



# Guiding Texans on Their Road Home

Texas State Affordable Housing Corporation  
2017 Annual Report



# Guiding Texans on Their Road Home

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An Interview  
with  
David Long  
TSAHC President

## **As you reflect on 2017, what are some of the accomplishments that stand out?**

First, we helped almost 5,800 families attain the dream of owning a home through our home buyer programs that provide fixed rate loans, grants for down payment assistance, and mortgage tax credits. That's more than triple the number of families we served in 2016. I'm also proud of the continued success of our developer financing programs that provide affordable multifamily and single-family housing opportunities across the state. Lastly, I'm excited about ongoing efforts to provide training and matching grants to local nonprofits to help them build capacity for programs focusing on housing and financial stability.

## **Why were TSAHC's home buyer programs so successful in 2017?**

We expanded the eligibility requirements for our home buyer programs to recognize the need to deliver homeownership opportunities to low and moderate income households. As home prices continue to climb, homeownership is becoming out of reach for more families, and we're responding to that trend. We pride ourselves on adapting to changes in the housing industry, and this is an example of how we accomplish that.

## **One thing that stands out with TSAHC is the relationships the organization has created over the years. Expand on those relationships and any new ones that formed in 2017.**

Cultivating and strengthening relationships is of paramount importance to us whether that's through our home buyer programs, our developer financing programs or our relationships with nonprofits and industry organizations. In 2017, we created

new partnerships to address two critical housing needs. The first is through the Rural Rental Housing Preservation Academy. We are partnering with the Federal Reserve Bank of Dallas, Enterprise Community Partners, the Rural Rental Housing Association of Texas and Motivation, and Education & Training to collectively try to preserve affordable rental housing in rural areas that is at-risk of being lost. The second partnership is with the Health and Human Services Commission through a Center for Medicaid Services Innovation Accelerator Program, which seeks to create better housing opportunities for very low-income Medicaid recipients so they can lead more dignified lives.

## **You take tremendous pride in leading TSAHC. What's the source of that pride?**

I'm honored to work with some very talented people who are really good at what they do. We have a collaborative working environment, and we welcome and respect everyone's contributions and opinions. That is the foundation that supports the success of the organization and our programs.

## **What's on the horizon for TSAHC?**

In addition to our expanded home buyer programs, we launched Housing Connection which will allow counseling organizations and affordable housing organizations to access trainings, promote themselves, and build capacity. We also just launched a grant program in partnership with Enterprise Community Partners and the Rebuild Texas Fund to help Hurricane Harvey recovery efforts. I look forward to sharing more details in next year's annual report.

We're mindful that affordable housing issues are very complex, so we will continue to be as creative as possible in implementing solutions that address a spectrum of housing needs across the state.



# Stop #1: Amarillo

## Home Buyer Programs

TSAHC provides eligible home buyers with a 30-year fixed-rate mortgage loan and a grant of up to 5% of the loan amount for assistance with down payment and closing costs. First-time buyers can also access an annual income tax credit called a Mortgage Credit Certificate that can save them up to \$2,000 every year on their income taxes.



5,758

Home Buyers  
Assisted in 2017



\$863 million

in Mortgage  
Loans



\$35 million

in DPA grants



1,437

MCCs Issued



“TSAHC’s programs make homeownership possible for many Texas families. I am proud to be a participating loan officer in TSAHC’s programs so I can help families like the Pilgrims achieve their lifelong dream of buying a home.”

Nicole Newton  
PrimeLending



## Amarillo CITY LIMITS

Jennifer Pilgrim, a dental hygienist, purchased a home with down payment assistance from TSAHC. Jennifer lives in Amarillo with her husband Larry and their two children.





## Stop #2: Dallas

### Home Buyer Education Training

TSAHC provides in person and webinar training to nonprofits that provide home buyer and financial education to Texas consumers. In 2017 TSAHC contracted with NeighborWorks America, a national nonprofit training provider, to provide two weeklong training workshops. TSAHC raised public and private funds to keep registration fees affordable and provide hotel scholarships to counselors traveling from out of town.



86

Counselors Trained in  
2017



61

Organizations  
Trained



43

Hotel Scholarships  
Provided



100%

Counselors  
Recommend

“Our nonprofit has a limited budget for training, so we rely on the affordable trainings provided by TSAHC to continually improve our housing and financial counseling services. We attended the post-purchase education course offered in Dallas and look forward to attending other TSAHC trainings in the future.”

