

T E X A S
State Affordable Housing Corporation

September 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, September 20, 2018
10:30 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
September 20, 2018 at 10:30am

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

Bill Dietz
Chair

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

David Long

Tab A: Homeownership Finance Report
Tab B: Development Finance Report
Tab C: Monthly Financial Reports

ACTION ITEMS IN OPEN MEETING:

- Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on August 16, 2018.
- Tab 2 Presentation, Discussion and Possible Approval of a Resolution Regarding Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto.
- Tab 3 Presentation, Discussion and Possible Approval of a Resolution Regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for the Hamilton Valley TX Portfolio.
- Tab 4 Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith.
- Tab 5 Presentation, Discussion and Possible Approval of the 2018 Texas Foundations Fund Nonprofit Partners.
- Tab 6 **Closed Executive Session:** Discussion of Real Estate Issues that Affect the Value of the Property to be Purchased as Corporation Headquarters located at 6701 Shirley Avenue, Austin Texas (**Real Estate Matters – Section 551.072 Texas Government Code**)
- Tab 7 Discussion and Possible Approval of a Resolution Approving the Purchase of Property Located at 6701 Shirley Avenue, Austin Texas to be used as the Headquarters of the Corporation and Authorizing the Development of Plans and a Budget for the Renovation of the Property and other Matters Incident and Related Thereto.

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

ACTION ITEMS IN OPEN MEETING:

Action in Open Meeting on Items Discussed in Closed Executive Session

ADJOURN:

Individuals who require auxiliary aids or services for this meeting should contact Lacy Brown, ADA Responsible Employee, at 512-220-1174 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that the appropriate arrangements can be made.

Section 46.035 of the Texas Penal Code prohibits handgun licensees from carrying their handguns at government meetings such as this one. This prohibition applies to both concealed carry and open carry by handgun licensees. Handgun licensees are required by law to refrain from carrying their handguns at this meeting.

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.

