



**Providing Opportunities.
Changing Lives.**

Table of Contents

Leadership and Staff	2
Thanks to Our Supporters	3
Programs and Services	
Affordable Communities of Texas	4
Direct Lending	6
Private Activity Bonds	8
Multifamily Oversight	10
Single Family Rental Program	12
Home Buyer Programs	14
Home Buyer Education	16
Texas Foundations Fund	18
Financial Overview	20

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Thanks to Our Supporters



On behalf of the staff, Advisory Council and Board of Directors, TSAHC would like to thank each of our supporters for your generosity in 2014. With your help, we were able expand our efforts to help low and moderate-income families buy a home, rehabilitate affordable homes for veterans and other deserving households, and connect Texas consumers with well-trained home buyer and financial education providers in their communities.

Whether you are a long-time supporter of TSAHC or first-time donor, we want you to know that your investment in our housing programs played a significant role in helping us further our mission to serve the housing needs of Texas families and individuals.

Specifically, we would like to thank the following corporations, foundations, lenders, REALTORS® and individuals for their support in 2014. We also want to acknowledge two of our partners who selected our Texas Foundations Fund program to be a beneficiary of their annual golf tournament.

Sincerely,

David Long
TSAHC President

Bank of America
Capital One
Citibank
Frost Bank
Insperity
Wells Fargo
Wells Fargo Housing Foundation

Golf Tournament - Rio Grande Valley Partnership
Golf Tournament - Texas Affiliation of Affordable
Housing Providers

Bill Albers
Eura Blackburn
Larry & Ceci Burklow
Elaine Byrne
Edwina Carrington
Jana & Steve Dahl
Mary Galland
Jose Gaytan
Greg Hasty
Thom Hulme, in honor of Eileen Hulme

Mary Ann Jeffers
Cam Lindsey
George Littlejohn
Cathy Long
Nic Nichols
Kenneth Olson
Howard Porter
Jerry Romero
Karen Trevino
Ted Wang

Nick Weynand-Trademark Media
Bonnie Wolford
Sherrie Young
Anonymous

Affordable Communities of Texas

The Affordable Communities of Texas (ACT) Program is TSAHC's land bank and land trust program created to help stabilize communities experiencing high rates of foreclosure. TSAHC acquires foreclosed homes, vacant land and tax foreclosed properties and works in partnership with nonprofit developers across the state to redevelop and then sell or rent the homes to low and moderate income families.

As part of our ACT-Veterans Initiative, TSAHC also gives veterans meeting certain eligibility requirements the opportunity to purchase a home at a discount, or in some circumstances, receive a home as a donation.



Press event celebrating former SFC Chasten's new home which he received as a donation.

2014 Highlights



ACT-Veterans Initiative:



Homes Rehabilitated and **DONATED**



Homes Rehabilitated and **SOLD**

All Other ACT Initiatives:



Homes Rehabilitated and **SOLD**

"This home is the best gift I have ever received after my children. I was raised in El Paso, and I'm so glad that I can plant my roots in this wonderful community. And my grandkids will finally have a place to play when they visit! Thanks to everyone who has helped turn my dream into a reality."

-Former Sergeant First Class William Chasten



Builders of Hope staff in front of home built with loan from TSAHC's Direct Lending Program.

“TSAHC has been a partner in our mission to transform urban neighborhoods in Dallas. The neighborhoods we are revitalizing through the construction of quality affordable homes are providing families, who used to only dream of becoming homeowners, with a place to call their own.”