Bea Farias and Meliza Castillo  
Motivation, Education and Training, Inc.



**Dallas**  
**CITY LIMITS**

Housing counselors Meliza Castillo (left) and Bea Farias (right) practice basic home repairs during the weeklong Post Purchase Education Methods course held at the Federal Reserve Bank of Dallas in July 2017. They will use the knowledge and skills obtained during that training to educate their clients about the responsibilities of homeownership.





## Stop #3: Austin

### Single Family Rental Program

TSAHC's Single Family Rental Program provides households meeting certain eligibility requirements with affordable, below-market rental homes in the Austin metropolitan statistical area. Homes available through the program are all in areas with higher than average median incomes, with access to good schools and grocery stores.



17

Single Family  
Homes



2

Duplex  
Units



3-4

Bedrooms  
Per Unit

“TSAHC's Single Family Rental Program allows me to maintain the same quality of life as a mature Austinite that I lived as a young professional. I also appreciate that I am able to live with dignity and honor in the east Austin community I have served for so long.”

Marilyn Bostick

## Austin

### CITY LIMITS

Marilyn Bostick stands in front of her three-bedroom, two-bathroom rental home. She moved into the home, which is owned by TSAHC and located in a quiet neighborhood in East Austin, in November 2017.







## Stop #3: Austin (continued) Multifamily Rental Program

TSAHC owns and operates Rollins Martin, a 15-unit apartment complex in east Austin. All units are affordable to households earning up to 60% of the area median family income. Since acquiring Rollins Martin in 2015, TSAHC has made significant improvements to the property, including installing new appliances, tankless hot water heaters, HVAC systems, and renovating units with new flooring, countertops and cabinets.



86

Multifamily  
Units Provided



3

Units Renovated  
in 2017



3

Bedrooms  
Per Unit

“We are very grateful to be able to live at Rollins Martin. This is a united community that has a great sense of security, and the management is trustworthy and always responsive to our needs. Thank you for everything!”

Valenzuela-Enriquez Family

### Austin CITY LIMITS

The Valenzuela-Enriquez family sits on the stairwell outside their apartment at the Rollins Martin apartment complex. They have lived at Rollins Martin for 14 years, and the affordable rent provides them with the opportunity to live comfortably and afford other necessary expenses.







## Stop #3: Austin (continued)

### Texas Housing Impact Fund

Our Texas Housing Impact Fund offers financing for the development, acquisition, or rehabilitation of affordable rental or single family homes across Texas. The fund supports developments that create opportunities, healthier environments, more mobility and a higher quality of life for low and moderate income families.



4

Loans Made



\$2,045,000

In Funding  
Issued



31

Single Family  
Homes Financed



60

Rental  
Units Financed

“TSAHC’s Texas Housing Impact Fund investment was the catalyst for securing construction financing and creating affordable homeownership opportunities in a rapidly changing part of Austin.”

Sean Garretson, Chair  
Chestnut Neighborhood Revitalization  
Corporation Board of Directors

## Austin CITY LIMITS

With support from Texas Capital Bank, TSAHC provided a \$2,000,000 construction loan to the Chestnut Neighborhood Revitalization Corporation for The Chicon in East Austin. The Chicon features 28 single-family residences across two buildings, and 21 of them are for households whose income is 80 percent or below area median income. These units will remain affordable for future generations because of restrictive covenants. The Chicon also features ground-level commercial space for local businesses and neighborhood services.



AUSTIN  
living





# Stop #4: West Columbia Multifamily Bond Program

As one of only two authorized state-wide issuers of housing bonds, TSAHC issues tax-exempt bonds to finance projects that fulfill any of our targeted housing needs. These needs are rehabilitation and preservation of at-risk housing, rural and smaller urban markets housing, senior and service enriched housing, and disaster relief housing.



