



Bringing Home into Focus

Texas State Affordable Housing Corporation
2016 Annual Report



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A word from TSAHC's Board Chair and President.

Bob Jones
TSAHC Board Chair



David Long
President



In 1994, TSAHC was founded with a simple goal in mind – to create housing opportunities for deserving Texans. Since that time, we've accomplished this by creating successful programs, developing and strengthening valuable partnerships, leveraging resources to maximize our impact, and adapting to changes in the industry.

And as you will see in this year's report, one thing has remained the same – our focus on creating safe, decent and affordable housing for low and moderate-income Texans.

The people we serve include the homeowners who count on TSAHC for down payment assistance and mortgage tax credits, housing counselors trained through the Texas Statewide Homebuyer Education Program, and tenants who find an affordable place to call home through our Central Texas rental programs.

In collaboration with our housing partners, we remain committed to creating and strengthening Texas communities. Local developers turn to us for financing to build or rehab single family homes and multifamily rental housing, and to provide oversight of their



multifamily rental properties. And housing nonprofits rely on us for grant funding that supports the work they do to serve the most vulnerable Texans.

Of course none of this would be possible without the support we receive from every corner of the industry. On behalf of the Board of Directors and TSAHC staff, we extend a heartfelt thanks to the lenders, REALTORS®, financial institutions, funders, nonprofits, developers, local partners, trade associations, housing advocates, and government entities that have all contributed to our success.

To our dedicated partners and to those we serve, you can rest assured our focus will continue to be to develop successful programs that create housing opportunities for deserving Texans.

Bob Jones
TSAHC Board Chair

David Long
President



Homeownership Programs



TSAHC provides eligible home buyers with a 30-year, fixed-rate mortgage loan, a grant for down payment assistance (DPA) and/or an annual income tax credit called a mortgage credit certificate (MCC).

1751

Home Buyers Assisted in 2016

595

MCCs issued

\$209 million

in Mortgage Loans

\$8.9 million

in DPA grants

Texas Statewide Homebuyer Education Program (TSHEP)



TSAHC, in partnership with the Texas Department of Housing and Community Affairs, provides nonprofit housing counselors with access to discounted training courses taught by NeighborWorks America.

80

Counselors Trained in 2016

52

Organizations Trained

33

Hotel Scholarships Provided

100%

Counselors Recommend

Texas Housing Impact Fund



TSAHC provides low-cost loans and lines of credit to local developers to finance the construction or rehabilitation of single family homes or multifamily apartment complexes.

\$3,950,000

in Loans Provided in 2016

59

Homes Financed in 2016

Multifamily Private Activity Bonds



TSAHC issues tax-exempt Multifamily Private Activity Bonds to help housing developers construct or preserve multifamily rental units.

Multifamily developments must meet specific housing needs identified by TSAHC's Board of Directors each year.

\$28,844,000

Total Bonds Awarded in 2016

470

Multifamily Units Financed

Affordable Communities of Texas



TSAHC partners with local nonprofit developers to acquire foreclosed homes and vacant lots from financial institutions and redevelop them into affordable homes for low-income families.

45

Homes Sold in 2016

4

Veteran Home Buyers

28

Local Partners

309

Lots/Homes in Portfolio

Texas Foundations Fund

TSAHC awards matching grants to nonprofit partners to fund critical home repairs and supportive housing services for very low-income households. To date, TSAHC has awarded \$2,606,000 in grants.

All families and individuals assisted have a disability or live in a rural community.

\$302,500

Total Grants Awarded in 2016

25

Nonprofits Awarded

Single Family Rental Program



TSAHC leases single family homes to low-income households at below market-rate rents.

All homes are located in the Central Texas area in neighborhoods with higher than average incomes and access to good schools, transportation and other services.

18

Single Family Units

4

Units Added in 2016

Multifamily Rental Program



TSAHC owns and operates Rollins Martin, a 15-unit apartment complex in east Austin. All units are leased to households earning no more than 60% of the area median income.

TSAHC is also renovating units with new flooring, countertops and cabinets on a rolling basis as units become vacant.