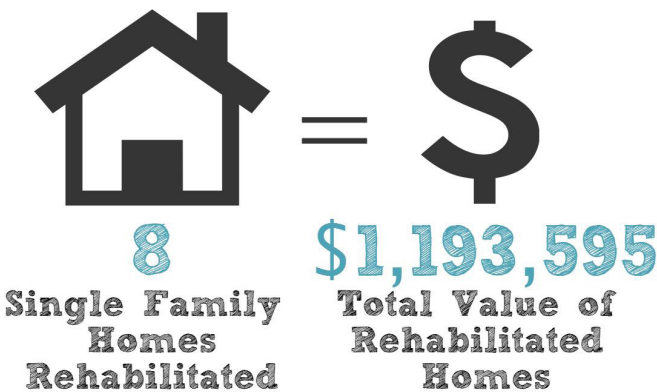
-Norman Henry, Builders of Hope

Direct Lending

Through TSAHC's Direct Lending Program we help developers build safe, decent, and affordable housing. By leveraging equity investments from private foundations and financial institutions, TSAHC is able to provide both short-term and long-term affordable financing to developers. TSAHC currently offers three types of loans:

1. Permanent financing for multifamily rental properties
2. Construction lines of credit for new single family homes
3. Revolving lines of credit for acquisition/rehabilitation of single family homes

2014 Highlights



Private Activity Bonds

TSAHC uses statutory authority allocated annually by the state of Texas to issue tax-exempt multifamily private activity bonds, which are used to help housing developers construct or preserve affordable multifamily rental units throughout Texas.

To be considered for multifamily bond financing, a multifamily development must meet one or more targeted housing needs identified each year by TSAHC's Board of Directors. In 2014 those housing needs were:

1. Preservation and rehabilitation of at-risk affordable multifamily housing;
2. Rental housing in rural and smaller urban markets;
3. Senior or service enriched housing; and
4. Disaster relief affordable multifamily housing.

2014 Highlights



Induced **\$25 million** in multifamily Private Activity Bonds to construct **264** affordable rental units in **Midland**, and leveraged total development costs of **\$36 million**.



“Building affordable multifamily housing is a complex financing endeavor. I rely on partners like TSAHC who are mission-driven and will work closely with you to develop housing we are proud to provide the citizens of Texas.”

-Mark Mayfield, Texas Housing Foundation



Lee Ann with staff of Saddlewood Club Apartments in Bryan.

“The support we receive from TSAHC’s Multifamily Oversight staff is instrumental. With their help, not only do we stay on top of compliance requirements, but more importantly, their feedback helps us improve the services and housing we provide our residents.”

-Lee Ann Rodgers, Dalcour Management

Multifamily Oversight

To ensure properties financed through TSAHC are providing safe and decent housing to their residents, TSAHC monitors all multifamily properties financed through our Direct Lending and Multifamily Private Activity Bond Programs. Staff perform an annual on-site inspection (known as an asset oversight review) of each property, monitor each property’s financial and physical health, and provide suggestions for improvement to property owners and managers.

Each month, staff conduct compliance reviews to certify property owners and managers are providing the required number of affordable units to income-eligible households and to ensure that quality resident services are being provided. TSAHC provides a custom reporting system that allows each property manager to complete its monthly compliance reporting online.

TSAHC also leverages its asset oversight and compliance experience by providing training to other housing organizations and public agencies as needed.

2014 Highlights



Inspections Completed at **26** properties with a total of **3,868** units.



4 Compliance Trainings conducted at properties.

Single Family Rental Program

In response to the increasing cost of rental housing in central Texas, in 2013 TSAHC created the Single Family Rental Program, which provides eligible low-income families who are not ready for homeownership with affordable, below-market rental homes in high opportunity neighborhoods in the central Texas area. All homes available through the program are located in neighborhoods with higher than average median incomes, with access to good schools and other services nearby.

To be eligible to rent a Single Family Rental Program home, households must earn at or below 80% of the area median income for the Austin area, have a good rental history, and meet other basic eligibility requirements.



Christal with her sister and son playing in their backyard.

2014 Highlights



10 Rental Homes Purchased
by TSAHC and Leased to
Low-Income Families

"TSAHC's Single Family Rental Program has allowed my sister and me to rent a very nice home in a neighborhood we wouldn't be able to live in otherwise. I'm able to raise my son in a safe neighborhood. This is home for us."