**\$22,560,000**  
in Bonds  
Issued



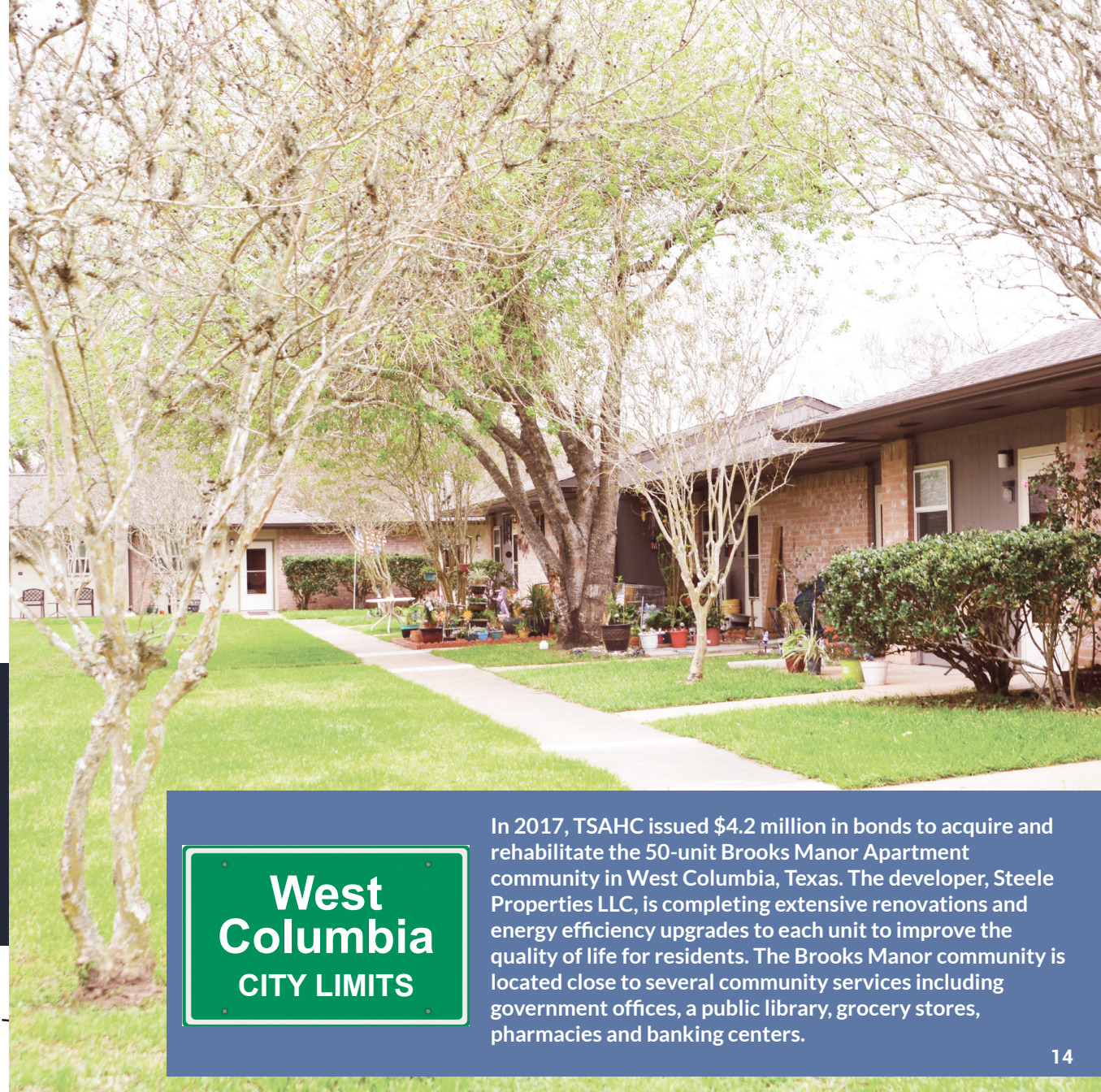
**212**  
Affordable Units  
Built or Preserved



**2**  
Communities

“We enjoy working with TSAHC on our bond-financed developments because their staff offers the expertise required to navigate complex transactions. This allows us to efficiently meet our mission of preserving and improving the affordable housing in a community.”

Paul Moore  
Steele Properties, LLC



**West  
Columbia**  
CITY LIMITS

In 2017, TSAHC issued \$4.2 million in bonds to acquire and rehabilitate the 50-unit Brooks Manor Apartment community in West Columbia, Texas. The developer, Steele Properties LLC, is completing extensive renovations and energy efficiency upgrades to each unit to improve the quality of life for residents. The Brooks Manor community is located close to several community services including government offices, a public library, grocery stores, pharmacies and banking centers.





