

June Board Meeting

To be held at the offices of Texas State Affordable Housing Corporation 2200 East Martin Luther King Jr. Blvd. Austin, TX 78702

> Thursday, June 14, 2012 10:00 a.m.

BOARD MEETING TEXAS STATE AFFORDABLE HOUSING CORPORATION To be held at the offices of Texas State Affordable Housing Corporation 2200 East Martin Luther King Jr. Blvd Austin, Texas 78702 June 14, 2012 at 10:00 am

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

The Board of Directors of Texas State Affordable Housing Corporation will meet to consider and possibly act on the following:

PUBLIC COMMENT

PRESIDENT'S REPORT

Tab A: Single Family Lending ReportsTab B: Development Finance ReportTab C: Monthly Budget and Investment Reports

ACTION ITEMS IN OPEN MEETING:

- Tab 1Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on March 22, 2012.
- Tab 2Update and Discussion of Progress made on the Texas State Affordable Housing Corporation's Development Plan
presented by Corcoran and Company.
- Tab 3Presentation, Discussion and Possible Approval of Modifications to the Corporation's Affordable Communities of
Texas Land Banking Program Policies.
- Tab 4Presentation, Discussion and Possible Approval of the Publication for Public Comment of the Texas Foundations
Fund Draft Guidelines and Application Requirements.
- Tab 5Presentation, Discussion and Possible Appointment of a Member to the Advisory Council Created by the Board of
Directors of the Corporation.
- Tab 6Presentation, Discussion and Possible Approval of the Appointment of Members to the Board of Directors of Texas
Community Capital, LLC.

CLOSED MEETING

Consultation with legal counsel on legal matters – Texas Government Code § 551.071

Deliberation regarding purchase, exchange, lease, or value of real property – Texas Government Code § 551.072 Deliberation regarding prospective gift or donation to the state or Texas State Affordable Housing Corporation – Texas Government Code § 551.073

Personnel Matters – Texas Government Code § 551.074

Implementation of security personnel or devices – Texas Government Code § 551.076 Other matters authorized under the Texas Government Code

OPEN MEETING

Action in Open Meeting on Items Discussed in Closed Meeting

ADJOURN

Individuals who require auxiliary aids or services for this meeting should contact Laura Ross, ADA Responsible Employee, at 512-477-3560 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that the appropriate arrangements can be made.

Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will be held in the same location as this meeting. Texas State Affordable Housing Corporation also reserves the right to proceed into a closed meeting during the meeting in accordance with the Open Meetings Act, Chapter 551 of the Texas Government Code. If permitted by the Open Meetings Act, Chapter 551 of the Texas Government Code, any item on this Agenda to be discussed in open meeting may also be discussed by the Board (and any other authorized persons) in closed meeting.

Bob Jones Chair

David Long

PRESIDENT'S REPORT

Tab A



of Loans

% Total

Originated

December-09 \$0 \$717,391 0% 0% 0 5 January-10 February-10 \$3,521,497 March-10 \$12,535,180 99 8% April-10 \$12,643,756 103 8% \$11,819,824 May-10 93 7% June-10 \$7,168,334 59 5% July-10 \$6,127,765 50 4% August-10 \$3,853,431 30 2% September-10 \$4,901,893 39 47 3% \$5,871,150 \$5,307,302 October-10 4% 45 November-10 4% December-10 \$4,843,295 39 3% January-11 \$1,700,979 15 1% February-11 \$2,517,675 20 2% 2% March-11 \$2,884,213 26 April-11 26 May-11 \$2,254,399 19 1% 35 3% June-11 \$4,515,393 July-11 \$3,802,873 30 2% 2% 2% August-11 \$3,612,777 30 30 September-11 \$3,961,533 October-11 25 November-11 \$2,294,782 18 1% 0% December-11 0 \$0 January-12 \$1.258.398 12 1% February-12 \$7,279,023 62 5% \$10,480,970 90 7% March-12 April-12 \$12,076,129 102 8% May-12 Totals \$156,571,324 1279 100% Originated of Loan % Total Lender 179 Cornerstone Mortgage Company \$23,028,146 14% DHI Mortgage Co., Ltd. \$17,636,673 133 10% 152 Rocky Mountain Mortgage Co. \$16,868,288 12% Universal American Mortgage Co \$14,373,721 112 9% WR Starkey Mortgage Premier Nationwide Lending (NTFN, Inc.) \$11,652,118 100 8% 7% \$11,242,337 91 Bank of America (Retail) K. Hovnanian American Mtg. LLC \$6,435,035 \$6,110,401 4% 4% 52 48 AmericaHomeKey, Inc. \$5,568,270 42 3% \$4,800,411 37 First Continental Mortgage Ltd 3% Affiliated Bank Ameripro Funding Inc. \$4,332,643 \$3,775,831 37 3% 2% 30 Guild Mortgage Company, LLC Wells Fargo Bank, NA \$3,633,777 33 27 3% 2% \$3,433,434 Primary Residential Mortgage, Inc Houstonian Mortgage Group, Inc. \$2,799,130 \$2,736,855 23 30 2% 2% imortgage.com, Inc. \$2,656,074 20 17 2% 1% \$2,121,044 Prime Lending Service First Mortgage \$2,112,052 18 1% FNBT dba First Community Mortgage \$1,904,570 20 Everett Financial, Inc., dba Supreme Lending Hometrust Mortgage Company \$1,524,972 \$1,075,739 11 1% 1% 11 Pulte Mortgage LLC \$1,072,841 9 1% 0% 0% 0% Capstar Lending, LLC Envoy Mortgage Limited \$815,250 \$801,045 6 SWBC Mortgage Corporation Colonial Savings, FA \$651.055 6 \$501,151 0% 4 First National Bank Texas \$432,404 4 0% Georgetown Mortgage, LLC Hancock Mortgage Partners, LLC TXL Mortgage Corporation \$426,205 0% 3 \$419.575 4 0% \$417,601 0% Weststar Mortgage Corporation \$372,631 0% International Bank of Commerce \$229,854 \$156,333 0% 0% New American Mortgage LLC Highlands Residential Mortgage \$149,533 0% Cendera Funding, Inc. \$126,704 Prime West Mortgage Corp. 1st Preference Mortgage Corp Total Committed \$99,901 0% \$777 \$156,571,324 1279 100%

Month

At a Glance Total Amount Originated	\$156,571,324
Average Annual Income	\$44,393
Average Purchase Price	\$125,101
Average Loan Amount	\$122,417
Average Household Size	# of Loans
5.250%	308
5.125%	37
5.000% 4.990%	168 54
4.890%	23
4.750%	76
4.500%	160
4.250%	323
4.000% New/Existing	130
New	52%
Existing	48%
Professional Breakdown	
80% AMFI or below	55%
Professional Educator	34%
Texas Hero Type of Loan	11%
FHA-Insured	99%
VA-Guaranteed	1%
USDA-RD	0%
Ethnicity	
White	56%
Black Hispanic	18% 13%
Other	10%
Asian or Pacific Islander	2%
American Indian or Alaskan Native	0%
Top Originating Counties	# of Loans
Harris	255
El Paso Bexar	182 139
Tarrant	135
Travis	103
Dallas	89
Montgomery	43
Collin Denton	34 28
Brazoria	25
Fort Bend	25
Guadalupe	22
Galveston Williamson	21 20
Bell	19
Ellis	16
Cameron	14
Hays Coryell	8
Jefferson	7
McLennan	7
Nueces	7
Comal	7
Hidalgo Kaufman	6
Bastrop	4
Rockwall	3
Lubbock	3
Taylor	3
Wise	3
Parker	2
Grayson	2
Medina	2
Kendall Chambers	2
Webb	2
Orange	2
Castro	1
Hale Wichita	1
Somervell	1
Kleberg	1
Nolan	1
Burnet	1
Franklin Brazos	1
Midland	1
	1
Madison	
Hopkins	1
Hopkins Bee	1
Hopkins Bee Tom Green	
Hopkins Bee	1 1
Hopkins Bee Tom Green Jim Wells Bowie Maverick	1 1 1 1 1
Hopkins Bee Tom Green Jim Wells Bowie	1 1 1 1

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2012A Mortgage Credit Certificate Program As of October 28, 2011 through June 1, 2012

Month	Originated	# of Loans	% Total
Oct-11	\$242,528	2	1%
Nov-11	\$1,173,788	10	4%
Dec-11	\$4,048,525	33	13%
Jan-12	\$3,094,274	26	10%
Feb-12	\$4,539,114	36	14%
Mar-12	\$5,140,371	38	15%
Apr-12	\$7,042,718	59	23%
May-12	\$7,380,110	57	22%
Totals	\$32,661,428	261	100%

Lender	Originated	# of Loans	% Total
Cornerstone Mortgage	\$5,131,046	43	16%
Ameripro Funding	\$4,767,206	36	14%
UAMC	\$3,456,516	25	10%
PrimeLending	\$2,352,262	17	7%
Bank of America	\$1,811,249	19	7%
SFMC	\$1,790,779	13	5%
DHI Mortgage	\$1,729,095	14	5%
Network Funding	\$1,103,783	9	3%
mortgage	\$1,058,490	7	3%
Flagstone Lending	\$821,511	7	3%
First Choice	\$566,501	4	2%
IHS Mortgage	\$486,757	4	2%
Houstonian Mortgage Group	\$480.937	5	2%
United Lending	\$476,884	4	2%
Ryland Mortgage	\$439,451	2	1%
Envoy Mortgage	\$410,404	5	2%
Primary Residential Mortgage	\$404,965	3	1%
Town Square Financial	\$394.080	4	2%
First Choice Lending Group, LP	\$384,715	3	1%
First Continental Mortgage	\$364,574	3	1%
Nationstar Mortgage	\$340,571	3	1%
Patriot Bank Mortgage	\$328,358	3	1%
Baymont Financial	\$292,400	2	1%
Wells Fargo	\$260,533	2	1%
NTEN	\$239,795	2	1%
Willow Bend	\$220,169	2	1%
Brookhollow Mortgage	\$208.251	1	0%
Security National Mortgage	\$198,845	2	1%
WR Starkey	\$180,310	1	0%
InterLinc Mortgage	\$168,367	1	0%
CMC Home Lending	\$162,950	1	0%
Town Square Mortgage & Investments	\$158.380	1	0%
C&T Mortgage	\$158,316	1	0%
Flagstone Lending Group	\$157,892	2	1%
Palm Lending	\$140.857	1	0%
Guild Mortgage	\$134,330	1	0%
King Financial	\$129,600	1	0%
Elite Financing Group	\$126,704	1	0%
Mortgages USA	\$116.958	1	0%
CMJ Lending	\$116,250	1	0%
Gateway Mortgage	\$108,186	1	0%
MetLife Home Loans	\$101,455	1	0%
PNC Mortgage	\$93,359	1	0%
Colonial National Mortgage	\$87,387	1	0%
Total Committed	\$32,661,428	261	100%

At a Glance	
Total Amount Originated	\$32,661,428
Average Annual Income	\$35,208
Average Purchase Price	\$129,433
Average Loan Amount	\$125,140
Average Interest Rate	4.039
Average Household Size	2
New/Existing	
New	62%
Existing	38%
Professional Breakdown	
80% AMFI or below	94%
Professional Educator	5%
Texas Hero	1%
Type of Loan	
Conventional	4%
FHA	64%
VA	2%
USDA	30%
Ethnicity	•
Hispanic	37%
White	25%
Not Defined	26%
Black	8%
Asian or Pacific Islander	3%
Other	1%
American Indian/Alaskan Native	0%
Top Originating Counties	# of Loans
Top Originating Counties Harris	# of Loans 118
Harris	118
Harris Travis	
Harris Travis Williamson	118 35
Harris Travis Williamson Bexar	118 35 28 24
Harris Travis Williamson Bexar Collin	118 35 28
Harris Travis Williamson Bexar Collin Dallas	118 35 28 24 12 11
Harris Travis Williamson Bexar Collin Dallas Hays	118 35 28 24 12 11 9
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria	118 35 28 24 12 11 9 8
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston	118 35 28 24 12 11 9
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe	118 35 28 24 12 11 9 8 5
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston	118 35 28 24 12 11 9 8 5 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado	118 35 28 24 12 11 9 8 5 5 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes	118 35 28 24 12 11 9 8 5 5 1 1 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall	118 35 28 24 12 11 9 8 5 1 1 1 1 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall Bastrop	118 35 28 24 12 11 9 8 5 1 1 1 1 1 1 1 1 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall Bastrop Kendell	118 35 28 24 12 11 9 8 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall Bastrop Kendell Denton	118 35 28 24 12 11 9 8 5 1 1 1 1 1 1 1 1 1 1 1 1 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall Bastrop Kendell Denton Austin	118 35 28 24 12 11 9 8 5 1
Harris Travis Williamson Bexar Collin Dallas Hays Brazoria Galveston Guadalupe Grimes Colorado Kyle Kendall Bastrop Kendell Denton	118 35 28 24 12 11 9 8 5 1

Total Allocation Remaining to Commit \$71,428,571 \$38,767,143 Tab B

Development Finance Programs – June 2012

Affordable Communities of Texas Program

Our Texas NSP activities continue to focus on the redevelopment and sale of homes to low-income buyers. Staff has been ironing out hurdles in the sales and disposition process with the Texas Department of Housing and Community Affairs and will continue to advocate for simpler and faster processing of sales contracts and closings.