15

Multifamily Units Provided

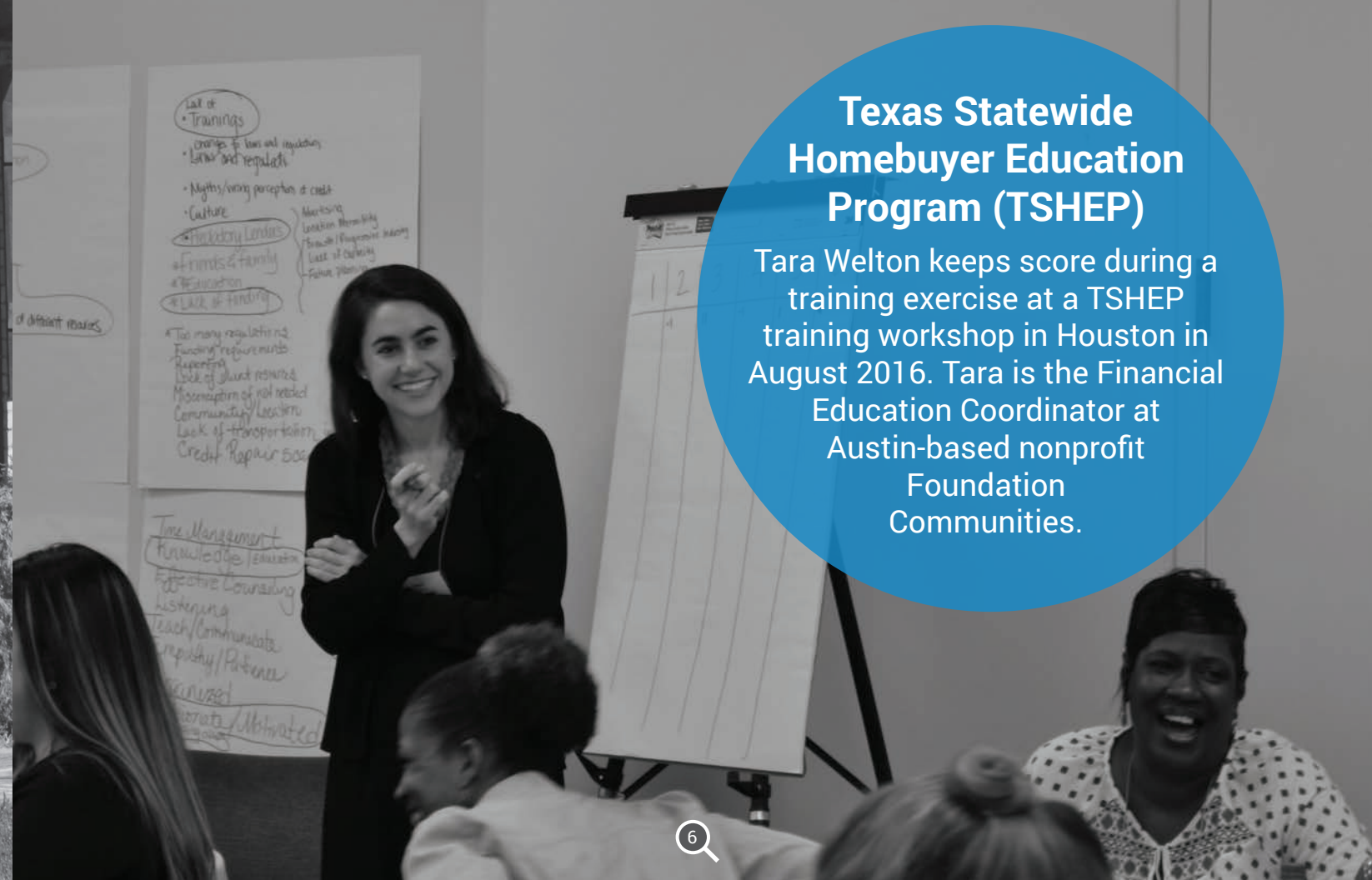
3

Units Renovated in 2016



Homeownership Programs

TSAHC provided Josh and Sarah Barnes with a fixed-rate mortgage loan and a grant for down payment assistance to purchase their first home in Amarillo. As first-time buyers, Josh and Sarah also qualified for a Mortgage Credit Certificate, which will save them up to \$2,000 every year on their income taxes.