# Stop #5: Harlingen

## Affordable Communities of Texas (ACT) Program

Under the Affordable Communities of Texas (ACT) Program, TSAHC partners with local nonprofit organizations to acquire foreclosed homes and vacant lots from financial institutions and redevelop them into affordable homes for low-income families.



20

Nonprofit  
Partners



263

Lots/Homes in  
Portfolio



43

Lots/Homes  
Sold in 2017



1

New Land Bank  
Property Acquired

“We chose TSAHC as an investment partner because of the strong relationships they have with local nonprofits, and they can target our investment across communities where we want to make the most impact.”

Tom McSpadden, Executive Vice President  
Texas Community Bank



TSAHC is using a \$500,000 Equity Equivalent investment from Texas Community Bank to construct ten homes in Harlingen, Texas in partnership with Harlingen Community Development Corporation. The homes are being developed on a formerly foreclosed 34-lot subdivision called Park Meadows. The home pictured was sold to a single-parent family of four for \$109,553.





## Stop #6: El Paso

### Texas Foundations Fund

Through the Texas Foundations Fund, TSAHC partners with local nonprofit organizations by providing matching grants to support home repair programs and supportive housing services for very low-income Texans with disabilities and/or located in a rural community.



25

Nonprofit  
Partners in 2017



\$318,000

Matching Grants  
Awarded in 2017



\$2.9 Million

Total Grants  
Awarded since 2008

“Thanks to the Texas Foundations Fund grant, we provided much needed repairs to three homes and gave homeowners the opportunity to live independently in a safe and healthy setting.”

Roger de Moor, President  
Rebuilding Together El Paso



## El Paso

### CITY LIMITS

Rebuilding Together El Paso (RTEP) volunteers paint a home for an elderly homeowner with a disability. In addition to painting the interior and exterior of the home, RTEP volunteers and contractors performed much-needed critical repairs including repairing water-damaged ceilings and walls and replacing broken windows.



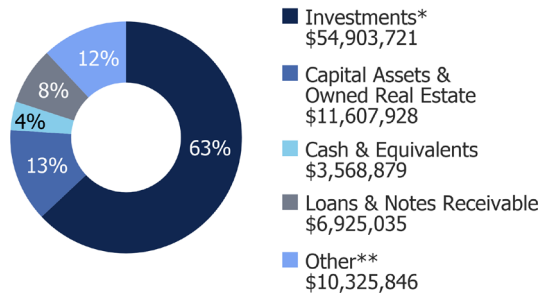




# Financial Overview

TSAHC's financial statements for the fiscal year ending August 31, 2017, 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](http://www.tsahc.org/about/plans-reports).

## Total Assets



**TOTAL ASSETS: \$87,331,409**

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

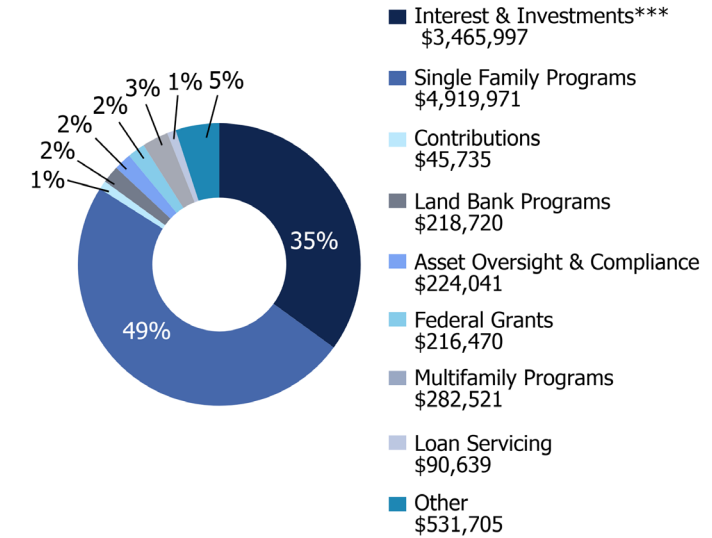
\*\*Consists of Down Payment Assistance, Mortgage Servicing Rights, Accounts Receivable, Accrued Interest and Prepaid Expenses.

\*\*\*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.

\*\*\*\*Consists of Homebuyer Programs, Single Family Rental, Single Family Direct Lending, and Home Buyer Education Training.

