KENNARD: Correct. And it will go into
4 your permanent --

5 MR. JONES: Okay.

6 MS. KENNARD: -- records as actions that you
7 took, and so I'm not concerned about the fact that they're
8 listed as non-Board members.

9 MR. JONES: Understood.

10 MS. KENNARD: If you read the resolution, it
11 tracks the language of the statute that you're required to
12 do this action.

13 MR. JONES: Now, for purposes of clarification
14 for Mr. Evenwel, we're only voting on Resolution No. 18.
15 He was asking -- I mean, this resolution number, it's 18
16 dash whatever. I don't know. But we don't have to have
17 that either. Right?

18 MS. TAYLOR: That's correct.

19 MS. KENNARD: No, we -- they'll go back through
20 and they numbered them at a later date, you know,
21 depending on how many resolutions you're going pass in
22 '18. '18 is the year number, and so I don't know how many
23 you've passed so far.

24 MS. TAYLOR: This is typical of -- it's an
25 administrative -- it's not unusual. Yeah.

1 MS. KENNARD: This is the set-up that --

2 MR. JONES: Laura's back there going, Yep, yep.

3 MS. KENNARD: We don't know what number it's
4 going to actually be.

5 MS. TAYLOR: Nothing has changed in regards to
6 how you normally see the resolutions at each Board
7 meeting.

8 MR. JONES: Okay. I was just trying to be
9 consistent with his question. It's not --

10 MS. TAYLOR: Yeah.

11 MS. KENNARD: Well, it is not legally important
12 to the action that you're taking as the Board. What is
13 legally important is that the resolution tracks the
14 language of your statute and the action that your statute
15 requires you to take.

16 MR. EVENWEL: Okay. Well, this will be Laura's
17 last time to sign it?

18 MS. TAYLOR: That's correct.

19 MS. KENNARD: Correct.

20 MR. EVENWEL: The new secretary doesn't sign
21 it?

22 MS. TAYLOR: That is correct.

23 MS. KENNARD: Yeah, Laura would sign it until
24 after --

25 MS. TAYLOR: And after the --

1 MS. KENNARD: -- and after this, Lacy --

2 MR. EVENWEL: So everything from now --

3 MS. KENNARD: Will be Lacy Brown.

4 MS. TAYLOR: Lacy -- that's correct.

5 MR. EVENWEL: -- will be someone else's
6 signature.

7 MS. KENNARD: Correct.

8 MS. TAYLOR: That's correct.

9 MR. JONES: But if we ratify this, Lacy Brown
10 is the new secretary.

11 MS. KENNARD: No, you're appointing her.
12 You're ratifying the other officers --

13 MR. EVENWEL: After the fact.

14 MS. KENNARD: -- the ones who have served over
15 the last year, and then you're actually appointing her to
16 this new -- to that position.

17 MR. JONES: And once we do that as a Board,
18 does she become the secretary?

19 MS. TAYLOR: Uh-huh.

20 MS. KENNARD: Yeah.

21 MR. JONES: So she would sign it?

22 MS. TAYLOR: We will follow what legal
23 counsel --

24 MS. KENNARD: No, yeah, I mean, I will look at
25 that --

1 MR. JONES: If we appoint her right now --

2 MS. KENNARD: Yeah.

3 MR. JONES: -- and it's official the moment we
4 do it, then Laura can't sign it again, because she's no
5 longer the secretary.

6 MS. KENNARD: Well, I guess that is true, but I
7 don't think that from a legal perspective that that will
8 make -- that will not make this legally the action your
9 statute requires you to take --

10 MR. EVENWEL: We should say, as of midnight
11 tonight.

12 MS. KENNARD: -- but we can have the signature
13 line changed on the resolution to reflect --

14 MR. JONES: Did you see what he said,
15 Counselor?

16 MR. EVENWEL: We'll say this -- as of midnight
17 tonight, this change is made so that she can sign.

18 MS. KENNARD: But at the time we drafted the
19 resolution, she was not appointed, and so we used the
20 regular form that --

21 MR. JONES: But once we take the action --

22 MS. KENNARD: But once you take the action --

23 MR. JONES: -- we have a new secretary.

24 MS. TAYLOR: Right. And --

25 MS. KENNARD: -- she has become the secretary

1 of --

2 MS. TAYLOR: -- and frankly, because we did
3 actually have this discussion and frankly, if you did not
4 approve and Laura would continue to be the secretary --

5 MR. JONES: So --

6 MS. TAYLOR: -- even though I think she would
7 like to --

8 MR. JONES: All right. Well --

9 MS. KENNARD: -- get out of that --

10 MS. TAYLOR: -- get out of that --

11 MR. JONES: I don't think Laura cares. This
12 will be Lacy's first act as secretary --

13 MS. KENNARD: Okay.

14 MR. JONES: -- once we do the vote. Am I
15 right?

16 MS. KENNARD: Yeah. And so we will let the
17 minutes reflect that we will re-draft the document after
18 you approve this action to make sure that Lacy's signature
19 is on it. So --

20 MR. JONES: Correct.

21 MS. KENNARD: -- and so the official record
22 would show Lacy's signature as signing this resolution,
23 which always happens after the Board takes action.

