

**BOARD MEETING**  
**TEXAS STATE AFFORDABLE HOUSING CORPORATION**  
Held at the offices of  
**Texas State Affordable Housing Corporation**  
**2200 E. Martin Luther King Jr. Blvd.**  
**Austin, TX 78702**  
**October 18, 2018 at 10:30 a.m.**

**Summary of Minutes**

**Call to Order, Roll Call**  
**Certification of Quorum**

**The Board Meeting of the Texas State Affordable Housing Corporation (the “Corporation”) was called to order by Bill Dietz, Chair, at 10:33 a.m., on October 18, 2018, at the offices of Texas State Affordable Housing Corporation, 2200 E. Martin Luther King Jr. Blvd, Austin, TX 78702. Roll Call certified that a quorum was present.**

**Members Present**

Bill Dietz, Chair  
Jerry Romero, Vice Chair  
Valerie Cardenas, Member  
Lori Cobos, Member  
Bob Jones, Member

**Staff Present**

Betsy Aldrich, Senior Accounting Manager  
Brandon Hester, Single Family Compliance Specialist  
Cassandra Ramirez, Development Finance Specialist  
Cynthia Gonzales, Senior Office & Loan Servicing Manager  
Dave Danenfelzer, Senior Director, Development Finance  
David Long, President  
Delia Davila, Manager, Single Family Compliance  
Frank Duplechain, Homeownership Programs Specialist  
Janie Taylor, Executive Vice President  
Joniel Crim, Director, Homeownership Programs  
Katie Claflin, Director, Communications & Development  
Lacy Brown, Corporate Secretary  
Laura Ross, Manager, Communications & Development  
Melinda Smith, Chief Financial Officer  
Michael Wilt, Manager of External Relations  
Nick Lawrence, Controller  
Sarah Ellinor, Manager, Homeownership Programs

## **Guests**

Bill Gehrig, Greenberg Traurig, LLP  
Claire Merritt, Hilltop Securities  
Tim Nelson, Hilltop Securities  
Jimmy Romell, Maxwell Locke & Ritter  
Veronica Day, Maxwell Locke & Ritter

## **Public Comment**

No public comment was given.

## **President's Report**

Mr. Long informed the Board that program and financial reports were available under Tabs A through D in the board packet. Mr. Long stated that the Corporation's Loan Committee met the previous day; no new loan approvals were considered at the meeting, however the Committee did review reports for the existing loan portfolio and discussed items related to the loan portfolio.

Mr. Long provided an overview of the various trainings and events conducted by the Homeownership team since the last board meeting, including Overcoming Down Payment Hurdle classes, the 2018 El Paso Realtor Rally, and the Austin Board of Realtors Realty Round-up. Mr. Long noted these events offered staff the opportunity to speak to almost 600 realtors from across the state.

Mr. Long provided an update on the HEART disaster recovery program where awardees use the funds to repair and rehabilitate owner-occupied homes damaged by Hurricane Harvey. The Corporation was able to award three additional grants under the program; Bay Area Habitat for Humanity for \$50,000, Shalom Builders of Texas for \$50,000 and Aransas Habitat for Humanity for \$30,000.

Mr. Long stated the Corporation and Enterprise Community Partners continue to accept and review applications on an ongoing basis. To date, \$380,000 in funding has been awarded to nine organizations through the HEART program.

Mr. Long informed the Board on the staff's activities during the last month, including the Texas Association of Community Development Corporations (TACDC) Summit held on October 4, 2018 at the Capitol, and the National Association of Housing Finance Agencies (NCSHA) Conference held earlier this week in Austin. Mr. Long noted that Mr. Romero also attended the NCSHA Conference. Mr. Long also noted that staff had a couple of legislative office visits, including meetings with Senator Lucio's office and Senator Watson's office. Ms. Cobos attended the staff meeting with Senator Watson's office. Ms. Cobos noted that the meeting was a follow-up meeting to provide additional information to Senator Watson's office regarding the Corporation's programs.

Mr. Long updated the Board regarding the Corporation's new office building, located at 6701 Shirley Ave., noting the purchase was finalized on October 3, 2018. Staff hoped to secure a design-build team through an RFP process by the end of the year and begin renovations in early 2019.

Mr. Long asked Ms. Davila to introduce the Corporation's newest staff member, Brandon Hester. Mr. Hester joined the Corporation on October 1<sup>st</sup> and will be working with the Single Family Compliance Department. Ms. Davila shared that Mr. Hester was a graduate of Louisiana Tech University with a bachelor's of science in business administration. Mr. Hester has twelve years of diversified financial experience, most recently with Wells Fargo Bank in San Antonio.