The ACT program also finalized the purchase of the Plano Land Trust site and is making plans for redevelopment with our local partner Green Extreme Homes. We will be holding meetings with public officials and neighborhood stakeholders on June 11th, and anticipate starting site clearing activities by mid-summer.

Finally, we have been busy working on operational improvements and drafting improvements to the ACT policies. An agenda item will be discussed at today's meeting for possible approval.

Lending Programs

Staff has been focused on managing and closing loans that have already been approved. New applications noted in the previous board report have been moving slowly and there are no plans to bring new business to the board in the foreseeable future. We have also been working on updating our loan database in order to help with updated requirements for performance measures that will be adopted in the coming months.

Multifamily Bond Programs

We are working diligently on both multifamily private activity bond developments previously approved by the board. Public hearings for both projects are schedule for June (see dates below) and will be wrapped by the end of the month. We are also planning to meet with the Texas Bond Review Board staff in the coming weeks to provide additional information on each development and anticipate returning to the board in July or August for final approval of the bond documents.

Property Name	TEFRA Date	TEFRA Time	TEFRA Location
Woodglenn Park -	6/11/2012	7pm	Thurgood Marshall Recreation - 5150 Mark
Phase I&II			Trail Way, Dallas, TX
Tealwood Place	6/12/2012	6:30pm	Wichita Falls Public Library - 600 11th Street,
			Wichita Falls, TX
Pine Club	6/18/2012	6:30pm	Elmo Willard Library - 3590 East Lucas Drive,
			Beaumont, TX
Ridgewood	6/19/2012	6pm	Huntsville Public Library, 1219 13th Street,
			Huntsville, TX
Willow Green	6/20/2012	6:30pm	Northwest Library, 11355 Regency Green
			Drive, Cypress, TX 77429
Saddlewood Club	6/21/2012	6pm	Clara B. Mounce Public Library - 201 East 26th
			Street, Bryan, TX 77803
Austin Hearing Date	6/26/2012	11am	TSAHC Offices - 2200 East MLK Jr. Blvd.,
			Austin, Texas

Gateway Northwest	6/25/12	6:30pm	City of Georgetown Parks and Recreation
Apartments		-	Administration Building Community Room,
•			1101 North College Street, Georgetown,
			Texas 78626

Tab C

TEXAS STATE AFFORDABLE HOUSING CORPORATION STATEMENT OF NET ASSETS (unaudited) As of April 30, 2012

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	4,002,999
Building Maintenance Reserve		53,143
Computer Equipment and Furniture Reserve		3,526
Foundations Fund		250,000
Custodial Cash and Cash Equivalents, Current		257,406
Restricted Assets Held by Bond Trustee:		
Cash and Cash Equivalents		27,923,098
Short-term Investments, at Fair Market Value Accrued Interest		290,070 380,963
Custodial Cash and Cash Equivalents		242,465
Investments, at Fair Market Value		2,006,459
Accounts Receivable & Accrued Revenue, Net of uncollectible amts. of \$874,372		306,011
Accrued Interest Receivable		26,089
Loans Receivable, Current Portion		95,000
Notes Receivable, Current Portion		63,500
Down payment Assistance, Current Portion		1,000,000
Prepaid Expenses	_	14,632
Total Current Assets:	_	36,915,361
Noncurrent Assets		
Loans Receivable, Net of uncollectible amounts of \$91,726		851,598
Notes Receivable		3,216,601
Investments, at Fair market Value		19,814
Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,099,020		629,041
Fixed Assets, Net of Accumulated Depreciation of \$385,598		1,429,426
Owned Real Estate, Federal Programs & Other Programs		4,339,496
Bond Issuance Costs, Net of Amortization of \$2,865,903		3,920,967
Down payment Assistance		5,482,066
Destricted Linesester used Held has Devid Transference with the state		
Restricted Investments Held by Bond Trustee, at Fair Market Value	-	262,287,806
Total Noncurrent Assets:	- ¢	262,287,806 282,176,815
Total Noncurrent Assets: TOTAL ASSETS	\$	262,287,806
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS	\$	262,287,806 282,176,815
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities	-	262,287,806 282,176,815 319,092,176
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses	\$ \$	262,287,806 282,176,815 319,092,176 100,459
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion	-	262,287,806 282,176,815 319,092,176 100,459 45,889
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities	-	262,287,806 282,176,815 319,092,176 100,459 45,889
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee:	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities:	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Noncurrent Liabilities	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Noncurrent Liabilities Notes Payable	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Noncurrent Liabilities Notes Payable Revenue Bonds Payable	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Noncurrent Liabilities:	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Noncurrent Liabilities: Total Noncurrent Liabilities:	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Noncurrent Liabilities: Total Liabilities: Notes Payable	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401 282,809,395
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Total Liabilities: Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payab	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401 282,809,395
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Noncurrent Liabilities Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Payerent Liabilities: Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Netes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Netes Assets	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401 282,809,395 677,352 28,281,778
Total Noncurrent Assets:TOTAL ASSETSLIABILITIES & NET ASSETSCurrent LiabilitiesAccounts Payable and Accrued ExpensesNotes Payable, Current PortionMultifamily Custodial and Reserve FundsOther Current LiabilitiesPayable from Restricted Assets Held by Bond Trustee:Bonds Payable, Current PortionAccrued Interest on BondsTotal Current Liabilities:Noncurrent Liabilities:Notes PayableRevenue Bonds PayableDue to TDHCA, Federal ProgramsDeferred RevenueTotal Liabilities:Note ServenueMuster AssetsInvested in Capital Assets, Net of Related DebtRestricted AssetsUnrestricted Net Assets	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401 282,809,395 677,352 28,281,778 7,323,651
Total Noncurrent Assets: TOTAL ASSETS LIABILITIES & NET ASSETS Current Liabilities Accounts Payable and Accrued Expenses Notes Payable, Current Portion Multifamily Custodial and Reserve Funds Other Current Liabilities Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion Accrued Interest on Bonds Total Current Liabilities: Noncurrent Liabilities Notes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Payerent Liabilities: Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Netes Payable Revenue Bonds Payable Due to TDHCA, Federal Programs Deferred Revenue Total Liabilities: Notes Payable Netes Assets	-	262,287,806 282,176,815 319,092,176 100,459 45,889 242,465 28,678 2,107,579 1,305,924 3,830,994 4,021,202 270,326,498 4,166,762 463,939 278,978,401 282,809,395 677,352 28,281,778

TEXAS STATE AFFORDABLE HOUSING CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)

For the 8 months ending April 30, 2012

Operating Revenues		
Interest and Investment Income	\$	7,679,162
Single Family Income		979,577
Asset Oversight and Compliance Fees		158,551
Loan Servicing Fees, Net of subservicer fees of \$55,902		149,767
Multifamily Bond Fees		85,421
Public Support		
Federal and State Grants		632,854
Contributions		360,152
Other Operating Revenue		55,861
Total Operating Revenues	_	10,101,345
Operating Expenses		
Interest Expense on Bonds and Notes Payable		7,139,261
Down Payment Assistance Program		239,990
Salaries, Wages and Payroll Related Costs		929,044
Professional Fees and Services		213,365
Amortization		339,091
Office and Equipment Rental and Maintenance		25,680
Travel and Meals		37,743
Depreciation		34,522
Program and Loan Administration		278,868
Grant Expenditures		540,931
Other Operating Expenses		79,668
Total Operating Expenses	_	9,858,163
Net Income		243,182
Total Net Assets, Beginning	_	37,338,626
Total Net Assets, Ending	\$_	36,282,781
Other Comprehensive (Expense) Income		
Net Unrealized Loss on Restricted Investments	\$	(1,299,027)



Monthly Investment Report

April 30, 2012

PATTERSON & ASSOCIATES

INVESTMENT PROFESSIONALS

Third time may not be a charm....

- . Economic growth as measured by GDP fell in the first quarter slowing from 3% in 4Q to 2.2%. This would be the third year in a row that growth has slowed in the spring. Not a good sign.
- The warm winter weather drove consumers out from their homes and into stores, but with slow employment gains that will probably not be sustainable. Consumer spending was its strongest since 2010 but may fade.
- Housing is growing moderately but in the right direction. Home owners are still recovering from low wages and low savings. The plunge in personal savings in 1Q doesn't bode well for the consumer or housing.
- Job growth, which had started to climb, has again fallen as business slows on inventory buildup anticipating a slowdown in general activity. Manufacturing surveys have been weaker across the US slowing the momentum. Business spending, which had been very strong as technology was added and inventories were built, fell for the first time in two years. Compared to other recoveries this one remains anemic.

.



Charts show % changes since the start of each recovery.

 2009
 2001
 1991
 1980
 1975

Source: Wall St Journal

Factors Inside and Outside the US

- The potential slowing in 2Q may show business' reluctance to increase capacity without tax advantages. Too much investment risk with other factors in flux.
- Shadows cast by international concerns have not decreased. The significance of Europe's problems has outweighed even the US's own economic conditions.
- European financial confusion decreased slightly, but the banks' situation is suspect.
- A Spain credit downgrade and Europe's moves to socialist candidates bodes ill for austerity promises.
 Spain's (4th largest economy) GDP is negative and 24% unemployment. It will not be solved soon.
- Italy a few years to stabilize deficit.
- France's election could de-stabilize the whole continent.
- Oil disruption has kept prices high, though Sudan's decrease in supply may be balanced by Libya's increase.



The physics was no prover or manual statements as shown by the balancing and it following





Your Portfolio As of April 30, 2012



- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at least through 2012.
- Banks remain *uninterested* in accepting new deposits and CD rates are unusually low.
- Municipal bonds are adding value in many portfolios adding a safe alternative.
- CP adds yield but also some risk to the pools loading up on the market sector.







PATTERSON & ASSOCIATES



Texas State Affordable Housing Portfolio Management Portfolio Summary April 30, 2012

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 73701

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Certificates of Deposit - Bank	1,490,000,00	1,450,000.00	1,450,000.00	20.87	365	209	0.602
Federal Agency Coupon Securities	500,000.00	514,639,00	514,854.35	7.21	364	328	0.242
Pass Through Securities (GNMA)	17,369.88	19,497.35	17,369.88	0.24	8,648	B.207	5.971
LOGIC	301,511,40	201,511,40	301,511,40	4.22	-	-	0.200
FHLB Dallas-Money Fund	533,439,80	533,439,89	533,439,89	7.47	-	-	0.015
MM Funds/NOW Accounts	1,012,372.03	1,012,372.03	1,012,372.03	14,18	-	-	0.356
CD's - Interest monthly/quarterly	253,513.64	253,513.64	253,513.64	3.55	305	55	0.250
Bank Accounts	3,017,671.26	3,017,671.26	3,017,671.25	42.26	-	-	0.007
Investments	7,125,878.10	7,142,644.57	7,140,732.46	100.00%	135	110	0.249

Total Esminne Anril 30 Month Ending	Total Cash and Investments 7,125,878.10	Subtotal	Cash and Accrued Interest Accrued Interest at Purchase
	78.10		
Fienal Vear To Date	7,142,693.88	49.31	49,31
5	7,140,781.77	49.31	49.31
	135		
	110		
	0.249		

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the Texas State Affordable Housing Corporation of the position and activity within the Corporation's portfolio of investments. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Current Year

1,469.32

15,244.22

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Melinda Smith, Chief Financial Office 2/00/2

Reporting period 04/01/2012-04/30/2012 Data Updated: SET_TSAH: 05/16/2012 15:14 Run Date: 05/16/2012 - 15:14

Portfolio TSAH AP PM (PR=_PMI) 7.3.0 Report Vet: 7.3.3a

PATTER IN & ASSIELATES

INVESTMENT PROPERTIES

Texas State Affordable Housing Summary by Type April 30, 2012 Grouped by Fund

Patterson & Associates 301 Congress Ave Suito 570 Austin, TX 78701 ı,

Security Type	Nu	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Bunker Hill Debt							
Bank Accounts			22,821.87	22,821.67	0.32	0,050	-
	Subtotal	_	22,821.67	22,821.67	0.32	0.050	_
Fund: Bunker Hill Operating							
Bank Accounts			22,811.39	22.811.39	0.32	0.050	-
	Subtotal	-	22,811.39	22,811.39	0.32	0.050	-
Fund: Bunker Hill Replacement Res							
Bank Accounts	P	4	74,457.87	74,457.87	1.04	0,100	-
	Subtotal	4	74,457,87	74,457.87	1.04	0.100	_
Fund: General Investments							
Bank Accounts		1	2,513,124,76	2,513,124,76	35,19	0.000	1
Federal Agency Coupon Securities		1	500,000,00	514,854,36	7.21	0.243	328
FHLB Dalas-Money Fund		L	533,439.89	533,439,89	7.47	0.015	
Pass Through Securities (GNMA)		-	17,369.38	17,369,88	0,24	5,971	8,207
MM Funds/NOW Accounts		ω	1,012,372.03	1,012,372,03	14.10	0,336	7
LOGIC		-	300,504.26	300,504.26	4.21	0.266	5
CID's - Interest monthly/quarterly		1	253,513,64	253,513,64	3.55	0.250	69
Certificates of Deposit - Bank		w	1,490,000.00	1,490,000.00	20.87	0.652	289
	Subtotal	12	6,620,324,46	6,535,178.82	92.92	0.265	110
Fund: NFMC Account							
Bank Accounts		-	148,622.40	148,622.40	2.08	0.000	-
	Subtotal	_	148,622,40	148,622,40	2.08	0.000	_
Fund: Neighborhood Stabilation Prog.							
Bank Accounts		4	23,280.88	23,280.88	0.33	0.000	Ľ.
	Subtotal	<u>د</u>	23,280,88	23,280,88	0.33	0.000	-