-Christal Quinlan



“We never imagined we could afford to buy a house, but TSAHC’s Home Buyer Programs provided us with grant money to help us buy our own home. Because we are blind, we had to do all the things related to buying a home in a slightly different way. Everyone—TSAHC, our lender Fairway Independent Mortgage Corporation, and our REALTOR® Cyndi Cummings—were so wonderful to work with throughout the entire process. We’re very grateful for the help we received.”

—Ann and Douglas Foxworth

Home Buyer Programs

TSAHC’s Homes for Texas Heroes and Home Sweet Texas Home Loan Programs allow eligible families to apply for a 30-year fixed-rate mortgage loan through an approved lender and receive down payment assistance in the form of a grant. First-time home buyers are also eligible to apply for a mortgage credit certificate which provides them with a tax credit every year the mortgage loan is outstanding.

To qualify home buyers must meet income and purchase price limits, while demonstrating creditworthiness and meeting standard mortgage underwriting requirements. Home buyers must also complete a home buyer education course and occupy the purchased home as their primary residence.

To provide this benefit to low and moderate-income home buyers, TSAHC utilizes the sale of mortgage backed securities and tax-exempt bonds to fund its home loan with down payment assistance and mortgage credit certificate programs.

2014 Highlights



1,676
Families
Assisted



\$212 Million
In Mortgage
Loans



\$5.5 Million
In Down Payment
Assistance Grants



\$21.2 Million
In Mortgage Credit
Certificates

Home Buyer Education

The Texas Statewide Homebuyer Education Program (TSHEP) is a training program for Texas housing and financial education counselors who primarily help low income consumers improve their financial capability and prepare for homeownership. TSAHC administers the program in partnership with the Texas Department of Housing and Community Affairs (TDHCA).

In addition to generous financial support from TDHCA, in 2014 TSAHC also utilized contributions from Bank of America, the Texas Financial Education Endowment, Wells Fargo, Capital One, and Frost Bank, which allowed us to offer three rounds of TSHEP training. TSAHC had the opportunity to partner with RAISE Texas and The Federal Reserve Bank of Dallas during the second round.

TSAHC contracted with NeighborWorks America to provide the following courses:

- *Lending Basics for Homeownership Counselors*
- *Building Skills for Financial Confidence*
- *Delivering Effective Financial Education to Today's Consumer*
- *Credit Counseling for Maximum Results*
- *Homebuyer Education Methods-Training the Trainer*
- *Financial Coaching-Helping Your Clients Reach Their Goals*

These courses allow housing counselors to pursue certifications offered by NeighborWorks America. Additionally, all courses meet the requirements of the National Industry Standards for Homeownership Education and Counseling.

2014 Highlights



122 counselors attended, representing **80** organizations and **37** cities



99% of counselors would recommend this training to others



80 counselors received travel scholarships to attend the trainings



Chuck collaborating with two colleagues at a recent TSHEP training.

“At Midland College’s Business and Economic Development Center, we help families improve their financial situation and get ready for homeownership. TSAHC provides trainings to organizations like mine to ensure we have the skills we need to help our clients achieve their goals.”

–Chuck Rivas



Diana on the front porch of her newly repaired home.

“Generations of my family have grown up in this home, and I would not have been able to make these repairs on my own. There is lots of love and fond memories here. Memories can continue to be formed thanks to TSAHC and Hands on Housing. This has truly been a blessing and I am so grateful.”