President's Report

Tab A



**Homeownership Programs with Down Payment Assistance
January 1, 2018 to July 31, 2018**

<i>Month</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
January-18	\$ 80,236,616	484	9.8%
February-18	\$ 87,423,997	521	10.7%
March-18	\$ 118,687,440	704	14.5%
April-18	\$ 121,193,442	722	14.8%
May-18	\$ 136,753,578	812	16.7%
June-18	\$ 146,759,615	848	17.9%
July-18	\$ 127,203,115	753	15.5%
Totals	\$818,257,803	4844	100%
<i>Lender</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
Everett Financial, dba Supreme Lending	\$78,582,118	457	9.6%
Fairway Independent Mortgage Corporation	\$62,442,173	391	7.6%
Guild Mortgage Corporation	\$54,659,017	344	6.7%
PrimeLending	\$53,538,925	346	6.5%
Cornerstone Home Lending, Inc.	\$39,100,152	220	4.8%
Nations Reliable Lending, LLC	\$27,319,429	158	3.3%
AmCap Mortgage Limited	\$24,320,551	161	3.0%
Academy Mortgage Corporation	\$23,909,066	138	2.9%
NTFN, Inc.	\$22,460,555	129	2.7%
DHI Mortgage Company, Ltd.	\$20,382,935	99	2.5%
Mortgage Financial Services, LLC	\$19,395,196	114	2.4%
loanDepot.com LLC	\$19,164,263	102	2.3%
Highlands Residential Mortgage	\$19,030,344	109	2.3%
Thrive Mortgage, LLC	\$18,311,278	101	2.2%
Cardinal Financial Company	\$15,737,760	89	1.9%
First Choice Loan Services, Inc.	\$14,585,815	72	1.8%
Movement Mortgage, LLC	\$14,216,420	89	1.7%
Ark-La-Tex Financial (Benchmark Mtg.)	\$12,635,793	68	1.5%
CMG Mortgage, Inc. dba CMG Financial	\$11,836,582	61	1.4%
Hometrust Mortgage Company	\$11,598,724	78	1.4%
SFMC, LP (Service First Mortgage)	\$11,320,496	63	1.4%
Gardner Financial Services, Ltd.	\$11,040,193	64	1.3%
Mid America Mortgage, Inc.	\$9,495,723	56	1.2%
Certainty Home Loans, LLC	\$8,939,983	57	1.1%
HomeBridge Financial Services	\$8,735,868	54	1.1%
SWBC Mortgage Corporation	\$8,530,097	54	1.0%
Network Funding, LP	\$8,433,810	51	1.0%
Interlinc Mortgage Services, LLC	\$7,228,506	39	0.9%
New American Funding (Broker Solutions)	\$7,059,021	47	0.9%
Primary Residential Mortgage, Inc.	\$7,021,808	45	0.9%
Wallick and Volk, Inc.	\$6,737,894	39	0.8%
Pulte Mortgage LLC	\$6,447,400	29	0.8%
Security National Mortgage Company	\$5,927,806	35	0.7%
Right Start Mortgage, Inc.	\$5,599,535	35	0.7%
FBC Mortgage LLC	\$5,591,852	36	0.7%
Eagle Home Mortgage, LLC	\$5,561,922	26	0.7%
Sente Mortgage Inc.	\$5,326,021	32	0.7%
Cendera Funding, Inc.	\$4,958,406	26	0.6%
Open Mortgage LLC	\$4,606,881	28	0.6%
Envoy Mortgage	\$4,401,742	27	0.5%
Guaranteed Rate	\$3,982,067	22	0.5%
Independent Bank	\$3,841,030	23	0.5%
Pacific Union Financial, LLC	\$3,813,998	18	0.5%
Stearns Lending, LLC	\$3,765,659	17	0.5%
Pilgrim Mortgage, LLC	\$3,521,335	22	0.4%
Amerifirst Financial, Inc.	\$3,517,777	22	0.4%
American Financial Network, Inc.	\$3,349,905	20	0.4%
Crosscountry Mortgage, Inc.	\$3,340,650	19	0.4%
First Community Mortgage	\$3,239,923	27	0.4%
CLM Mortgage, LLC	\$3,176,383	15	0.4%
Gateway Mortgage Group, LLC	\$3,161,515	18	0.4%
Mortgage Solutions of Colorado, LLC	\$3,153,354	16	0.4%
Churchill Mortgage Corporation	\$2,732,167	13	0.3%
Origin Bank	\$2,662,963	18	0.3%
University Lending Group, LLC	\$2,584,215	17	0.3%

<i>At a Glance</i>	
Average Annual Income	\$57,698
Average Purchase Price	\$172,734
Average Loan Amount	\$168,922
Average Household Size	2
Average Interest Rate	5.749%
<i>Program</i>	<i>%</i>
Home Sweet Texas	82.58%
Homes for Texas Heroes	17.42%
Allied Health Faculty	0.04%
Corrections Officer	0.87%
County Jailer	0.23%
EMS Personnel	0.31%
Fire Fighter	0.97%
Peace Officer	1.71%
Professional Nurse Faculty	0.81%
Public Security Officer	0.25%
School Counselor	0.29%
School Librarian	0.02%
School Nurse	0.04%
Teacher	10.32%
Teacher Aide	0.23%
Veteran	1.34%
<i>New/Existing Home</i>	
Existing	84.72%
New	15.28%
<i>Type of Loan</i>	
Conventional - Purchase	31.21%
FHA - Purchase	66.80%
USDA-RHS Purchase	0.17%
VA - Purchase	1.82%
<i>Ethnicity</i>	
American Indian/Alaskan Native	0.23%
Asian/Pacific Islander	1.36%
Black	14.29%
Hispanic	35.12%
Not Defined	6.63%
Other	0.81%
White	41.58%
<i>Top 20 Originating Counties*</i>	<i># Households</i>
Harris	815
Tarrant	591
Dallas	540
Bexar	375
Denton	152
Travis	145
Williamson	123
Collin	121
Fort Bend	110
El Paso	108
Kaufman	100
Hidalgo	96
Montgomery	88
Galveston	88
Bell	75
Johnson	69
Nueces	68
Brazoria	66
Ellis	64
Hays	56

*Top 20 of all counties statewide. All remaining counties served 994 households combined.



