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
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
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.

“"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

---

**2014 Highlights**

**ACT-Veterans Initiative:**
- 5 Homes Rehabilitated and **DONATED**
- 19 Homes Rehabilitated and **SOLD**

**All Other ACT Initiatives:**
- 35 Homes Rehabilitated and **SOLD**
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

“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

2014 Highlights

8 Single Family Homes Rehabilitated
$1,193,595 Total Value of Rehabilitated Homes
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.

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
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.

“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, Dalcor Management

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.

“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

2014 Highlights

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

"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

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
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.

“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

2014 Highlights

Total Funding: $343,000

- 5 Non-Profits provided 31 families with critical home repairs
- 8 Non-Profits provided supportive services to 1,796 individuals and families
- 13 Non-Profits Awarded
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.

* 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.