Mr. Long concluded his report acknowledging the professionals in attendance and noting the next board meeting is scheduled for November 15, 2018.

**Tab 1            Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on September 20, 2018.**

Mr. Jones made a motion to approve the minutes of the Board Meeting held on September 20, 2018. Ms. Cobos seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 2            Presentation and Discussion of the Fiscal Year 2018 Annual Financial Audit.**

Mr. Romell, Audit Partner with Maxwell Locke & Ritter, provided the Board with an overview of the audit process for the Corporation's fiscal year 2018 Annual Financial Audit. Mr. Romell noted the audit would start on October 29<sup>th</sup>, and upon completion, they would present the Financial Audit Report at the December Board Meeting.

Mr. Romell also introduced Veronica Day, the Audit Manager for the Corporation's engagement; she will manage the day-to-day audit, along with three associates that will conduct the onsite field work.

**Tab 3            Presentation, Discussion and Possible Approval of Modifications to the Corporation's Affordable Communities of Texas Land Banking Program Policies.**

Mr. Danenfelzer provided an overview of the Affordable Communities of Texas Land Bank Program polices and highlighted the proposed changes outlined in the program policies included in the board book. A detailed discussion followed between the board members and staff regarding various aspects of the proposed program policy revisions.

Based on the level of questions from the Board to staff and proposed detailed changes recommended by Ms. Cobos and Ms. Cardenas, Mr. Dietz recommended that staff work with Ms. Cobos and legal counsel to address the proposed changes recommended by Ms. Cobos and work on developing proposed language to address Ms. Cardenas' proposed changes. Staff would then present the revised program policies to the Board for consideration at a later Board

meeting. After further discussion, Mr. Dietz stated the Board would take no further action on this agenda item at this time.

**Tab 4            Presentation, Discussion and Possible Approval of the Publication for Public Comment of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2019.**

Mr. Danenfelzer provided an overview of the Corporation's proposed Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for 2019. Mr. Danenfelzer noted the policies, as presented, had been reviewed by both the Corporation's bond counsel and issuer counsel; this agenda item was requesting Board consideration to publish the 2019 Program Policies, with the proposed changes, for public comment.

Mr. Dietz inquired about the process and timing for incorporating any public comment received for Board consideration; Mr. Danenfelzer stated the public period would be at least 30 days and anticipated the 2019 Program Policies would be presented to the Board, including any additional changes based on public comment received, at the December Board Meeting.

Mr. Jones made a motion for Approval of the Publication for Public Comment of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c) (3) Bond Program Policies for Calendar Year 2019, as presented. Mr. Romero seconded the motion; Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 5            Presentation and Discussion of the Texas State Affordable Housing Corporation's Fiscal Year 2019 Strategic Plan.**

Ms. Taylor provided an overview of the Corporation's Fiscal Year 2019 Strategic Plan. Mr. Romero inquired about the goals associated with the strategic plan. Ms. Taylor explained the Corporation's four main goals and noted that the presentation outlined each department and program area as it relates to one of the four main goals. Ms. Taylor pointed out that this strategic plan presentation format was developed for the Board because it is simpler and easier to understand than prior versions presented to the Board in past years.

Several board members asked if there are specific metrics or numbers that staff is trying to achieve to meet its strategic plan. Ms. Taylor explained that nearly every department and program area has specific metrics or targets that staff is trying to achieve this fiscal year to meet the strategic plan. Ms. Taylor explained that staff works off a large detailed metric spreadsheet that would not be as simple to understand as the high-level strategic plan presentation provided to the Board.

After further discussion regarding the strategic plan presentation, the Board suggested that the process going forward should include a high-level strategic plan presentation that references the performance metrics or targets that are specific to each goal in order to show whether the Corporation is on track to meet the goals in the strategic plan. Ms. Taylor indicated that staff would work on a modified strategic plan presentation that incorporates the Board's recommendations for future Board meetings. Ms. Taylor ended her presentation by noting that no Board action was required.

### **Adjournment**

Mr. Dietz reminded the members that the next board meeting is scheduled for November 15, 2018.

Mr. Dietz asked if there was any further business before the Board; none was offered.

Mr. Dietz adjourned the meeting at 12:16 PM.

Respectfully submitted by \_\_\_\_\_  
Lacy Brown, Corporate Secretary