**Homeownership Programs with Down Payment Assistance
January 1, 2018 to July 31, 2018**

Union Home Mortgage	\$2,495,754	15	0.3%
Wells Fargo Bank, N.A.	\$2,478,237	17	0.3%
American Mortgage & Equity Consultants	\$2,473,075	14	0.3%
First National Bank Mortgage	\$2,451,618	16	0.3%
On Q Financial, Inc.	\$2,288,159	15	0.3%
Nations Lending Corporation	\$2,191,498	13	0.3%
Willow Bend Mortgage Company, LLC	\$2,111,187	14	0.3%
Synergy One Lending, Inc.	\$2,049,222	15	0.3%
Summit Funding, Inc.	\$2,033,587	11	0.2%
Rocky Mountain Mortgage Company	\$1,858,705	13	0.2%
LoanStar Home Loans	\$1,826,547	10	0.2%
International City Mortgage, Inc.	\$1,793,707	10	0.2%
Gold Star Mortgage Financial Group	\$1,744,521	10	0.2%
Texas Bank Mortgage Company	\$1,658,715	12	0.2%
Bank of England	\$1,541,489	9	0.2%
Loan Simple, Inc.	\$1,510,728	11	0.2%
First Continental Mortgage, Ltd.	\$1,479,114	6	0.2%
Patriot Mortgage Company	\$1,447,695	10	0.2%
Guaranteed Rate Affinity, LLC	\$1,432,517	9	0.2%
Happy State Bank	\$1,382,374	11	0.2%
BancorpSouth Bank	\$1,378,075	9	0.2%
LHM Financial Corp., dba CNN Mortgage	\$1,307,251	8	0.2%
Michigan Mutual, Inc.	\$1,257,425	6	0.2%
Aim Bank	\$1,230,202	9	0.2%
Citywide Home Loans, a Utah Corporation	\$1,166,440	7	0.1%
Republic State Mortgage Co.	\$970,529	5	0.1%
Moria Development/Peoples Mortgage Co	\$968,711	6	0.1%
Affiliated Bank	\$888,566	6	0.1%
America's Choice Home Loans, LP	\$875,258	6	0.1%
LegacyTexas Bank	\$841,152	4	0.1%
The Home Lending Group, LLC	\$812,903	4	0.1%
Legacy Mortgage, LLC	\$799,375	8	0.1%
Peoples Home Equity, Inc.	\$744,072	4	0.1%
Victorian Finance LLC	\$718,222	5	0.1%
Paramount Residential Mortgage Group	\$700,444	4	0.1%
Inter National Bank	\$656,834	5	0.1%
Resmac, Inc.	\$654,294	4	0.1%
Geneva Financial, LLC	\$650,090	3	0.1%
Castle and Cooke Mortgage	\$632,276	4	0.1%
Home Financing Unlimited, Inc.(Mission)	\$572,250	3	0.1%
Finance Home America	\$443,320	3	0.1%
integrity First Financial Group, Inc.	\$432,913	2	0.1%
Inspire Home Loans, Inc.	\$396,759	2	0.0%
GoPrime Mortgage	\$390,718	2	0.0%
American Pacific Mortgage Corporation	\$369,791	3	0.0%
Family First Funding, LLC	\$363,051	2	0.0%
1st Preference Mortgage Corporation	\$350,217	2	0.0%
First Financial Bank, N.A.	\$321,959	3	0.0%
Extraco Mortgage	\$316,299	2	0.0%
Encompass Lending Group, LP	\$311,379	2	0.0%
OVM Financial, Inc.	\$305,366	2	0.0%
First Service CU dba eCU Mortgage	\$299,475	2	0.0%
Southwest Bank	\$255,550	2	0.0%
Colonial Savings, F.A.	\$232,800	1	0.0%
Diamond Residential Mortgage Corporation	\$216,200	1	0.0%
New Penn Financial, LLC	\$207,178	1	0.0%
First Centennial Mortgage Corporation	\$201,286	1	0.0%
Cherry Creek Mortgage Co., Inc.	\$199,335	1	0.0%
Corridor Mortgage Group, Inc.	\$192,429	1	0.0%
Perl Mortgage, Inc.	\$186,459	1	0.0%
American Nationwide Mortgage Company	\$157,500	1	0.0%
Grand Total	\$818,257,803	4844	100%