Texas Statewide Homebuyer Education Program (TSHEP)

Tara Welton keeps score during a training exercise at a TSHEP training workshop in Houston in August 2016. Tara is the Financial Education Coordinator at Austin-based nonprofit Foundation Communities.

Affordable Communities of Texas (ACT) Program

New homeowners Augustin and Judith stand in front of their brand new home in Bryan, Texas. They love that the home sits on a full acre and they finally have the space they need to raise their children! The home was built by Brazos Valley Affordable Housing Corporation as part of TSAHC's ACT program.

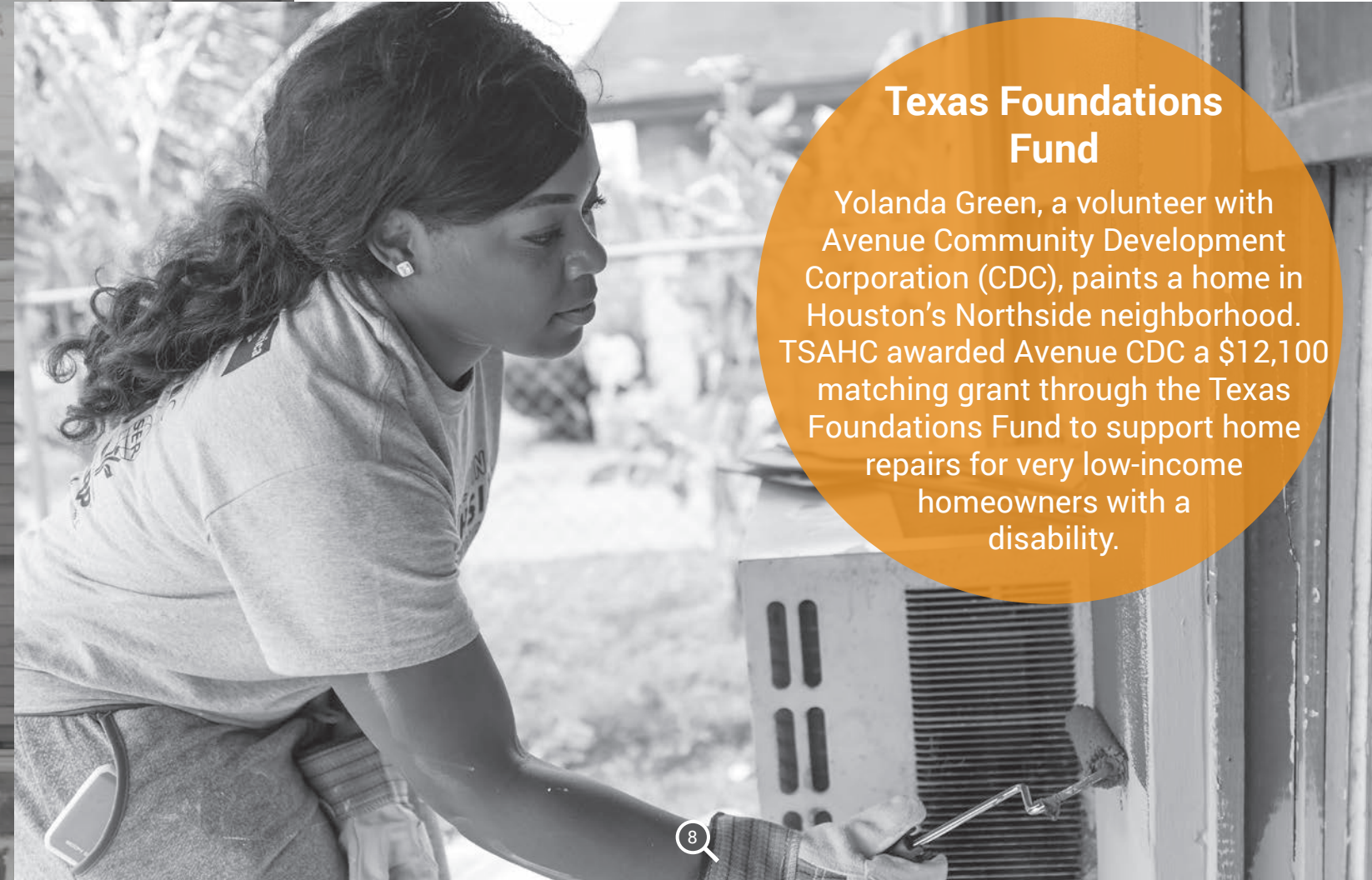
7



Texas Foundations Fund

Yolanda Green, a volunteer with Avenue Community Development Corporation (CDC), paints a home in Houston's Northside neighborhood. TSAHC awarded Avenue CDC a \$12,100 matching grant through the Texas Foundations Fund to support home repairs for very low-income homeowners with a disability.

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Texas Housing Impact Fund

Ms. Avalos poses in front of her home, built by CDC Brownsville as part of its Mi Casita program. TSAHC committed a \$1,000,000 loan as part of our Texas Housing Impact Fund to construct 30 Mi Casita homes in Cameron, Hidalgo and Willacy Counties.

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Multifamily Private Activity Bond Program