Run Date: 05/16/2012 - 15:10

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AP ST (PR1_ST)7.20 Report Ver 7.3.25

Texas State Affordable Housing Summary by Type April 30, 2012 Grouped by Fund

Security Type	Nu Inve	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Average Days YTM 365 to Maturity
Fund: Sagebrush Apartments - Debt							
Bank Accounts	1	-	39,130.83	39,130.83	0.55	D.100	-
	Subtotal	-	39,130.83	39,130,83	0.55	0.100	_
Fund: Sagebrush Apartments - Oper.							
Bank Accounts	8	4	23,168,44	23,153,44	0.32	0.050	
	Subtotal	-	23,168.44	23,163.44	0.32	0.050	
Fund: Sagebrush Replacement Res							
Bank Accounts		1	60,074.54	60,074,54	0.84	0.100	1
	Subtotal	1	60,074.54	60,074.54	0,84	0.100	_
Fund: Texas Foreclosure Prevention							
Bank Accounts		a	85,270.88	85,270,86	1.19	0.000	4
LOGIC		-	1,007,14	1,007,14	0.01	0.286	_
	Subtotal	N	86,278.00	86,278.00	1.20	0.003	_
Fund: TX Home Education							
Bank Accounts		-	100.12	100.12	0.00	0.000	
	Subtotal	-	100.12	100,12	0.00	0.000	
Fund: Wells Fargo - CDC							
Bank Accounts		-	4,807.50	4,307,50	0.07	0.000	1
	Subtotal	-	4,307.50	4,307.50	0.07	0.000	
Fund: Willows Insurance Reserve							
Bank Accounts	1	+	0.00	0.00	0.00	0.000	0
	Subtotal	-	0.00	0.00	0.00	0.000	
Fund: Willows Operating							
Bank Accounts	Ē	-	0.03	0.00	0,00	0.000	0
Fund: Willows Benjacement Reserve	Subtotal	-	0.00	0.00	0.00	0.000	0

Run Date: 05/16/2012 - 15:10

Portfolio TSAH AP ST (PRF_ST) 7.2.0 Report Ver. 7.3.3b

Portfolio TSAH AP ST (PRF_ST) 7.2.0 Report Ver. 7.3.36

Run Date: 05/16/2012 - 15:10

		Security Type
Total and Average	Subtotal	Inv
27	_	Te Number of Investments
7,125,878.10	0.00	Texas State Affordable Housing Summary by Type April 30, 2012 Grouped by Fund Par Value Value
7,140,732.46	0.00	Ecok Value
100.00	0.00	% of Portfolio
0.249	0.000	Average YTM 365
110	0	Average Days to Maturity

PATTERSON & ASSOCIATES



INVELTMENT PROPERSIONALS

Texas State Affordable Housing Fund BHDEBT - Bunker Hill Debt Investments by Fund April 30, 2012

Patlerson & Associates 301 Congress Ave Suite 570 Austin TX 78701

-				22,821,67	22,821.67	22,821.67	Total Investments and Average	To		
	0.050	0.049		22,821.67	22,821.67	22,821.67	Subtotal and Average			
-	0.05	0.549	C.050	22,821.87	22,821.67	22,821.67	04/23/2010	Frost Bank Checking	76	591398016
										Bank Accounts
Maturity Days To Date Maturity	365	YTM 360	Current Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/16/2012 - 16:17

AP FL(PRF_F)(17.1.1 Report Vet, 7.3.25 Portfolio TSAH

Fund BHOPER - Bunker Hill Operating Investments by Fund April 30, 2012

Date Date Date Par Value Narket Value Current YTM YTM Maturity Days To ccounts 04/20/2010 22,811.39 22,811.39 22,811.39 0.050 0.049 0.050 1 61 75 Frost Bank Checking 04/20/2010 22,811.39 22,811.39 22,811.39 0.050 0.049 0.050 1 61 75 Frost Bank Checking 04/20/2010 22,811.39 22,811.39 0.050 1	_	0.050	0.049		22,811.39	22,811.39	22,811.39	Total Investments and Average	Та		
Purchase Par Value Par Value Market Value Rate 360 365 Date 5 5 75 Frost Bank Checking 04/20/2010 22,811.39 22,811.39 22,811.39 0.050 0.049 0.050	-	0.050	111		22,811.39	22,811.39	22,811.39	Subtotal and Average			
Purchase Current yTM YTM Maturit Uate Book Value Par Value Market Value Rate 360 365 Dat 6	1	0.050		0.050	22,811.39	22,811.39	22,811.39	04/20/2010	Frost Bank Checking	75	591398261
Purchase Purchase Current YTM YTM Maturit Date Book Value Par Value Market Value Refe 360 365 Date											Bank Accounts
	Maturity Days To Date Maturity		YTM 360	Current Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer		CUSIP

Run Date: 05/16/2012 - 10:17

Portfolio TSAH AP FI (PRE_FI) 7.1.1 Report Ver. 7.3.3b

Fund BHRR - Bunker Hill Replacement Res Investments by Fund April 30, 2012

Purchase Book Value Par Value Market Value Accounts Frost Bank Checking 04/09/2010 74.457.87 74,457.87 74,457.87 74,457.87 74,457.87 74,457.87	_	0.100	0.099		74,457.87	74,457.87	74,457,87	Total Investments and Average	10		
Purchase Purchase Par Value Par Value Current YTM YTM Provide Accounts 288 77 Frost Bank Checking 04/09/2010 74.457.87 74.457.87 0.100 0.093 0.100		0.100			74,457.87	74,457.87	74,457.87	Subtotal and Average			
Accounts Date Book Value Par Value Market Value Rate 360 365		0,100			74,457.87	74,457.87	74.457.87	04/09/2010	Frost Bank Checking	77	501398288
Purchase Parkalue Par Value Current YTM YTM Porchase Current YTM YTM Porchase Dave Book Value Par Value Market Value Rate 360 365											Bank Accounts
	Date Maturity	365 Ma	360	Rate	°.	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/16/2012 - 15:17

Portfolio TSAH AP FI (PRE_FI) 7.1.1 Report Ver. 7.3.3b

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Run Date: 05/16/2012 - 15:17

591359967

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Frost Bank Checking

03/05/2010

2,513,124.76

2,513,124.76

2,513.124.76

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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity	Days To Maturity
Certificates of Deposit - Bank	eposit - Bank										
8410000025	115	Hillcrest Bank CD	03/26/2012	245,000.00	245,000,00	245,000.00	C.500	0.493	0.500	03/26/2013	329
1500589845	113	IEC Bank CD	03/14/2012	1,000,000.00	1,000,000.00	1.000,000.00	C.750	0.739	0.750	00/14/2013	317
106854	103	Texas Security Bank CD.	11/15/2011	245,000.00	245,000.00	245,000.00	0.648	0.639	D,648	11/15/2012	86.
			Subtotal and Average	1,490,000.00	1,490,000.00	1,490,000.00		0.683	0.692		299
Federal Agency	Federal Agency Coupon Securities										
31331YYS3	114	FFCB Note	03/28/2012	514,854,3B	500,000.00	514,639,00	3.550	0.239	0.243	03/25/2013	328
			Subtotal and Average	514,854.38	500,000.00	514,639.00		0.240	0.243		328
Pass Through S	Pass Through Securities (GNMA)										
36201LFC3	100	Cov/t National Mtg. Assn	02/17/2011	17,369,88	17,369,88	19,497.35	5.990	5.889	5.971	10/20/2024	8,207
			Subtotal and Average	17,369.83	17,369.88	19,497.35		5.889	5.971		8,207
LOGIC							2				
966666666	9005	Logic	09/01/2006	300,504.25	300,504.26	300,504.26	0.286	0.282	0.286	20	-
			Subtotal and Average	300,504.25	300,504.26	300,504.26		0.282	0.286		-
FHLB Dallas-Money Fund	ney Fund										
99999995	9002	FHLB Money Market Fund	09/01/20CG	533,439.89	533,439.89	533,439,39	0.015	0.014	0.015		-
			Subtotal and Average	533,439.89	533,439.89	533,439,39		0.015	0.015	2	-
MM Funds/NOW Accounts	Accounts										
20115959	52	Hillcrest Bank MM	07/31/2009	764,269.96	764,269.96	764,269,96	0,250	0.246	0.250		-
5001506	83	Libertad Eank MM	10/20/2010	248,102.07	248,102.07	248,102,07	0,600	0,591	0,600		-
4011012038	61	Texas Capital NOW Account	10/13/2009	0.00	00.0	0.00	0.250	0.245	0.250		-
			Subtotal and Average	1,012,372.03	1,012,372.03	1,012,372.03		0.331	0.336	10	-
CD's - Interest	CD's - Interest monthly/quarterly										
3900729C	110	Plains Capital Bank CD	10/02/2011	253,513.64	253,513.64	253,513,64	0,250	0.245	0.250	08/02/2012	83
			Subtotal and Average	253,513.64	253,513.64	253.513.64		0.247	0.250		66

Fund GENERAL - General Investments Investments by Fund April 30, 2012

Portfolio TSAH AP FI (PRF_FI) 7.1.1 Report Ver. 7.3.35

Run Dato: 05/16/2012 - 15:17

Investments by Fund April 30, 2012	Fund GENERAL - General Investment
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		CUSIP
		Investment #
		Issuer
Total Investments and Average	Subtotal and Average	Purchase Date
6,635,178.82	2,513,124.76	Book Value
6,620,324.46	2,513,124.76	Par Value
6,637,090.93	2,513,124,76	Market Value
		Current Rate
0.261	0.000	YTM 360
0.265	0.000	YTM 365
118	1	Maturity Days To Date Maturity

Fund NFMC - NFMC Account Investments by Fund April 30, 2012

	0,000	0,000		148,622,40	148,822.40	148,622,40	Total Investments and Average	Te		
	0.000	0.000		148,622,40	148,622.40	148,622,40	Subtotal and Average			
I				148,622,40	148,622.40	148,622,40	03/16/2010	Frost Bank Checking	68	591359924
										Bank Accounts
Maturity Day Date Matu	365	YTM 360	Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Dale: 05/16/2012 - 15.17

Portfolio TSAH AP FI (PRE_FI) 7.1.1 Report Vet. 7.3.3b

April 30, 2012	Investments by Fund	Fund NSP - Neighborhood Stabilation Prog.
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Page 7

23,280,88 23,280,88 0,000 0,000	23,28	occording.					
		23 280 88	23,280.88	Subtotal and Average			
	23,28	25,280.88	23,280.88	04/20/2010	Frost Bank Checking	71	591359932
							Bank Accounts
Current YTM YTM Maturity D tValue Rate 360 365 Date M	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/16/2012 - 15:17

Portfolio TSAH AP FI (PRF_FI) 7.1.1 Report Ver. 7.3.3b

April 30, 2012	Investments by Fund	Fund SBDEBT - Sagebrush Apartments - Debt
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Investment # Issuer Date Dook Value Par Value Market Value Rate 360 365 7 Frost Bank Checking 04/20/2010 39,130.83 39,130.83 39,130.83 0.100 0.095 0.100 5 Subtotal and Average 39,130.83 39,130.83 39,130.83 0.005 0.100		0.100	660'0		39,130.83	39,130.83	39,130.83	Total Investments and Average	T		
Purchase Dook Value Par Value Market Value Rate 360 365 Date 1 1 Jana Book Value Par Value Market Value Rate 360 365 Date 1 1 Jana 1991 130.83 39,130.83 0.100 0.093 0.100		0.100		3	39,130.83	39,130.83	39,130.83	Subtotal and Average			
Purchase Par Value Par Value Market Value Rate 360 365 Date 1 Date Dook Value Par Value Market Value Rate 360 365 Date 1		0.100	0.095		38,130.83	39,130.83	39,130,83	04/20/2010	Frost Bank Checking	79	591398253
Darten Book Value Par Value Market Value Rate 360 365 Date											Bank Accounts
	Maturity Days To Date Maturity	365	360	Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/16/2012 - 15/17

Portfolio TSAH AP PL(PRF_PI) 7.1.1 Report Vec. 7.3.3b

Report Ver. 7.3.30

Run Date: 05/16/2012 - 15:17

FI (PRF_FI)		Portfalio T
FI) 7.1.1	AP	TSAH

Fund SBOPER - Sagebrush Apartments - Oper. Investments by Fund April 30, 2012

•	0.050	0.049		23,168.44	23,163,44	23,168,44	Total Investments and Average	1		
1	0.050	0.049		23,168.44	23,183.44	23,168.44	Subtotal and Average			
_	0.050		0.050	23,168,44	23,188.44	23,168.44	04/20/2010	Frost Bank Checking	76	591398237
										Bank Accounts
Maturity Days To Date Maturity	YTM 365	360	Current Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment#	CUSIP