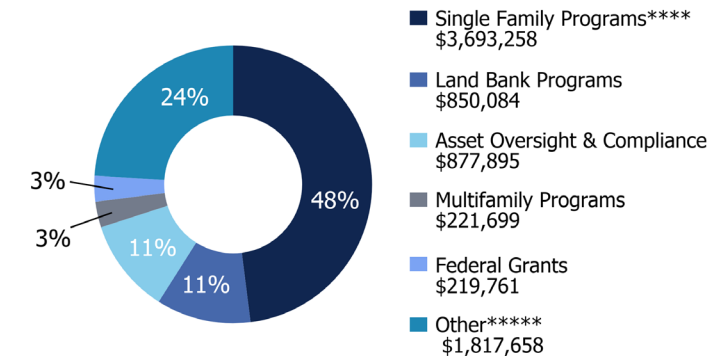
\*\*\*\*\*Consists of Texas Foundations Fund, General and Administrative.

## 2017 Revenue



**TOTAL REVENUE: \$9,995,799**

## 2017 Expenses



**TOTAL EXPENSES: \$7,680,355\***





# Donors and Investors

TSAHC would like to thank the following corporations, foundations, public entities and individuals for their support in 2017.

**Bank of America**

**BBVA Compass  
Foundation**

**Federal Reserve Bank  
of Dallas**

**Frost Bank**

**Inspirity**

**JPMorgan Chase Foundation**

**Texas Capital Bank**

**Texas Community Bank**

**Texas Financial  
Education Endowment**

**Wells Fargo**

**Wells Fargo Housing  
Foundation**

**Pam Anderson**

**Jaylee Baker Greenway**

**Marla Lynn Barrera**

**Eloy Benavides**

**Jenay Bowen**

**Sandra Cable**

**Ana Calzada**

**MaryAnn Comparin Jones**

**Scott Drescher**

**Denise Druzvik King**

**Jenni Feist**

**Mary Galland**

**Sandra Gonzalez Marin**

**Michael Gonzalez**

**Kay Haggard**

**Ellen Hakala**

**Jana Hellbusch**

**Lucy Knox**

**Shannon Lasater**

**Kim Lewis**

**Cerita Loftis**

**Jana Longbotham**

**Diana McDowell**

**Judy Miller**

**Myron Meyers**

**MGIC**

**Modern Mortgage**

**Jordan O'Brien**

**Victor Owens**

**Dina Pierson**

**Toni Sarzoza**

**Minerva Simpson**

**Mary Stephens**

**Kandace Tran**

**Karen Treviño**

**James Washington**

**Annamaria Wise**

**Lesli Womack**

**John Wren**

**Cheri Zaberer**

**Jael Zelada**

# Board of Directors

Robert “Bob” Jones, Chair  
Corpus Christi

Bill Dietz, Vice Chair  
Waco

Jerry Romero, Director  
El Paso

Gerry Evenwel, Director  
Mount Pleasant



“I’m continually impressed with TSAHC’s ability to creatively address our state’s growing housing needs. In 2017, they expanded on their already successful programs and paved new roads for Texans in search of an affordable home to rent or buy.”

Robert “Bob” Jones  
Board Chair

## Staff

- Betsy Aldrich**  
Senior Accounting Manager

**Tim Almquist**  
Director, Single Family Compliance

**Lacy Brown**  
Executive Assistant/  
Corporate Secretary

**Katie Claflin**  
Director, Communications  
& Development

**Joniel Crim**  
Director, Homeownership  
Programs

**David Danenfelzer**  
Senior Director, Development  
Finance

**Delia Davila**  
Manager, Senior Family Compliance
- Frank Duplechain**  
Homeownership Programs  
Specialist

**Sarah Ellinor**  
Manager, Homeownership Programs

**Cynthia Gonzales**  
Senior Office and Loan Servicing  
Manager

**Jo Keene**  
Manager, Development Finance

**Nick Lawrence**  
Controller

**David Long**  
President

**James Matias**  
Senior Manager, Asset Oversight  
& Compliance
- Donnetta McGrew**  
Single Family Compliance  
Specialist

**Laura Ross**  
Manager, Communications  
& Development

**Jesse Sepeda**  
Lead Maintenance Technician

**Melinda Smith**  
Chief Financial Officer

**Celina Stubbs**  
Manager, Asset Oversight  
& Compliance

**Janie Taylor**  
Executive Vice President

**Michael Wilt**  
Manager, External Relations



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