Mortgage Credit Certificate Program
January 1, 2018 to July 31, 2018

Month	Closed	# of Loans	% Total
Jan	\$ 13,817,927	82	7%
Feb	\$ 21,207,464	129	10%
Mar	\$ 28,967,830	170	14%
Apr	\$ 34,593,963	209	17%
May	\$ 39,527,593	237	19%
June	\$ 42,142,959	243	20%
July	\$ 27,399,162	166	13%
Totals	\$207,656,898	1236	100%

Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$26,947,078	158	12.8%
PrimeLending	\$17,160,148	105	8.5%
Guild Mortgage Corporation	\$11,930,263	75	6.1%
Cornerstone Home Lending, Inc.	\$10,656,505	59	4.8%
Nations Reliable Lending, LLC	\$10,475,843	62	5.0%
Fairway Independent Mortgage Corporation	\$9,440,401	55	4.4%
Movement Mortgage, LLC	\$8,300,866	56	4.5%
Thrive Mortgage, LLC	\$5,971,173	31	2.5%
Cardinal Financial Company	\$5,564,792	32	2.6%
First Choice Loan Services, Inc.	\$5,452,007	28	2.3%
Primary Residential Mortgage, Inc.	\$5,132,184	34	2.8%
AmCap Mortgage Limited	\$4,664,330	28	2.3%
Open Mortgage LLC	\$4,267,793	27	2.2%
Texas Bank Mortgage Company	\$4,176,219	29	2.3%
DHI Mortgage Company, Ltd.	\$3,922,799	19	1.5%
Highlands Residential Mortgage	\$3,820,620	19	1.5%
Hometrust Mortgage Company	\$3,552,993	25	2.0%
Pilgrim Mortgage, LLC	\$2,891,338	18	1.5%
Certainty Home Loans, LLC	\$2,841,048	18	1.5%
Interlinc Mortgage Services, LLC	\$2,469,044	14	1.1%
Academy Mortgage Corporation	\$2,456,893	16	1.3%
Sente Mortgage Inc.	\$2,432,529	15	1.2%
loanDepot.com LLC	\$2,372,130	15	1.2%
CMG Mortgage, Inc. dba CMG Financial	\$2,281,884	11	0.9%
New American Funding (Broker Solutions)	\$2,207,326	15	1.2%
Pulte Mortgage LLC	\$2,181,651	10	0.8%
SWBC Mortgage Corporation	\$1,859,789	12	1.0%
Amerifirst Financial, Inc.	\$1,767,073	11	0.9%
CLM Mortgage, LLC	\$1,731,692	8	0.6%
Colonial Savings, F.A.	\$1,696,596	9	0.7%
Envoy Mortgage	\$1,593,842	10	0.8%
Wallick and Volk, Inc.	\$1,437,593	9	0.7%
Gateway Mortgage Group, LLC	\$1,429,027	8	0.6%
American Mortgage & Equity Consultants	\$1,413,382	8	0.6%
Origin Bank	\$1,396,143	11	0.9%
Bank of England	\$1,355,264	8	0.6%
Gardner Financial Services, Ltd.	\$1,301,577	7	0.6%
BancorpSouth Bank	\$1,300,786	8	0.6%
First Continental Mortgage, Ltd.	\$1,298,129	5	0.4%
Mid America Mortgage, Inc.	\$1,197,621	6	0.5%
Network Funding, LP	\$1,192,619	7	0.6%
University Federal Credit Union	\$1,151,239	5	0.4%
Right Start Mortgage, Inc.	\$1,057,513	8	0.6%
SFMC, LP (Service First Mortgage)	\$1,031,777	6	0.5%
Stearns Lending, LLC	\$1,028,788	5	0.4%
NTFN, Inc.	\$951,953	6	0.5%
Synergy One Lending, Inc.	\$927,139	8	0.6%
Guaranteed Rate	\$923,663	6	0.5%
Independent Bank	\$909,065	6	0.5%
Mortgage Financial Services, LLC	\$896,240	5	0.4%
University Lending Group, LLC	\$802,556	5	0.4%
Victorian Finance LLC	\$728,041	5	0.4%
Gold Star Mortgage Financial Group	\$707,030	4	0.3%