TSAHC awarded housing developer DHI \$5.75 million in private activity bonds to rehabilitate Woodside Village, a 92-unit apartment complex in Palestine. Bond financing from TSAHC enabled DHI to renovate the interior and exterior of each building and construct a new community room for residents.

10



Single Family Rental Program

Ursula Berrymon, a single mother of three girls, has participated in TSAHC's Single Family Rental Program for the past three years. The program provides her family with an affordable home in Cedar Park (an Austin suburb), in a neighborhood with good schools.

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Multifamily Rental Program

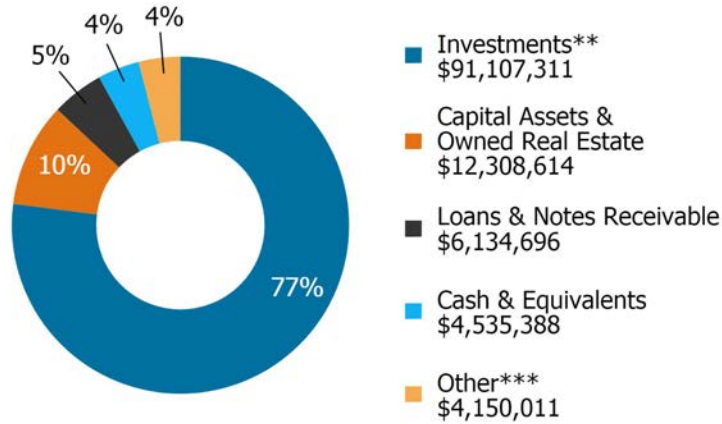
Maria Lira stands in the doorway of her new affordable apartment at the Rollins Martin Apartments in east Austin. TSAHC renovated her three bedroom, two bathroom unit by replacing the counter tops, cabinets and flooring, and repainting the interior before she moved in.

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Financial Overview

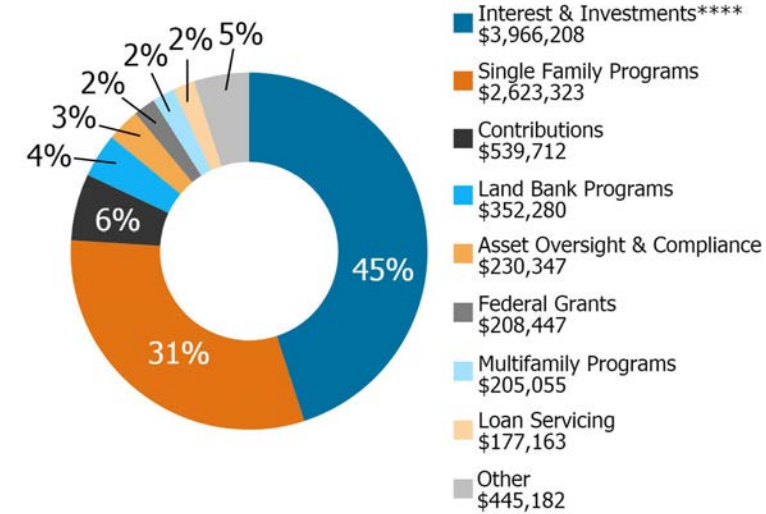
TSAHC's financial statements for the fiscal year ending August 31, 2016, were audited by Maxwell Locke & Ritter, Certified Public Accountants. The audit was conducted in accordance with generally accepted and government auditing standards. The independent auditors issued an unqualified report, and there 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