24 MR. JONES: That's right.

25 MR. ROMERO: That doesn't change the language

1 of the resolution, though?

2 MS. KENNARD: No, it doesn't --

3 MS. TAYLOR: No, it --

4 MS. KENNARD: -- change the Board's --

5 MR. JONES: No, it doesn't --

6 MS. KENNARD: -- action.

7 MR. JONES: -- but it's just interesting to
8 know, because he said this was Laura's last act as
9 official --

10 MR. EVENWEL: I know.

11 MR. JONES: -- secretary, because her name is
12 on the document. You think I'd understand Gerry here, you
13 know. Dots the I's and cross the T's.

14 MS. KENNARD: I agree, I agree, and so --

15 MR. JONES: Sometimes you put too many I's and
16 too many T's. That's a problem. Okay. Any other
17 discussion? Thank you, Counsel.

18 MS. KENNARD: You're welcome.

19 MR. JONES: Any other discussion?

20 (No response.)

21 MR. JONES: Okay. So prior to Lacy signing her
22 first document, is there a motion?

23 MR. EVENWEL: I don't think it should have
24 that.

25 MR. ROMERO: I will make a motion --

1 MR. JONES: You brought it up.

2 MR. ROMERO: I will make a motion to approve
3 the resolution to restate, ratify and affirm the officers
4 of the Corporation, and to designate and restate the
5 signature and approval authority of the officers of the
6 Corporation.

7 MR. DIETZ: Second.

8 MR. JONES: Moved and seconded. Any other
9 discussion?

10 (No response.)

11 MR. JONES: Hearing none, any public comment on
12 Tab Item Number 8?

13 (No response.)

14 MR. JONES: Hearing none, all in favor of
15 approval, say aye.

16 (A chorus of ayes.)

17 MR. JONES: Okay. It's approved. Ms. Lacy
18 Brown is the new secretary --

19 (A chorus of congratulations.)

20 MR. JONES: -- of the Corporation.

21 Congratulations. Okay. I think we should do -- what --
22 Item 9 and 10 together. Correct?

23 MS. TAYLOR: That's correct.

24 MR. JONES: With the Board's permission. We'll
25 combine Item 9 and 10, which is closed executive session

1 under 9 to discuss real estate matters related to the
2 purchase, exchange, lease or value of real property
3 located at 112 Stanford Drive, Leander, Texas, pursuant to
4 State Code 551.072, Real Estate Matters, under Texas
5 Government Code, and Item 10 -- excuse me -- executive
6 session to discuss legal issues related to mortgage
7 transaction matters with Mortgage Financial Services
8 Company under Texas Government Code 551.071, private
9 consultation with legal counsel.

10 Now, I've got to read this stuff. They're
11 already getting out of here. Pursuant to these sections,
12 the Board will go into closed session, as I said, under 9
13 to discuss real estate matters and, number 10, to discuss
14 legal issues related to mortgage transaction.

15 Is there any objection to going into executive
16 session on the items announced?

17 (No response.)

18 MR. JONES: Okay. Hearing none, the Board will
19 now go into closed session. It is 11:43.

20 (Whereupon, the Board went into executive
21 session.)

22 MR. JONES: It is now 12:11, and we are back in
23 open session. We've completed our discussion in closed
24 session. Back in open session, and in the closed session,
25 we took up and considered two items, Tab Item 9, Tab

1 Item 10.

2 No action was taken on either item. Is there
3 any further business of the Board to consider?

4 MS. TAYLOR: This is Janie Taylor, executive
5 vice-president. The only other item of information that I
6 wanted to share is that our next scheduled Board meeting
7 is Thursday, May 17, and so we will, as usual, send out an
8 email to -- as we gather information on what potential
9 agenda items we have, we will send out an email to confirm
10 your attendance.

11 MR. JONES: Okay. And then we'll always look
12 for a quorum and find out the best day as --

13 MS. TAYLOR: Exactly.

14 MR. JONES: -- just an alternative to that. So
15 we -- that's our starting point. Okay. I'd like to thank
16 Elizabeth Stoddard for recording and transcribing our
17 meeting. Thank you so much. And if there is no further
18 business of the Board to consider, this meeting is
19 adjourned. It is 12:12.

20 (Whereupon, at 12:12 p.m., the Board meeting
21 was adjourned.)

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C E R T I F I C A T E

MEETING OF: TSAHC Board
LOCATION: Austin, Texas
DATE: April 19, 2018

I do hereby certify that the foregoing pages, numbers 1 through 79, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas State Affordable Housing Corporation.

DATE: April 23, 2018

(Transcriber)

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