-Diana Riojas

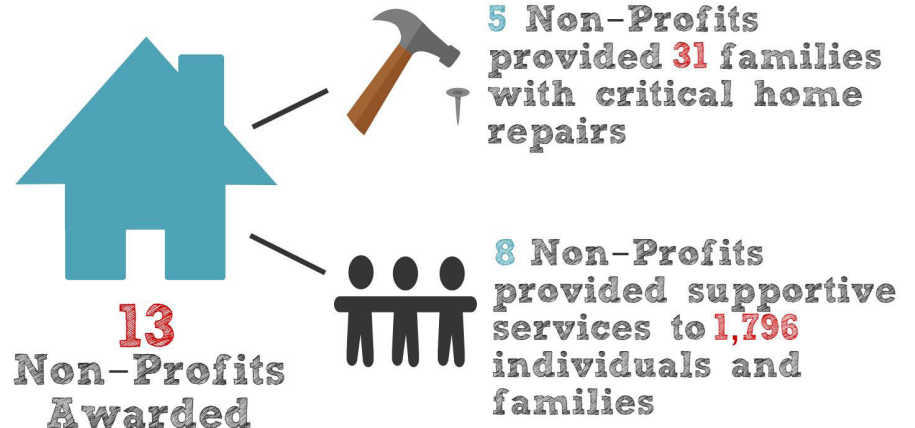
Texas Foundations Fund

Through the Texas Foundations Fund, TSAHC partners with non-profit organizations and rural government entities to provide housing stability to very low-income households. TSAHC selects partners through a competitive application process and provides awards from \$15,000 to \$50,000 to fund partners' supportive housing services and critical home repair programs.

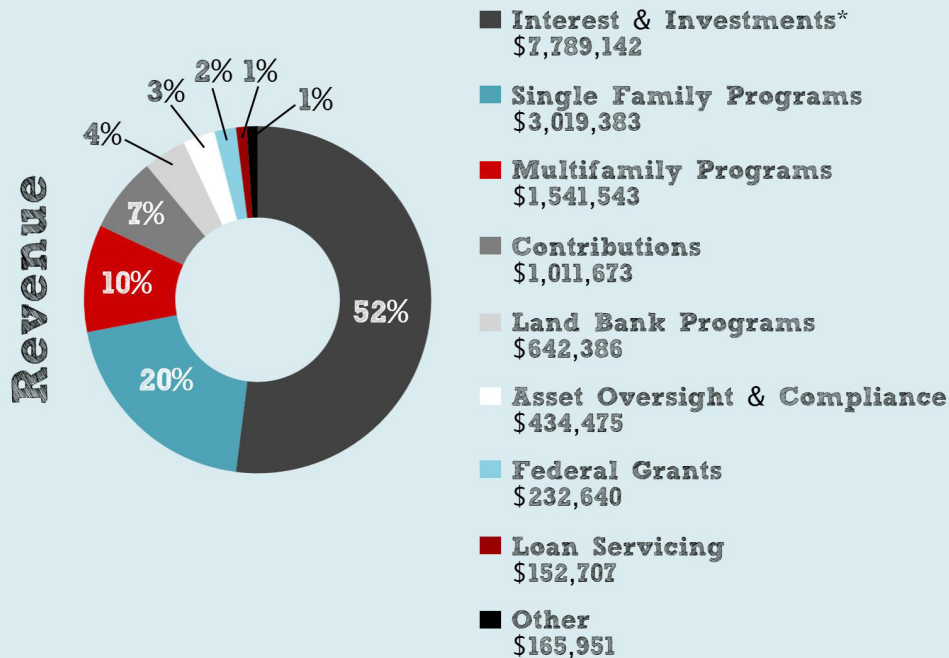
Since 2008, TSAHC has awarded nearly \$1.9 million in grants through the Texas Foundations Fund. TSAHC funds this program through revenue from other programs and charitable contributions from individuals, corporations and foundations.