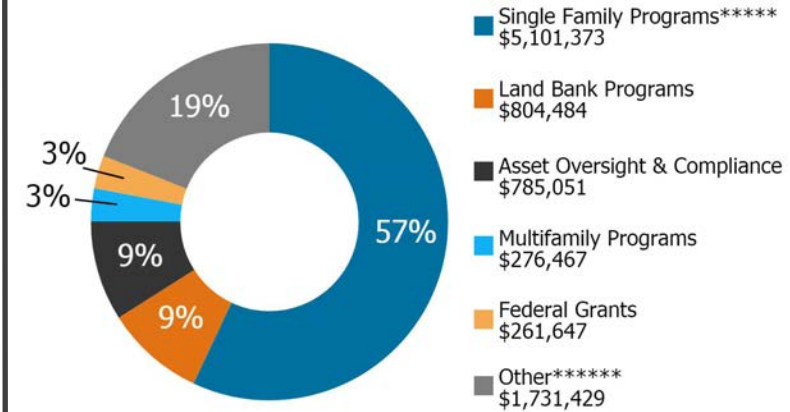
TOTAL ASSETS: \$118,236,020

2016 Revenue



TOTAL REVENUE: \$8,747,717

2016 Expenses



TOTAL EXPENSES: \$8,960,451*

*TSAHC experienced a decrease in the fair value of investments collateralizing restricted bond funds totaling \$354,453, which resulted in a net loss of \$212,734 in FY2016. Increases and decreases in the fair value are recorded in compliance with GASB Statement No. 31 and do not represent true gains or losses to TSAHC.

**Consists of mortgage-backed securities and other restricted investments collateralizing bond issuances and other unrestricted investments.

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

****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.

*****Homebuyer Programs, Single Family Rental, Single Family Direct Lending, TSHEP.

*****Texas Foundations Fund, General & Administrative.

A special
thanks to
those who
supported
TSAHC in
2016.

Bank of America

BBVA Compass Foundation

Cendera Funding

**Community Restoration
Corporation**

Dallas Home Security Judge

Down Payment Resource

Federal Reserve Bank of Dallas

Frost Bank

Chet Decker

JoAnn DePenning

Kay Haggard

Sandra D. Hunt

Cathy Long

Andrew Redmond

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Inspirity

JP Morgan Chase Foundation

MGIC

**Premier Nationwide Lending/
Ginger Smith**

Texas Community Bank

**Texas Financial Education
Endowment**

Trademark Media

Wells Fargo Bank

Kristi Sutterfield

Michael Williams

Magi York

Sherrie Young

Anonymous

Board of Directors



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Corpus Christi



Bill Dietz, Vice Chair
Waco



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Mount Pleasant



Alex Meade, Member
Mission



Jerry Romero, Member
El Paso

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Executive Vice President

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Senior Manager, Communications and
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Director, Homeownership Programs

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Senior Director, Development Finance

Delia Davila
Manager, Single Family Compliance

Sarah Ellinor
Manager, Homeownership Programs

Cynthia Gonzales
Senior Office and Loan Servicing Manager

Jo Keene
Manager, Development Finance

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Controller

David Long
President

James Matias
Senior Manager, Asset Oversight and
Compliance

Lori Moore
Single Family Program Specialist

Laura Ross
Corporate Secretary/Senior Manager, Digital
Content and Publications

Jesse Sepeda
Lead Maintenance Technician

Melinda Smith
Chief Financial Officer

Celina Stubbs
Manager, Asset Oversight and Compliance

Janie Taylor
Senior Director, Communications,
Development and Government Relations

Michael Wilt
Manager, External Relations



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