Fund SBRR - Sagebrush Replacement Res Investments by Fund April 30, 2012

CUSIP 591398245 Bank Accounts 80 Investment # Issuer Frost Bank Checking **Total Investments and Average** Subtotal and Average 04/09/2010 Purchase Date 60,074.54 60,074.54 Book Value 60,074.54 60,074,54 Par Value 60,074.54 60,074.54 Market Value 60,074.54 60,074.54 60,074.54 Current Rate 0.100 0.099 0.098 0.099 0.100 360 0.100 0.100 3%5 Maturity Days To Date Maturity ---

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Fund TXFORE - Texas Foreclosure Prevention Investments by Fund April 30, 2012

CUSIP **Bank Accounts** LOGIC 591359940 8666666666 2 X Investment # Issuer Frost Bank Checking Logic **Total Investments and Average** Subtotal and Average Subtotal and Average 04/14/2010 09/01/2009 Purchase Date Book Value 85,270.86 85,270.86 86,278.00 1,007.14 85,270,86 86,278.00 85,270.86 Par Value 1,007.14 1,007.14 Market Value 85,270.86 85,270.86 88,278.00 1,007.14 Current Rate 0.286 0.282 0.282 0.003 0.000 360 360 0.003 0.000 0.286 365 365 Maturity Days To Date Maturity --+ -

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Fund TXHOME - TX Home Education Investments by Fund April 30, 2012

Page 12

	0,000	0.000		100,12	100.12	100.12	Total Investments and Average	Ţ		
3	0.000	0.000		100.12	100.12	100.12	Subtotal and Average			
				100.12	100.12	100.12	04/20/2010	Frost Bank Checking	74	591398091
										Bank Accounts
Maturity Days To Date Maturity	365	360	Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

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Fund WELLS - Wells Fargo - CDC Investments by Fund April 30, 2012

	Page 13

	900	0.000 0.000	0	4,307.50	4,807.50	4,807.50	Total Investments and Average			
	000	0.000 0.000	0.	4,807.50	4,807.50	4,807.50	Subtotal and Average			
l			1	4,807.50	4,807.50	4,807.50	09/01/2006	Wells Fargo Bark	0014	999999994
										Bank Accounts
ate Matu	365 Date	A WLA	Rate y	Market Value	Par Value	Book Value	Date	Issuer	Investment #	CUSIP

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Fund WINSUR - Willows Insurance Reserve Investments by Fund April 30, 2012

Page 14

000.0 000.0 CO.0			Transferrence and American			
	0.00	0.00	Subtotal and Average			
	0.00	0.00	11/17/2011	Frost Bank Checking	107	591520945
						Bank Accounts
Current YTM YTM Maturity Days r Market Value Rate 360 365 Date Maturit	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/18/2012 - 15/17

Portfolio TSAH AP FI (PRF_FI) 7.1.1 Report Var. 7.3.2b

Fund WOPER - Willows Operating Investments by Fund April 30, 2012

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0	0.000	0,000		0.00	0.00	0.00	Total Investments and Average	3		
0	0.000	0.000		0.00	0.00	0.00	Subtotal and Average			
_				0.00	0.00	0.00	11/17/2011	Frost Bank Checking	106	591501356
										Bank Accounts
Maturity Days To Date Maturity	YTM 365	YTM 360	Rate	Market Value	Par Value	Book Value	Purchase Date	Issuer	Investment #	CUSIP

Run Date: 05/16/2012 + 15:17

Portfolio TSAH AP Fi (PRF_Fi) 7.1.1 Report Ver, 7.3.3b
Fund WRR - Willows Replacement Reserve Investments by Fund April 30, 2012

Page 16

	0.000 0.000		0.00	D.00	0.00	Total Investments and Average	-		
000	0.000 0.000	8	0.00	0.00	0.00	Subtotal and Average			
		ĭ	0.00	0.00	0.00	11/17/2011	Frost Bank Checking	108	591501224
									Bank Accounts
365 Date Maturit	360 YTM	Rate	Market Value	Par Value	Book Value	Purchase	Issuer	Investment #	CUSIP

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	04/2	04/0	04/0	Ģ	Trane Date	IN A
	04/20/2012 100	04/02/2012 110	04/02/2012 110	neral Ir	. ×	
	100	110	110	General Investments	Investment #	TATTERIN & ADRIGIATED
	GENERAL	GENERAL	GENERAL		Fund	E E
	Interest	Interest	Interest		Trans. Type	
	36201LFC3	8900729C	8000729C		Security ID	
	22,957.26	253,196.20	253,196.20		Par Value	Tex C For the I
	22,957.26 CNMA 0.0M 6.99% Mat. 10/20/2034 10/20/2034	PCBCD 0.3M 0.25% MaL 08/02/201208/02/2012	PCBCD 0.3M 0.25% Mat. 08/02/201208/02/2012		Par Value Security Description	Texas State Affordable Housing Cash Reconciliation Report For the Period April 1, 2012 - April 30, 2012 Grouped by Fund
Subtotal	54 T0/20/2034	1208/02/2012	1208/02/2012		Maturity Date	Housing Report April 30, 2 d
-157.90	0.00	-157.93	0.00		Purchases	012
244.79	36.85	0.00	157.90		Interest	
\$7.00	37.30	0.00	0.00		Redemptions	Patterson 301 - Aust
123.89	123.89	-457.90	157.90		Cash	Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Total

-157.90

244,75

37.00

123.89

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PATTERSON & ASSOCIATES



INVESTMENT PROPERTIONALS

Texas State Affordable Housing Interest Earnings Sorted by Fund - Fund April 1, 2012 - April 30, 2012 Yield on Average Book Value

> Patterson & Associates 301 Congress Ave Suite 570 Austin TX 78701

										Adjusted Interest Lamings	sbuure
CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Maturity Book Value Date	te Rat	CurrentAnnuslized Rate Yield	Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Bunker Hill Debt	HIII Debt										
591398016	76	BHDEBT	RR5	22,821,67	22,820.73	22,820.76	0.050	0 0.050	0.94	C.00	0.84
			Subtotal	22,821.67	22,820.73	22,820.76		0.050	0.94	0.00	0.94
Fund: Bunker Hill Operating	Hill Operating										
591398261	75	BHOPER	RRS	22,811,39	22,810,45	22,810.49	0.050	0 0,050	0.93	C.00	0.83
			Subtotal	22,811.39	22,810.46	22,810,49	1	0.050	0.93	0.00	0.93
Fund: Bunker	Fund: Bunker Hill Replacement Res	Res									
591398288	77	BHRR	RR5	74,457,87	73,718,45	74,231.99	0.100	0 0.100	6,08	6.00	S.08
			Subtotal	74,457.87	73,718.48	74,231.99		0.100	6.08	0.00	6.08
Fund: General Investments	Investments										
20000000000	\$002	GENERAL	RR2	533,439,89	543,647.1B	533,773.92	0.015	5 0.015	6,65	0.00	6.6E
966666666	5005	GENERAL	RRP	300,504.25	300,433,53	300,435.89	0.285	6 0.286	70.73	0.00	70.73
20115959	52	GENERAL	RP3	764,269,95	764,107.72	764,113.13	0.250	0 0.258	162.24	00.3	162.24
5001506	83	GENERAL	RR3	248,102.07	247,979.78	247,983.86	0.600	0 0.600	122.29	0.00	122.29
36201LFC3	100	GENERAL	GN1	17,369.88	17,406.88	17,303.31 10/20/2034	34 5,990	0 0.202	06.70	C.00	85,70
10535A	103	GENERAL	BCD	245,000.00	245,000.00	245,000.00 11/15/2012	12 0.648	8 0.648	130 49	10,000	130.49
3900729C	110	GENERAL	RR4	253,513.84	253,355.74	253,508.38 08/02/2012	12 0.250	0 0.250	52.09	C.00	52.05
1500589845	113	GENERAL	BCD	1,000,000.00	1,000,000.00	1,000,000.00 03/14/2013	13 0.750	0 0.750	616.44	0.00	615.44
31331YYS3	114	GENERAL	FAC	500,000.00	516,229,77	515,519,14 03/25/2013	13 3.550	0 0.245	1,479.17	-1.575.41	103.76
8410000025	115	GENERAL	BCD	245,000.00	245,000.00	245,000.00 03/26/2013	13 0,600	0 0.500	100.68	0.00	100.68
			Subtotal	4,107,199.70	4,133,160.50	4,122,727.62		0.429	2,827.49	-1,375.41	1,452.08
Fund: Sagebri	Fund: Sagebrush Apartments - Debt	Debt									
591398253	79	SEDERT	RR5	36,130,83	36,127.62	39,127.73	0,100	0 0,100	3.21	0.00	3.21
			Subtotal	39,130.83	39,127.62	39,127.73		0.100	3.21	0.00	3.21

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					Texas State Affordable Housing Interest Earnings April 1, 2012 - April 30, 2012	able Housing nings pril 30, 2012						Page 2
										A	Adjusted Interest Earnings	mings
CUSIP	Investment#	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Maturity CurrentAnnualized Date Rate Yield	nnualized Yield	Interest Earned	Amortization/ Accretion	Amortization/ Adjusted Interest Accretion Earnings
Fund: Sagebri	Fund: Sagebrush Apartments - Oper-	Oper.								5		
591398237	78	SBOPER	RR5	22,168,44	25,167,49	23,167.52		0.050	0.050	0.95	0.00	D.95
			Subtotal	23,168,44	23,167,49	23,167.52			0.050	0.95	0.00	0.95
Fund: Sagebri	Fund: Sagebrush Replacement Res	Res										
591393245	90	SBRR	RRS	60,074,54	59,069.65	59,769.81		0.100	0.100	4.89	0.00	4.89
			Subtotal	60,074.54	59,069.65	59,769.81			0.100	4.89	0.00	4.89
Fund: Texas F	Fund: Texas Foreclosure Prevention	ntion										
86666666	2	TXFORE	RRP	1,007.14	1,006.90	1,006,91		0.236	0,290	0.24	00.00	0.24
			Subtotal	1,007.14	1,006.90	1,006.91			0,290	0.24	0.00	0.24
			Total	4,350,671.58	4,374,381.91	4,365,662.84			0,409	2,844.73	-1,375.41	1,469.32

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PATTERSON & ASSOCIATES



INVESTMENT PROPERTIONALS

Texas State Affordable Housing Amortization Schedule April 1, 2012 - April 30, 2012 Sorted By Fund - Fund

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Investment#		Maturity Date Beginning Par Valu	Jinning Par Value	Purchase	Original Premium	Endina	Amounts Amortized	Amount Amortized	Amt Amortized	Amount Unamortize
Issuer	Fund	Amort. Date	Current Rate	Principal	or Discount	Book Value	As of 04/01/2012	130000		Through 04/30/2012
General Investments	ments									
TFCB Note	GENERAL	03/25/2013	500,000.00 3.550	516,459.00	16,455.00	514,854.38	-229.23 16.229.77	-1.375.41	-1,604,64	14 854.36
			Subtotal	515,459.00	16,459.00	514,854.36	-229.23 16,229.77	-1,375,41	-1,604.64	14,854,35
			Total	516,459.00	16,459,00	514,854.35	-229.23 16.229.77	-1,375.41	-1,604.64	14,854.36

dV 177 (J/SV) and SV dV Pertfolio TSAH

PATTERSUM & ASBUCIATES



For the Period May 1, 2012 - November 30, 2012 **Texas State Affordable Housing** Projected Cashflow Report Sorted by Fund

Patterson & Associates 301 Congress Ave Suite 570 Austin TX 78701

		11/15/2012	09/25/2012	General	Projected Trans. Date
		103	114	Investments	e Investment#
		GENERAL	GENERAL		Fund
		106865A	313314483		Security ID
		Maturity	Interest		Transaction Type
GRAND TOTALS:	Total for General Investments	Texas Security Bank CD	FFCB Nate		Issuer
245,000.00	245,000.00	245,000.00	0.00		Par Value
245,000.00	245,000.00	245,000.00	0.00		Original Cost
245,000.00	245,000.00	245,000,00	0.00		Principal
10,466.95	10,466.95	1,591,95	8,875.00		Interest
255,456.95	255,466,95	246,591,95	8,875.00		Total

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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 March 22, 2012 at 10:00 am

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 Bob Jones, Chair, at 10:10 am, on March 22, 2012 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

Bob Jones, Chair Jo Van Hovel, Vice Chair Gerry Evenwel, Member Jerry Romero, Member

Members Absent

Bill Dietz, Member

Staff Present

Betsy Aldrich, Senior Accountant Liz Bayless, Executive Vice President David Danenfelzer, Manager of Development Finance Cynthia Gonzales, Office Manager and Assistant Corporate Secretary Mindy Green, Senior Asset Oversight and Compliance Specialist Nick Lawrence, Controller David Long, President Paige McGilloway, Single Family Programs Manager Jo Ropiak, ACT Program Coordinator Laura Ross, Corporate Secretary Melinda Smith, Chief Financial Officer

Special Guests

Tim Almquist, Bank of America Jose Gayton, Bank of Texas Robert Johnson, First Southwest Company Mark Mayfield, Texas Housing Foundation Jill McFarren, Texas Department of Housing and Community Affairs Chris Spelbring, Morgan Keegan Pam Stein, Greenberg Traurig

Public Comment

No public comment was given at the beginning of the meeting.