2014 Highlights

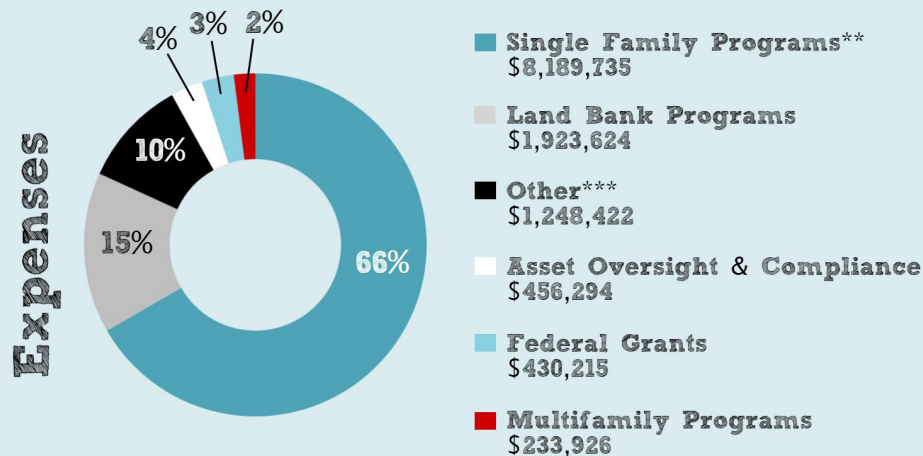
Total Funding: \$343,000



2014 Revenue and Expenses



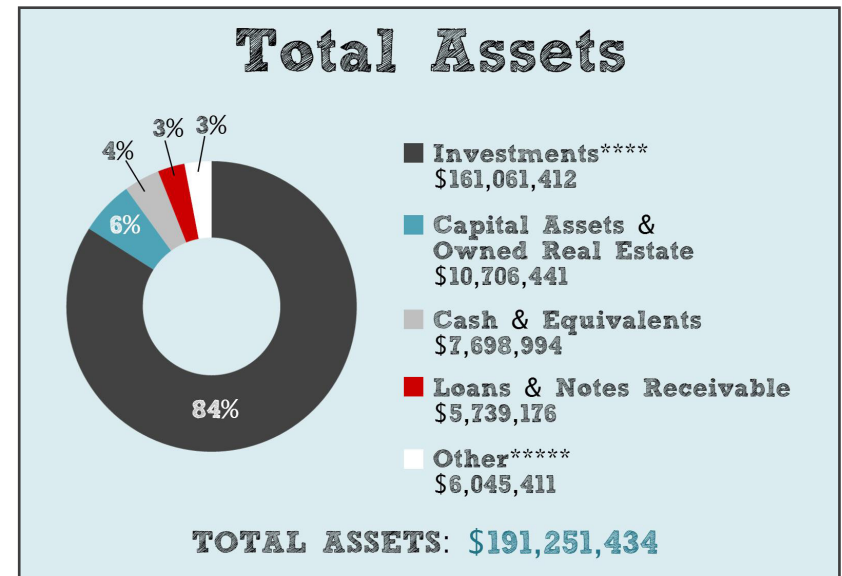
TOTAL REVENUE: \$14,989,900



TOTAL EXPENSES: \$12,482,216

Financial Overview

TSAHC's financial statements for the fiscal year ending August 31, 2014, were audited by Maxwell Locke & Ritter, Certified Public Accountants. The audit was conducted in accordance with generally accepted and government auditing standards. The independent auditors issued an unqualified report, and there were no reportable conditions, audit findings or management letter comments. To view the complete audited financial statements, please visit the 'About Us' section of our website at www.tsahc.org/about/plans-reports.



TOTAL ASSETS: \$191,251,434

* Consists primarily of income earned on mortgage backed securities held in trust as collateral for single family mortgage revenue bonds. The income earned on these securities is used to pay the principal and interest expense associated with the bonds.

** Home Buyer Programs, Single Family Rental, Single Family Direct Lending, TSHEP

*** Texas Foundations Fund, General & Administrative

****Consists of restricted assets related to bond transactions and unrestricted investments.

*****Consists of Down Payment Assistance, Mortgage Servicing Rights, Accounts Receivable, Accrued Interest and Prepaid Expenses.



Texas State Affordable Housing Corporation
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Austin, TX 78702