Closed Meeting

Mr. Jones, Board Chair, called the board into closed meeting in accordance with Texas Government Code, Section 551.074. The time was10:10am

The board came out of closed meeting and the open meeting resumed at 11:03am.

President's Report

Mr. Long began by informing the board of conferences and meetings that staff had attended over the previous month. Mr. Long then shared that the Texas Department of Housing and Community Affairs (TDHCA) had been awarded \$366,000 in Round 6 funding under the National Foreclosure Mitigation Counseling (NFMC) Program to fund foreclosure counseling and mitigation. Mr. Long noted that TSAHC, through its continuing partnership with TDHCA, would be the administrator of the program.

Mr. Long then introduced the guests who were in attendance at the meeting. Mr. Long asked if the board had any questions about the reports included in the board packet and they did not.

Tab 1Presentation, Discussion and Possible Approval of Minutes of the Board
Meeting held on February 9, 2012.

Mr. Romero made a motion to approve the minutes of the board meeting held on February 9, 2012. Ms. Van Hovel seconded the motion. Mr. Evenwel suggested a change on page 1. Mr. Romero amended his motion to include this change. Ms. Van Hovel seconded the motion. Mr. Jones called for public comment and none was given. A vote was taken on the motion and it passed unanimously.

Tab 2Presentation, Discussion and Possible Approval of Supportive Services
related to the Corporation's Single Family Programs.

Mr. Long sought the Board's authorization to expand the Corporation's staff and programs as needed to provide the necessary supportive services for the Corporation's Single Family Homebuyer Programs.

Mr. Romero made a motion to approve of the supportive services related to the Corporation's Single Family Programs. Mr. Evenwel seconded the motion. Mr. Jones called for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 3Presentation, Discussion and Possible Approval of Revisions to the Fiscal
Year 2012 Operating Budget.

Mr. Long explained that staff was asking for approval of the board to amend the budget as needed to accommodate the supportive services approved under the previous agenda item.

Mr. Romero made a motion to approve revisions to the Fiscal Year 2012 Operating Budget. Mr. Evenwel seconded the motion. Mr. Jones called for public comment and none was given. A vote was taken on the motion and it passed unanimously.

Tab 4Presentation, Discussion and Possible Approval of a Resolution Regarding
the Submission of a calendar year 2012 Application for Allocation of Private
Activity Bonds in the amount of \$15 million, Notice of Intention to Issue
Bonds and State Bond Application to the Texas Bond Review Board and
Declaration of Expectation to Reimburse Expenditures with Proceeds of
Future Debt for the Gateway Northwest Apartments Project.

Mr. Danenfelzer provided an overview of the proposed project located in Georgetown. He explained that the project fell under the Corporation's target area for rural and small urban areas as it was located outside the Metropolitan statistical area of Austin-Round Rock and had a population of fewer than 50,000. Mr. Danenfelzer stated that the project would be located in a high income census tract and would therefore fulfill one of the Corporation's goals to affirmatively further Fair Housing.

Mr. Mayfield with the Texas Housing Foundation (THF) introduced himself to the board. He stated that the THF was a regional public housing authority, noting that they were more like an affordable housing organization than a typical public housing authority. He explained that THF was actively engaged throughout the State of Texas in the development of affordable housing.

Mr. Mayfield stated that THF had been approached by the City of Georgetown regarding the proposed project. Mr. Jones inquired about the size of the proposed project, and Mr. Mayfield explained that it would be 180 units of multifamily housing including one-, two-, and three-bedroom apartments. It would be located just north of the downtown Georgetown area off Interstate 35.

Mr. Jones inquired about community reaction to the proposed project, and Mr. Mayfield stated that he did not believe there would be a problem. Mr. Mayfield explained that they had already held multiple public meetings with the City of Georgetown and the proposed project was part of a larger, 69-acre planned unit development within the City of Georgetown.

Details of the project were discussed. Ms. Van Hovel inquired about the rent that would be charged per unit and Mr. Mayfield explained that it would be a mixed income property with rents ranging from 30 percent AMFI up to market rate. Mr. Romero commented on the fact that it was a mixed unit proposal and that the developer was deferring their fee. He asked Mr. Danenfelzer if staff planned to present a full analysis and underwriting plan to the board at a future board meeting and Mr. Danenfelzer explained that they would, that the inducement resolution before the board today granted authority to move forward with the investigation and underwriting for the proposed project. It would allow staff to reserve volume cap and once reserved, staff would begin the underwriting process and preparation of the documents necessary for the board transaction.

Mr. Danenfelzer noted that staff would come back before the board at a future meeting to seek approval of the final bond resolution and at that time, staff would make a full presentation to the board on the specifics and underwriting of the project.

Mr. Romero made a motion to approve the resolution regarding the submission of a calendar year 2012 application for allocation of private activity bonds in the amount of \$15 million, Notice of Intention to Issue Bonds and State Bond Application to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Gateway Northwest Apartments Project. Ms. Van Hovel seconded the motion. Mr. Jones asked for further comment and none was offered. A vote was taken and it passed unanimously.

Tab 5Presentation, Discussion and Possible Approval of a Resolution Regarding
the Submission of a calendar year 2012 Application for Allocation of Private
Activity Bonds in the amount of \$75 million, Notice of Intention to Issue
Bonds and State Bond Application to the Texas Bond Review Board and
Declaration of Expectation to Reimburse Expenditures with Proceeds of
Future Debt for the Dalcor Affordable Housing I Texas Affordable Housing
Pool Project.

Mr. Danenfelzer explained that staff was asking for the Board's authorization to reserve volume cap from the Bond Review Board (BRB) for the Dalcor Affordable Housing I Texas Affordable Housing Pool Project. Mr. Danenfelzer noted that the Dalcor Project was a pooled transaction, similar to bond deals the Corporation had done in the past. He explained that the Pool included six properties in six different cities totaling 1444 units. He explained that the properties were currently owned and managed by CED Capital and Concord Management based in Florida. They were originally developed 15 years ago using bonds and housing tax credits and the current owner wanted to get out of the Tax Credit Program and remove the affordability restrictions on these properties. Mr. Danenfelzer noted that it was common for deals involving tax credits to seek refinancing at the 15 year mark. Dalcor was looking to purchase the entire portfolio so as to preserve them for an additional 15 to 30 years as affordable units.

Mr. Danenfelzer stated that the Corporation's bonds would be part of the overall \$144 million needed to finance the project. Mr. Danenfelzer noted that currently the Corporation did not have sufficient volume cap to put forth the full \$75 million that was being requested. Mr. Danenfelzer explained the two strategies currently being considered by the Corporation and the developer. One was to remove one or more of the properties from the portfolio to be financed through another issuer. This strategy would allow the Corporation to finance just the properties that we had the volume cap available for. The other strategy was to wait to reserve the allocation until August 15th, at which time under BRB rules, all unused volume cap for multifamily housing collapsed into one giant pool that any issuer in the state had the ability to draw from. It was staff's belief that there would be sufficient cap at that time to completely fund the \$75 million requested for the project. Mr. Danenfelzer added that it was also their belief that it would be much simpler to do the project as a whole, as opposed to breaking it up into two different projects which would require coordination between two issuers and issuer counsels.

Mr. Danenfelzer noted the developer's excitement about the project and stated that staff had met with him the previous week. He spoke about the developer's experience in commercial real estate and multifamily housing.

Mr. Jones asked about what would happen to the units if they were not preserved as affordable housing under the proposed project. Mr. Danenfelzer explained that because the units had reached the end of their minimum affordability timeframe under their current financing, the owner would have the ability to opt out of the housing tax credit program and make the units all market rate. He stated that the owner could sell them to accomplish this or refinance them. Mr. Jones asked if there was currently a market for market rate units and Mr. Danenfelzer confirmed that there was. Mr. Jones commented that with TSAHC's participation, affordable housing was being saved and maintained.

Mr. Romero asked for further explanation regarding the financing, given that the Corporation only had \$45 million currently available in bonding authority. Mr. Danenfelzer stated that either the Corporation would wait until August 15th to apply for the additional cap necessary to fund the entire transaction, or the developer would break up the pool and TSAHC would use the bonding authority currently available to us with the remainder being funded by another issuer. Mr. Romero asked if staff would definitely wait until August since the request before the board was for \$75 million. Mr. Danenfelzer stated that the resolution authorized up to \$75 million to allow for both scenarios. Referring back to the resolution before the board, Mr. Danenfelzer explained that it gave staff the flexibility to either move forward with the project now or wait until August to move forward.

Mr. Jones commented on the staff's confidence that this could be done and offered his support. Mr. Romero added that it was important to note that if the transaction did not go through, the organization that purchased the properties wouldn't necessarily have to put money into them, whereas a minimum of \$15,000 in rehab would be done on each unit under the proposed transaction. By issuing the bonds, we agreed that the properties would be affordable, and we would continue to monitor the properties for the life of the bonds by visiting the properties at least once a year. Mr. Danenfelzer noted that during asset oversight and compliance visits, the condition of the properties would be monitored as well as the compliance with affordability requirements and standards.

Mr. Romero made a motion to approve the resolution as presented. Mr. Evenwel seconded the motion. Mr. Jones called for public comment and none was given. A vote was taken and passed unanimously.

Tab 6Presentation, Discussion and Possible Approval for the Corporation to
acquire a Property in Plano, Texas for the Affordable Communities of Texas
Land Trust Program.

Mr. Danenfelzer explained that staff was seeking the board's authorization to proceed with the first land trust deal under the Affordable Communities of Texas (ACT) Program. He provided the board with an overview of the ACT program and how they had granted staff the authority to do both land banking and land trust activities under the program. He noted that land banking using Neighborhood Stabilization Program funds had been the primary activity under the ACT program since its inception. Under NSP rules, the Corporation was authorized to hold properties in a land bank for up to 10 years but then they must be sold or released. Properties held in a land trust could be owned by the Corporation for a much longer period of time. Under a land trust, the structures on the land would be sold but TSAHC would retain ownership of the land and therefore maintain compliance and affordability monitoring through a ground lease agreement. This arrangement would allow TSAHC to have stronger oversight of the long term affordability of the properties.

Turning to the proposed project, Mr. Danenfelzer explained that the proposal had been brought to staff by a current local partner under the ACT Program based in Dallas, Green Extreme Homes. He noted that the principles at Green Extreme Homes had been involved in real estate development and housing construction for a number of years, and added that they were a partner with the City of Dallas's NSP program and had purchased and rehabbed over 30 homes that were sold to low income households. They also worked with Enterprise Community Partners to do areas outside of Dallas.

Mr. Danenfelzer provided some history on the property; it was an old public housing authority site in Plano built in 1954 that closed in 2004 because of a proposal by a for-profit developer to redevelop the site as affordable housing. That deal, along with two other potential redevelopments that had been proposed since then, had not come to fruition. Staff was proposing that TSAHC purchase the site and hold it as a land trust. Up to 36 units of affordable housing would be built on the property. Currently staff was looking at both rental and home ownership opportunities involving a condominium style project with town homes. Mr. Danenfelzer noted that the owners of the town homes would have ownership control of their own unit but would pay a small ground lease fee to the Corporation as the owner of the land.

Mr. Danenfelzer stated that staff was asking for the board's authorization to either commit TSAHC funds or borrow funding to acquire the property. Green Extreme Homes would have 2 years to build out the property and obtain financing. TSAHC would make back the initial investment in the form of ground lease and sales fees. Mr. Danenfelzer reported that the City of Plano's redevelopment board and commission had approved \$300,000 for demolishing the current structures on the property, and the Enterprise Community Partners had verbally and via email committed \$100,000 in pre-development funds which could be used for environmental reviews, planning, architectural design, surveys and title work on the property.

Mr. Jones asked for clarification on the financing, and Mr. Danenfelzer provided a sample financing scenario that if TSAHC obtained a loan to purchase the property through Federal Home Loan Bank, the interest rate would be .8% and we would commit a security as collateral in order to access the line of credit. He noted that purchasing the property using TSAHC funds was also an option, but not one that staff preferred to use. Obtaining a loan would allow staff to keep investments in place rather than having to reduce the amount of money invested. Mr. Jones asked if the staff felt this was the way the transaction would end up going, and Mr. Long stated that staff was asking for permission of the board to do either option.

Mr. Romero asked about the experience and strength of Green Extreme Homes. Mr. Danenfelzer noted that they had a very good track record, having built over 30 homes in last few years. Mr. Brown, principal of the organization, had been constructing homes and apartment complexes for over 30 years in Texas and had a great record as both an affordable, and a market rate builder. Mr. Romero asked if the Corporation was pursuing this because it was good investment or because of Green Extreme Homes' proposal. Mr. Danenfelzer stated that it was a good opportunity for the Corporation's land trust program to grow and staff believed it to be a great project, with or without the developer. Mr. Long added that it was a great opportunity for TSAHC that fit within our mission. The property was located in a downtown with access to the train station, rail and bus line. He stated that the opportunities with this project were exceptionally positive and it would be a great investment. Mr. Jones asked if this project could be done with another developer should Green Extreme Homes not end up doing it and Mr. Long stated that it could be done. Mr. Romero agreed that the project fell within the scope of the Corporation's services. Mr. Evenwel asked if the staff was becoming more firm about the proposal and Mr. Danenfelzer stated that they were. He informed the board about how financing institutions saw this as a very desirable project.

Mr. Romero made a motion to approve the Corporation to acquiring the property in Plano, Texas through the Affordable Communities of Texas Land Trust Program, either through a financing instrument or through capital reserves. Mr. Evenwel seconded the motion. Mr. Jones called for public comment and none was given. A vote was taken and it passed unanimously.

Open Meeting

The date of the next board meeting was discussed. Mr. Romero requested that an update from Corcoran & Company be included on the agenda. Mr. Jones thanked everyone for their hard work.

Adjournment

Mr. Jones declared the meeting adjourned at 11:50am.

Respectfully submitted by______ Laura Ross, Corporate Secretary

Tab 2

Update and Discussion of Progress made on the Texas State Affordable Housing Corporation's Development Plan presented by Corcoran and Company.

Update and Discussion



Development Finance Programs

June 14, 2012

Agenda Item

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

Summary

Staff is proposing several minor modifications to the ACT program's policies in order to elaborate or clarify how the Corporation qualifies properties for consideration under our Land Trust activities, as well as the roles and responsibilities of local partners in the identification, redevelopment and sale of properties acquired through the ACT program.

A black lined copy of the proposed policies is attached to this agenda item for the board's review and discussion. If approved, staff will accept all changes, as noted or amended by the board, and publish the amended policies to our website.

Recommendation

Staff recommends that the board approve the proposed changes, with amendments if any, for immediate adoption and publication to the Corporation's website.

Affordable Communities of Texas Land Bank<u>/Land Trust</u> Policy and Guidelines

- 1. **Policy.** This policy (the "Policy") has been adopted by the Texas State Affordable Housing Corporation (the "Corporation") in order to organize and codify its administration of the Affordable Communities of Texas initiative-program (the "ACT"). The ACT supports the Corporation's mission to promote equal access to safe, decent, and affordable housing with an emphasis on serving rural and underserved markets. The ACT's initiative's purpose is to create partnerships between the Corporation and local housing providers to acquire or accept donations of foreclosed housing assets, government properties and other for sale properties-real estate for the benefit of, or to create affordable housing for, low-income households.
- 2. **Source of Funds.** The primary sources of funds available to the ACT are from investments made by public and private entities to the Corporation. The Corporation may also commit its own funds to the ACT, accept private donations, and grants, or apply for funding from government agencies. The availability of funds is dependant upon the Corporation's ability to find new investments and generate income from the sale, lease or disposition of properties acquired.
- 3. Eligible Activities. The ACT initiative focuses primarily on the acquisition of vacant or foreclosed housing units, land and other properties that may be used to provide safe, decent and affordable housing. Properties may be developed to preserve, rehabilitate, or construct housing for homeownership, rental, cooperative and <u>or</u> any other form of affordable housing that advances the Corporation's mission. The <u>ACT</u> program may also be used to clear vacant or blighted structures, maintain vacant lots, and manage land-_banked properties owned by the Corporation or Local Partners (herein-after defined). The use of ACT funds may be limited by any-local, state, federal or other contractual agreements from the providers of such funding and pursuant to any funding agreements executed by the Corporation.
- 4. **Corporation's Role.** In order to carry out the eligible activities of the ACT program, the Corporation shall enter into <u>memorandums-memoranda</u> of understanding with its Local Partners ("Local Partner MOU"). Each Local Partner MOU will detail the responsibilities and roles of both the Corporation and Local Partner. The Corporation's responsibilities may include any one or more of the following roles:
 - a. TSAHC Land Bank. In this capacity, the Corporation will acquire properties using ACT funds, hold properties in the Corporation's name, and manage the redevelopment of properties with assistance from Local Partners. The Corporation will-may_use ACT funds to cover the cost of option fees, title agreementsreports, due diligence activities, environmental reviews, purchase price and closing costs. Local Partners will be responsible for-all rehabilitation or construction-financing the redevelopment of acquired land bank properties, unless otherwise provided by the Corporation through an agreement separate from the Local Partner MOU. The Corporation and the applicable Local Partner shall determine the appropriate end use of the property (for-sale or rental) and a timeline for completing redevelopment and occupancy by a qualified low-income household. The Corporation shall determine the final sales price or rental rates of all homes, in its sole determination, ensuring that Local Partners are reimbursed for reasonable rehabilitation costs from sales proceeds. The Corporation may also utilize a shared equity agreement, in the form of a ground lease or other acceptable documentation, in order to recover its investment in a property and generate revenues for the program.
 - a.<u>b. TSAHC Land Trust. In this capacity, the Corporation will acquire properties and hold them in</u> perpetuity for the benefit of providing affordable housing. The Corporation will assist Local Partners with the planning and redevelopment of properties and may commit ACT funds to cover predevelopment activities...... After redevelopment the Corporation may split the real property estate from the improvements and sell the improvements to the Local Partner or qualified low-income households. The Corporation will continue to own the ground estate and grant access to the Local Partner or qualified low-income households through a ground lease agreement or other legal

Affordable Communities of Texas Land Bank<u>/Land Trust</u> Policy and Guidelines

documentation deemed appropriate in the sole determination of the Corporation. The Corporation may collect ground lease fees in order to cover its holding cost, monitoring and long-term expenses associated with a land trust property.

- c. Buyer Agent. In this capacity, the Corporation will serve as a conduit for the acquisition of properties on behalf of Local Partners, using funding provided by Local Partners. The Corporation will be reimbursed by Local Partners for any option fees, title agreements or due diligence activities required to purchase the property, and paid for by the Corporation. The Corporation will immediately transfer ownership of the property to the Local Partner, be reimbursed for any expenses incurred during the acquisition process, and collect a transaction fee prior to transfer in an amount no less than \$250.00[±]
- d. Land Bank Administrator. In this capacity, the Corporation will acquire properties using funding provided by Local Partners, hold properties in the Corporation's name, and manage the redevelopment of properties with assistance from Local Partners. The Corporation will be reimbursed by Local Partners for any option fees, title agreements or due diligence activities required to purchase the property, and initially paid for by the Corporation. The Corporation will hold properties under its ownership until the Local Partner can complete redevelopment activities and place qualified low-income households into properties. The Corporation will collect an <u>annual fee no less than \$500.00 annually</u> for overhead and administration, plus reimbursement for the actual cost of insurance premiums from the Local Partner. The Corporation shall transfer ownership of the property to the Local Partner, within 60 days of written notice, and the Corporation will collect a <u>reasonable</u> transfer fee at the time of transfer in an amount no less than \$750.00.
- 5. Selection of Partners. The Corporation intends to focus on developing partnerships with qualified nonprofit and local government entities <u>at-as</u> local partners (collectively the "Local Partners") that have clear relationships <u>within to</u> the communities where properties are acquired. The Corporation will market the ACT program to Local Partners in targeted communities and/or may accept partnership applications from Local Partners. In either case, Local Partners must meet the following minimum qualifications:
 - a. Nonprofit entities must be an active nonprofit 501(c)(3) or (c)(4) corporation as recognized by the U.S. Internal Revenue Service, and registered as a nonprofit corporation within the State of Texas;
 - b. Financial audits or statements of the Local Partner for a two year period must reflect the entity's ability to manage funds appropriately, as determined solely by the Corporation;
 - c. At least two years of experience in the planning, marketing, development or management of housing programs for moderate and low-income households; and
 - d. The ability to provide evidence of support from local government officials for their activities within the target community.
- 6. Competitive or Select Application Procedures. In the event the Corporation receives funding that requires the Corporation to utilize a competitive or other application process to disburse the funds, it shall publish to its website a request for proposals (an "RFP") and application materials. The Corporation will only accept applications when there are available sources of funds and <u>will</u> include all guidelines, procedures, thresholds and scoring criteria in the relevant RFP. Applicants will be required to complete the application pursuant to the guidelines included in the RFP and application materials.
- 7. Local Partner Approvals. The Manager of Development Finance (the "Manager") is responsible for coordinating and overseeing the review of Local Partner applications. Local Partner applications that fulfill all of the threshold and selection criteria of this Policy; and any applicable RFP; will be recommended to the Corporation's Board of Directors (the "Board") for consideration and possible approval. The Board's approval may include the commitment of specific funding resources to the Local Partner to acquire properties; and complete other activities (demolition, clearance, etc....) as detailed in the Manager's

Affordable Communities of Texas Land Bank<u>/Land Trust</u> Policy and Guidelines

recommendation. If the Local Partner's application is approved by the Board, the Local Partner must enter into a Local Partner MOU with the Corporation, as defined above, which will detail the roles and responsibilities of the relationship between the Corporation and Local Partner.

- 8. **Project Approvals.** The selection of individual properties acquired by the ACT program under Local Partner MOUs-will be completed by the Manager, and then be-approved by the Corporation's President or Executive Vice President. If selected properties are approved by the President or Executive Vice President, the Manager shall be authorized to execute purchase agreements on any specific property_, order appraisals and pursue other due diligence requirements of this Policy and the ACT program's funding sources. The Manager will prepare for the Board a list of property acquisitions that details purchase price, cost allocations, closing timelines and any other information the Board deems pertinent, on a monthly basis.....
- 9. **Qualified Projects.** All housing units acquired by the Corporation, must meet the following criteria in order to be considered a qualified project; ("Qualified Project") for the purposes of this policy.
 - a. A Qualified Project must advance the mission of the Corporation;
 - b. A Qualified Project must be financially feasible and provide sufficient return on the Corporation's investment to sustain the ACT program;
 - c. A Qualified Project must be located in an area that provides access to good educational, employment, transportation and other community services; and
 - <u>d.</u> A Qualified Project must have a plan <u>to ensure the property will be redeveloped for the benefit_for</u> redevelopment that guarantees access to safe, decent and affordable housing for <u>of</u> low-income Texans.

In order to be considered for the TSAHC Land Trust a Qualified Project must also demonstrate a special circumstance or condition that justifies its inclusion in the Land Trust program. Such special circumstances may include the development of homes for persons with disabilities or other special needs, homes for extremely low-income households, and homes in areas considered to be high opportunity areas₇ (such as areas experiencing gentrification or high income areas) that will affirmatively further fair housing choice.

10. Affordability Threshold.

- a. The Corporation's statutory and charitable mission requires that all properties held by the Corporation be <u>made affordable for used for the benefit of</u> qualified low, very-low and extremely low-income households. To ensure adherence to these requirements, all properties acquired and held by the Corporation, in the role of Land Bank Entity or Land Bank Administrator will be held to the following minimum qualifications:
 - i. All units acquired and developed for homeownership shall be affordable to low, very_-low and extremely_-low-income households at eighty percent (80%) or below of the area median income (the "AMI") for the location of the property, or eighty percent (80%) or below of the statewide median income, whichever is greater;
 - ii. All units acquired and developed for rental shall be affordable for low, very_-low and extremely_low-income households at or below 80% of the AMI for the location of the property;
 - iii. All multifamily properties (4 or more units) acquired and developed for rental shall be held to the following additional income and rent restrictions:
 - A. At least 20% of the total units in the development for persons or families earning 50% <u>or less</u> of the AMI, based on the size of the unit and number of persons occupying the unit; or

Affordable Communities of Texas Land Bank/Land Trust Policy and Guidelines

- B. At least 40% of the total units in the development for persons or families earning 60% <u>or less</u> of the AMI, as determined by HUD, based on the size of the unit and number of persons occupying the unit<u>.</u>
- iv. The Corporation may require impose additional affordability requirements in accordance with funding limitations or on a case by case basis; and
- b. The Corporation requires that all properties acquired, but not held, by the Corporation in the role of Buyer Agent be made affordable to qualified low or moderate income households, not to exceed 120% of the area median income <u>AMI</u> for the location of the property.
- 11. Construction Threshold. To ensure that working families have safe, decent, affordable housing, and to ensure long-term affordability and usability, all Qualified Projects held by the Corporation must meet the following standards:
 - a. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall meet all local building codes for the jurisdiction where they are located. If the development is located in an area where no building codes are in place or have been adopted, the development shall meet the most recent International Residential Code, or International Building Code;
 - b. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall be compliant with the Federal Fair Housing Act Accessibility Standards, Title II of the American's with Disabilities Act of 1990, the Texas Minimum Construction Standards and §2306.514 (visitability guidelines) of the Texas Government Code. Borrower's must submit to the Corporation a certification from the project architect, engineer, or other third-party building inspector that the proposed Development will meet or exceed the above listed accessibility requirements;
 - c. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall be compliant with the U.S. Department of Energy's Energy Star Program, as confirmed by a certified third-party Home Energy Rating System ("HERS") inspector or as certified to by the Development's architect or engineer; and
 - d. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall have sidewalks, driveways and streets that are compliant with the Americans with Disabilities Act and Fair Housing Accessibility Standards.
- 12. Location Threshold. The Corporation shall consider a variety of factors to determine if a project is located in an area that promotes safe, healthy and decent housing for low-income households. The Corporation will consider a project's proximity to grocery stores, pharmacies, financial services and other commercial services. All Qualified Projects held by the Corporation must meet the following minimum location standards:
 - a. Qualified Projects may not be located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps; and
 - b. Qualified Projects located within a County or City that is covered by the Texas Windstorm Insurance Association (TWIA) shall be required to secure windstorm insurance in accordance with the TWIA insurance policy requirements.
- **13.** Additional Thresholds. All Qualified Projects held by the Corporation must meet the following additional threshold criteria:
 - a. The Corporation requires a general review of environmental conditions at each Qualified Project location. The environmental review may include a review of city or county environmental records, an environmental notification process, as may be required by the Corporation's funding partners, or a

Affordable Communities of Texas Land Bank/Land Trust Policy and Guidelines

Phase I Environmental Site Assessment and any necessary updates, based on the Corporation's sole determination of need;

- b. The Corporation generally will not fund a project that may cause the displacement of a low-income household. Exceptions to this requirement may be considered on a case-by-case basis;
- c. The Corporation shall use minimum underwriting standards in evaluating all projects. The Corporation shall review such items as debt coverage ratio, cost of project maintenance and the Local Partner's financial strength in its review. The minimum underwriting standards shall reflect the nature of the project, its location and the AMI for targeted low-income households. The Corporation's Manager shall be responsible for determining the feasibility of each project;
- d. The Corporation may require a third-party market analysis, or may conduct its own assessment of market conditions, to determine the feasibility of a proposal. Current information on demographics, population growth, employment trends, median home prices, zoning requirements, absorption rates, and any other indictors of the market capacity may be considered in the Corporation's review.
- 14. Security Interest. To insure the fulfillment of the Affordability Threshold, a variety of agreements may be filed in the deed records of Qualified Projects held by the Corporation. At a minimum the Corporation may consider the following security interests, or any combination thereof:
 - a. Deed Restriction or LURA: The Corporation may file a deed restriction or Land Use Restriction Agreement (the "LURA") in the real property record that defines limitations on resale and occupancy of the Qualified Project. Deed restrictions may or may not be filed as non-foreclosable instruments.
 - b. Shared Appreciation Agreement: A shared appreciation agreement (the "Shared Appreciation Agreement") is filed either as a mortgage instrument, deed restriction, or other form of agreement acceptable to the Corporation, and allows for the Corporation to recapture grant funds or equity transfers (or the equivalent thereof) to a Qualified Project upon any future sale or transfer of ownership. Generally the Corporation shall seek to recapture 100% of such grant dollars and/or a percentage of such equity transfers. The total recapture amount will depend on the net proceeds available after repayment of superior liens.
 - c. Affordability-Ground Lease: The Corporation may also hold properties in perpetuity and sell or lease their improvements to Local Partners to operate affordable rental housing, or sell improvements to qualified low-income households. In either case, the Qualified Project will be restricted for occupancy in accordance with the applicable Affordability Threshold through a ground lease agreement.
- 15. **Project Monitoring.** The Corporation requires that all Qualified Projects held by the Corporation_, rental or household, undergo a regular review to determine that the project continues to meet the threshold criteria and goals of the ACT initiative. The Corporation may require, especially in the case of rental developments, that an asset management or asset oversight review be completed on an annual, semi-annual or other periodic length of timebasis, as determined by the Corporation. The Corporation may charge an annual fee in order to cover the cost of reviews.
- 16. Disposition of Properties. The Corporation intends to sell the majority of Qualified Projects held by the Corporation to qualified low income households. To accomplish the sale or transfer of Qualified Projects this, the Corporation may rely on its Local Partners to market, broker, or otherwise sell or lease Qualified Projects. In the absence of a Local Partner, or as otherwise determined necessary, the President or Executive Vice President of the Corporation shall be authorized to contract disposition activities to a licensed real estate broker or other qualified third-party entity.
- 17. Insurance. The Corporation shall be authorized to carry general liability, property, casualty and other necessary insurance coverage's on Qualified Projects held by the Corporation. The President, Executive Vice

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President, or Chief Financial Officer of the Corporation shall be authorized to contract for such insurance services.

18. Fees. The Corporation may charge fees, penalties or other monetary accruements in order to cover the cost of application review, professional fees, asset and compliance reviews, ground leases, maintenance or holding costs, and any other fee determined reasonable by the President or Executive Vice President of the Corporation.



2012 Texas Foundations Fund Guidelines and Application Requirements

Texas Foundations Fund Overview

Through its Texas Foundations Fund program, the Texas State Affordable Housing Corporation (TSAHC) partners with non-profit organizations and rural government entities across Texas to support housing services that meet the critical housing needs of very low-income households in Texas.

TSAHC selects partners through an annual competitive application process and provides substantial awards of up to \$50,000 to support partners' housing service programs.

2012 Funding Availability

TSAHC funds its Texas Foundations Fund awards by blending private donations with earned revenue from its affordable housing programs. TSAHC's Board of Directors approves the funding available each year under the Texas Foundations Fund. The funding available for 2012 is \$300,000, which will enable TSAHC to select up to six partners during this funding cycle.

Eligible Partners

- Nonprofit organizations with the stated mission to 1) rehabilitate affordable housing in Texas, or 2) provide supportive housing services to very low-income Texas residents in multifamily rental units. Eligible nonprofit partners must possess a 501(c)3 designation from the Internal Revenue Service.
- 2. Rural government entities (and their instrumentalities), which are defined as those located in 1) cities with populations less than 50,000, not located in a federal Metropolitan Statistical Area (MSA); or 2) counties with populations less than 100,000, not located in a federal MSA.

Eligible Projects

All housing services ("Projects") supported through the Texas Foundations Fund must be provided free of charge to very low-income households (defined as households earning no more than 50% of the area median family income).

The following types of Projects are eligible for Texas Foundations Fund support:

- 1. The rehabilitation and/or critical repair of single family homes to remedy unsafe living conditions. Critical repairs may also include accessibility modifications for homes in which an individual with a disability may live. Households receiving assistance must own and occupy the homes receiving repairs. TSAHC will support the critical repair of single family rental homes only if the homes are owned and operated by the partner receiving funding and if the repairs enhance accessibility for a renting household with an individual with a disability.
- 2. The provision of on-site supportive housing services for individuals and families at risk of homelessness. Eligible supportive housing activities include, but are not limited to, the provision of alcohol and drug counseling, mental health counseling, or services provided on-site by a health care provider. TSAHC will not select partners that solely provide supportive services; rather TSAHC will support those organizations that own and operate multifamily housing with supportive services. Please note that the Texas Foundations Fund program is not a funding source for the construction or rehabilitation of multifamily rental units.

Funding Restrictions

Selected partners may use five percent of the awarded funds for administrative or technical assistance costs associated with the services to be provided with the funds. The remaining funds must be used for direct costs associated with the rehabilitation and/or critical repair of single family homes or the provision of supportive housing services. TSAHC funds may not be used for off-site infrastructure, general operating costs, or developer fees and profits.

Funding Priorities

To ensure TSAHC continues to meet the most critical housing needs of very low-income households, TSAHC will select partners according to the following funding priorities:

- 1. The partner with the highest scoring application serving individuals with disabilities
- 2. The partner with the highest scoring application providing multifamily supportive housing services
- 3. The partner with the highest scoring application serving a 'rural community', defined as cities with populations less than 50,000, or counties with populations less than 100,000, not located in a federal MSA as of the last federal census.
- 4. After meeting these three priorities, TSAHC will select partners according to the overall highest scoring applications until all funds are exhausted.

It is possible for one partner to meet multiple priorities; for example, a partner serving homeowners with disabilities or a partner providing multifamily supportive housing services could be providing those services in a rural community.

Application and Selection Process

The attached Application Requirements provide a detailed description of the 2012 Texas Foundations Fund application process.

The TSAHC staff, Advisory Council and Board of Directors have developed a scoring system to evaluate applications, giving weight to each applicant's commitment and past experience with similar housing activities; the design of the Project; the anticipated quality, timeliness, and impact of the completed Project; staff proficiency and effectiveness; leveraging and/or matching funds; and evidence of partnerships on past similar projects. Additionally, partners must have financial capacity as determined by TSAHC. At the discretion of the staff, Advisory Council, and Board of Directors, TSAHC may award funding to one partner to support a Project for which the partner does not have direct prior experience.

Applications will first be evaluated by TSAHC staff and then by TSAHC's Advisory Council, who will finalize scoring and make recommendations to TSAHC Board of Directors for final award determination. The Board of Directors has the authority to approve all awards and also may choose not to make any or all awards if they determine that too few satisfactory applications have been submitted.

While most selected partners will receive their entire funding award in one installment, TSAHC reserves the right to disburse funding in multiple installments at its discretion.

Previous Texas Foundations Fund partners are eligible to apply under this cycle. The absence of any negative performance will be a threshold requirement. If prior performance was positive, previous partners will be scored the same as new applicants.

Applications must be submitted at TSAHC's offices in Austin, Texas no later than <u>Friday, September</u> 14, 2012 by 5 p.m., and recommendations by the Advisory Council are anticipated to be submitted to the Board of Directors at its regularly scheduled meeting in November. If too few satisfactory applications are submitted to utilize the full amount of funding available, TSAHC may continue to accept applications

on the 15th of each month after the deadline to be considered at the following month's regularly scheduled meeting of the Board of Directors.

Upon submission, partners may not contact or communicate with members of the Advisory Council or Board of Directors regarding their application. Failure to comply will result in the disqualification of the application.

Limited Deficiency Process

If an application contains deficiencies which, in the determination of the TSAHC staff, require clarification or correction of information submitted at the time of the application, TSAHC may request clarification or correction of such deficiencies. The request will be made by sending a deficiency notice by email to the applicant. Clarification or correction of deficiencies must be submitted by email to the TSAHC staff member identified in the deficiency notice. The applicant will have three business days, beginning the day following the date of the deficiency notice, to respond. If deficiencies are not clarified or corrected to the satisfaction of TSAHC by 5:00 p.m. on the third business day following the date of the deficiency notice, the application will be considered ineligible.

Partnership Agreement

TSAHC requires each partner to execute a grant agreement that outlines the purpose of the funding award, eligible expenditures, the scheduling of funding disbursements, TSAHC's right to inspect properties or service records and to review financial documents, and ongoing reporting requirements. The grant agreement will contain performance measures that must be met; failed performance may result in the delay or cancelation of any future disbursements, cancelation of a grant award, or request for repayment of the grant award.

Questions

Questions should be submitted in writing to Katie Howard by email at <u>khoward@tsahc.org</u>. Partners are encouraged to review the Texas Foundations Fund's Question and Answer section of TSAHC's website at <u>www.tsahc.org</u>, as all partners will be responsible for incorporating into their applications the information found there.



2012 Texas Foundations Fund Application Requirements

All applications must be TYPED and must provide the information requested <u>in the order listed</u>. Handwritten applications will not be considered. Applications should be submitted in a three ring binder divided in numeric Sections and corresponding Subsections per the Application Requirements (no attachments at the back). Each application must also include an electronic copy of the complete application in a single document (Word or Adobe PDF) on a readable compact disk. Applications are due on or before <u>Friday</u>, <u>September 14</u>, 2012 by 5 p.m. to:

> Texas State Affordable Housing Corporation ATTN: Texas Foundations Fund 2200 East Martin Luther King Jr. Blvd. Austin, Texas 78702

APPLICANT INFORMATION

Applicant Entity:			
Address:			
City:	State:		Zip:
Phone:		Fax:	
Contact Name:			
Title:			
Email:			
Phone:		Fax:	
Previous Awardee		Yes	
Applicant Structure			
Nonprofit Entity (501(c)3)		Rural Governmen	nt Entity
Applicant Activity			
Rehabilitation and/or Critical R Single Family Homes	lepair of	Supportive House Rental Units	ing Services for Multifamily
Project Priority (check all that a	pply)		
Persons with a Disability	Rural	Supportive Services	Not Applicable
Project Location			
List the city(ies) or county(ies):			
Printed Name of Authorized	Signature of A		Date:
Representative:	Representativ	e:	

APPLICATION REQUIREMENTS

Section 1: Eligibility Requirements

- 1.1 Status Letter
 - a) Nonprofit entity Provide a letter of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, and Federal Tax Identification Number (if different from the 501(c)(3) number)
 - b) Rural government entity Provide a letter from the city or county attorney or county judge that certifies that the rural government entity is located in a city with a population less than 50,000, or a county with a population less than 100,000, not located in a federal Metropolitan Statistical Area as of the last federal census.
- 1.2 Certification signed by an authorized officer (nonprofit entity) or elected official (rural government entity) stating that the partner:
 - a) Understands that they will be held to all representations made in this Application;
 - b) Has read the Texas Foundations Fund Guidelines related to this Application;
 - c) Is authorized to sign this Certification and submit this Application;
 - d) Did not have an operating deficit for its most recent full fiscal year;
 - e) Is governed by a Mission, Articles of Incorporation and Bylaws (nonprofit entity) or Governing Document (rural government entity) that contemplates and allows the activity proposed under this Application;
 - f) Will efficiently identify the need for the rehabilitation and/or critical repair of single family homes for very low-income homeowners or the provision of supportive housing services for very low-income residents of multifamily rental units in the community to be served;
 - g) Will acquire necessary permits and meet local building code standards (if applicable) for all rehabilitation and critical repairs performed with funds from the Texas Foundations Fund;
 - h) Will screen, document, prioritize and assess the eligibility of individuals to be assisted with funds from the Texas Foundations Fund; and
 - i) Will sign a Grant Agreement within 30 business days of selection and will complete Project work within one year of the effective date of the Grant Agreement.

STOP HERE! If you do not meet all the Section 1 requirements, your organization is not eligible for Texas Foundations Fund support.

Section 2: Organization Information

- 2.1 <u>Nonprofit entity:</u> Provide mission statement, Articles and Bylaws, and a brief description of programs and services. <u>Rural government entity:</u> Provide similar governing documents that show the Project falls within your governmental purpose.
- 2.2 <u>Nonprofit entity:</u> Provide a list of and affiliations for all officers and members of the board of directors. <u>Rural government entity:</u> Provide a list of and affiliations of all elected officials, and contractors, if applicable.
- 2.3 Required financial information:
 - a) Current financial statements: The applicant must provide a balance sheet prepared as of a date that is no earlier than 45 days prior to the date of the application submission. Applicant must also provide an income statement (or profit and loss report) prepared for the period beginning the first day of their current fiscal year and ending as of a date no earlier than 45 days prior to the date of the application submission. *For example, if the entity has a fiscal year that begins*

on September 1 and ends on August 31, and the applicant's submission is dated March 1, then the balance sheet may be prepared as of January 14, 2012 or any date between January 14, 2012 and March 1, 2012. The income statement should be prepared for the period beginning September 1, 2011 and ending on a date between January 14, 2012 and March 1, 2011. The same date should be used for both reports so they can be viewed together.

- b) 2011 audited financial statements (if not yet available, submit for 2010). TSAHC will accept financial statements reviewed by an independent auditor (in lieu of audited financial statements) from nonprofit applicants with an operating budget less than \$500,000 per fiscal year.
- c) Auditor's management letter, if applicable
- d) OMB Circular A-133 audit report, if applicable
- e) Audit or compliance reports issued by oversight entities, if applicable
- f) Nonprofit entities: IRS Form 990 (required), and 990-T if applicable, for 2011 (if not yet available, submit for 2010)
- 2.4 A list of government, corporate, and foundation contributors to your entity for the past three years. Please indicate years, amounts, and to which project or program awarded.

Section 3: Project Information

- 3.1 Description of the Project, including:
 - a. How it meets the requirements of an *Eligible Project* outlined in the Texas Foundations Fund Guidelines. Include each of the following:
 - i. A plan for efficiently identifying the need for the rehabilitation, and/or critical repair of single family homes for very (50% AMFI) low-income individuals or the provision of supportive housing services for very low-income residents of multifamily rental units in the community to be served (will be required to show waiting list, government data, or some other reliable method for identifying the need in community to be served);
 - ii. A plan for screening, documenting, assessing and prioritizing assisted individuals' eligibility. The nonprofit entity or rural government entity will be required to keep on file all income certifications of those individuals assisted and submit these certifications to TSAHC as requested in the interim and final reports;
 - iii. For Projects involving rehabilitation and/or critical repair:
 - 1. a plan for ensuring that all building permits are acquired and that all rehabilitation and/or critical repairs are done according to the locally applicable building code; and
 - 2. a plan for overseeing construction work and ensuring quality of work performed; <u>**OR**</u>
 - iv. For Projects involving providing supportive housing services for multifamily rental units, a plan for providing and/or coordinating the supportive services and other benefits to assisted individuals;
 - b. The income levels of the individuals/households that will be served;
 - c. Number of individuals/households that will be served.

STOP HERE! If your application does not meet the requirements, or does not include the requested documentation for an Eligible Project, or does not serve individuals/families at 50 percent or below of the Area Median Family Income adjusted for family size (income limits posted to TSAHC's website), your application is not eligible for Texas Foundations Fund support.

3.2 Priorities*: Specify whether your Project serves one or more of the following:

- a) Individuals with disabilities
- b) Supportive housing services for residents of multifamily rental units
- c) Rural community (as defined in the Texas Foundations Fund Guidelines)

*In order to receive priority funding as described in the Funding Priorities section of the Texas Foundations Fund Guidelines, all individuals served must be in one or more of the specified categories listed above. For example, to be awarded funds under the priority of serving individuals with a disability, all individuals receiving Texas Foundations Fund assistance must have a disability.

- 3.3 The dollar amount being requested, up to a maximum of \$50,000. Please tell us how much you intend to spend on each household/individual assisted, how that is determined, and the direct benefit of the funds to the household/individual.
- 3.4 Total Project budget, including anticipated and committed sources of income, the amounts and intended use. <u>Specify and quantify leveraged or matching funds and/or other financing or volunteer work that will be used to complete the Project</u>. The Project budget must specifically detail how the Texas Foundations Fund award will be utilized.

Funding Source	Admin. Costs	Rehabilitation/ Repair Costs	Permits and Fees	Supportive Services Costs	Other	Anticipated or Committed	Total
					Tota	l Project Budget	

Sample Budget:

- 3.5 Additional information regarding sources of income listed in Section 3.4, including but not limited to volunteer hours, generated revenue, government contributions, and/or private donations. Explain the status of each income source and, if including volunteer labor, the calculation used to determine the value of the volunteer labor.
- 3.6 Project staff bios, specific responsibilities, and experience for completing the Project (If rural government entity, please provide this information for rural government entity staff and for staff of entity contracted to carry out the project.)

Section 4: Experience

Please provide documents as described below if you are a nonprofit entity, rural government entity, or contractor for rural government entity (contractor should provide information to answers below only if rural government entity does not itself provide answers because it does not have the required experience).

4.1 Detailed description of up to three past similar project(s), explaining similarities to your proposed Project. Explain how you will leverage the experience gained in past similar projects to enhance the services you will provide in your proposed Project.

- 4.2 Include details on evaluation measures used to ensure quality and timeliness of past projects. Provide photographs, consumer satisfaction surveys, newspaper articles or other media recognition, and/or individuals' letters of recommendation that highlight the quality of the past projects described in 4.1.
- 4.3 Include the budget(s) for the past project(s) described in 4.1, including the initial proposed budget, the actual budget upon completion, and the sources of income used for the projects. Describe key funding, volunteer, or other important partnerships on the past projects.
- 4.4 Describe any complaints, litigation, or disputes filed by consumers, contractors, or other parties involved in services and/or programs administered by the applicant.

MINUTES AND CERTIFICATION

THE STATE OF TEXAS	§
	§
TEXAS STATE AFFORDABLE	§
HOUSING CORPORATION	§

I, the undersigned officer of the Texas State Affordable Housing Corporation (the "*Corporation*"), do hereby certify as follows:

The Board of Directors of the Corporation (the "*Board*") convened on the 14th day of June, 2012, at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted Members of said Board and officers, to wit:

BOARD OF DIRECTORS

Name

Office

Office

Robert Elliott Jones	Chairperson
Jo Van Hovel	Vice Chairperson
Jerry Romero	Director
William H. Dietz	Director
Gerry Evenwel	Director

OFFICERS

Name

- - -

David Long	President (non-Board member)
Elizabeth Bayless	Executive Vice President (non-Board member)
Melinda Smith	Chief Financial Officer (non-Board member)
Laura Ross	Secretary (non-Board member)
Cynthia Gonzales	Assistant Secretary (non-Board member)

and all of said Members of the Board were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "*Resolution*") bearing the following caption was introduced:

RESOLUTION NO. 12-____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

"Resolution to appoint Mr. Steven A. Carriker as a Member of the Advisory Council for the Texas Foundations Fund, and to restate, ratify and affirm the other persons holding the position of Member of said Advisory Council" was duly introduced for the consideration of said Board and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

_ AYES _ NOES _ ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution [as modified to reflect discussion by said Board] adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers of the Corporation and Members of said Board as indicated therein; that each of the officers and Members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and Members of said Board consented, in advance, to the holding of said meeting for such purpose.

SIGNED this 14th day of June, 2012.

Secretary, Texas State Affordable Housing Corporation

RESOLUTION NUMBER 12-___

BOARD RESOLUTION OF TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION TO APPOINT MR. STEVEN A. CARRIKER TO SERVE ON THE ADVISORY COUNCIL FOR THE TEXAS FOUNDATIONS FUND AND TO RESTATE, RATIFY, AND AFFIRM THE OTHER PERSONS HOLDING THE POSITION OF MEMBER OF SAID ADVISORY COUNCIL

WHEREAS, Texas State Affordable Housing Corporation (the "*Corporation*") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et. seq., now codified as the Texas Business Organizations Code, including Chapter 22 thereof, as amended, and under the authority of Texas Government Code, Title 10, Chapter 2306, Subchapter Y, as amended;

WHEREAS, on February 1, 2008, the Corporation, upon resolution duly adopted by the Board of Directors, did create the Texas Foundation Fund ("*TFF*") as a segregated fund of the Corporation to be used to provide grants that benefit Texas residents of very low-income and extremely low-income with respect to various housing needs;

WHEREAS, in connection with the creation of the TFF, the Board of Directors approved the creation of the Advisory Council to the TFF (the "*Advisory Council*"), with the Advisory Council to be comprised of five Texas residents (each, a "*Member*" and collectively, "*Members*") appointed by the Board of Directors including that one Member of the Advisory Council shall be an officer or manager of the Corporation as appointed by the Board of Directors (the "*Corporate Member*");

WHEREAS, after due consideration, the Board of Directors has determined that Mr. Steven A. Carriker is a Texas resident and is qualified and willing to serve as a Member of the Advisory Council of the TFF, and;

WHEREAS, the Board of Directors, for the avoidance of doubt, wishes to restate, ratify and affirm the other persons holding a position as Member of the Advisory Council;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TEXAS STATE AFFORDABLE HOUSING CORPORATION THAT:

RESOLVED, that effective immediately upon the adoption of this resolution, Steven A Carriker is hereby appointed as a Member of the Advisory Council, and the Board hereby restates, ratifies and affirms that the following persons shall comprise the membership of the Advisory Council:

Chairman Member Member Corporate Member Member Edwina Carrington Russell Vandenburg Steven A. Carriker Elizabeth Bayless [VACANT] APPROVED AND EFFECTIVE this 14th day of June, 2012.

Texas State Affordable Housing Corporation

ATTEST:

Laura Ross Secretary to the Board

Texas Community Capital Board of Directors

First Name	Last Name	Appointment / Affiliation	Board Term
Tom	Wilkison	TACDC	Appointed on Feb. 12, 2010 to 4 year term ending Feb. 2014 Elected Board Chair Mar. 2010
		Brazos Valley Affordable Housing Corp.	
Gerald	Carlton	TACDC	Appointed on Feb. 12, 2010 to 2 year term ending Feb. 2012
		East Dailas Community Organization	
Cynthia	Leon	TSAHC	Appointed on Jan. 29, 2010 to 4 year term ending Jan. 2014 Elected Board Secr. Mar. 2010
Jerry	Romero	ISAHC	Appointed on Jan. 29, 2010 to 2 year term ending Jan. 2012 Elected Board VC Mar. 2010
		Wells Fargo Bank	
nhol	Garvin	At-Large	Appointed on Apr. 22, 2010 to 4 year term ending Apr. 2014
		Consultant	

Texas Community Capital Board of Directors – Members and Officers

Pursuant to the By-Laws of Texas Community Capital, Inc., the following requirements are provided for board of directors, including appointment, terms and officers:

ARTICLE III Board of Directors

(3) Number of Directors

The Board of Directors will consist of five (5) Directors. Two Directors shall be appointed by resolution of the Board of Directors of the Texas State Affordable Housing Corporation ("TSAHC Board"), a Texas non-profit corporation. Two Directors shall be appointed by resolution of the Board of Directors of the Texas Association of Community Development Corporations ("TACDC Board"), together with the TSAHC Board, the "Appointing Authorities" and each individually an "Appointing Authority", a Texas non-profit corporation. One Director shall be appointed by majority vote by the other Directors of the Board of Directors. Upon majority resolution of the Board of Directors and approval by each of the TSAHC Board and the TACDC Board, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors. The persons serving as directors at the time of adoption of this amendment to the Bylaws shall continue to serve until such time as their replacements have been named and seated. The Executive Director of the Corporation shall serve as an ex-officio non-voting member of the Board of Directors. All other employees of the Corporation are ineligible to serve on the Board of Directors.

(4) Term and Election of Directors

Directors shall serve terms of four years, however each Appointing Authority named above shall in its initial appointments name one Director to an initial term of two years and the other director to an initial term of four years so that each appointing authority fills one board vacancy every two years. The Director appointed by the Board of Directors shall fill an initial term of four years. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose pursuant to the revised Bylaws previously approved by each Appointing Authority.

Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the term expired (i.e. the new term does <u>not</u> begin on the date of re-appointment or replacement).

(5) <u>Nomination Process</u>

Each Appointing Authority shall nominate their respective Directors and one can be nominated by the Board of Directors.

(6) <u>Resignation</u>

Any Director may resign at any time by delivering written notice to the Secretary or Chair of the Board of Directors. Such resignation shall take effect upon receipt or at the time specified therein.

ARTICLE VIII Officers

(1) Roster of Officers

The Corporation shall have a Chair, Vice Chair, Secretary, and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors. One person may hold two or more offices.

(2) Selection and Removal of Officers

All officers shall serve two-year terms. The election shall be conducted at the regularly scheduled Board of Directors meeting held in the first quarter of each year and following the election of the new Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Directors attending the meeting at which a quorum is present.

(3) <u>Vacancies</u>

If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall fill the vacancy as soon as practical by appointing a new officer by majority vote of Directors present at which a quorum is present.