At a Glance	
Total Amount Originated	\$207,656,898
Average Annual Income	\$49,313
Average Purchase Price	\$174,031
Average Loan Amount	\$168,007
Average Household Size	2
Average Interest Rate	5.447%
Program	%
Home Sweet Texas	80.10%
Homes for Texas Heroes	19.90%
Allied Health Faculty	0.00%
Corrections Officer	1.38%
County Jailer	0.16%
EMS Personnel	0.16%
Fire Fighter	0.57%
Peace Officer	1.13%
Professional Nurse Faculty	0.65%
Public Security Officer	0.49%
School Counselor	0.32%
School Librarian	0.00%
School Nurse	0.08%
Teacher	12.62%
Teacher Aide	0.24%
Veteran	2.10%
New/Existing Home	
Existing	84.63%
New	15.37%
Type of Loan	
Conventional - Purchase	35.03%
FHA - Purchase	61.00%
USDA-RHS Purchase	1.86%
VA - Purchase	2.10%
Ethnicity	
American Indian/Alaskan Native	0.10%
Asian/Pac Isle	6.00%
Black	15.55%
Hispanic	33.31%
Not Defined	6.38%
Other	1.22%
White	37.44%
Top 20 Originating Counties*	# of Loans
Harris	284
Tarrant	135
Dallas	130
Bexar	94
Travis	66
Williamson	57
Fort Bend	39
El Paso	39
Denton	30
Collin	28
Montgomery	27
Kaufman	26
Galveston	24
Nueces	22
Hays	19
Hidalgo	16
Brazoria	12
Ellis	11
Bell	11
Webb	11

*Top 20 of all counties statewide. All remaining counties served 155 households.



Mortgage Credit Certificate Program
January 1, 2018 to July 31, 2018

American Financial Network, Inc.	\$700,885	6	0.5%
Geneva Financial, LLC	\$694,638	3	0.2%
Nations Lending Corporation	\$687,038	4	0.3%
Pacific Union Financial, LLC	\$668,667	3	0.2%
Crosscountry Mortgage, Inc.	\$656,661	4	0.3%
Inspire Home Loans, Inc.	\$603,230	3	0.2%
International City Mortgage, Inc.	\$583,514	3	0.2%
Eagle Home Mortgage, LLC	\$468,746	2	0.2%
integrity First Financial Group, Inc.	\$453,912	2	0.2%
FBC Mortgage LLC	\$392,141	3	0.2%
Cendera Funding, Inc.	\$391,238	2	0.2%
On Q Financial, Inc.	\$381,953	3	0.2%
Home Financing Unlimited, Inc.(Mission)	\$360,800	2	0.2%
Brazos National Bank	\$332,710	2	0.2%
HomeBridge Financial Services	\$216,015	1	0.1%
Happy State Bank	\$211,055	2	0.2%
Willow Bend Mortgage Company, LLC	\$196,775	1	0.1%
The Home Lending Group, LLC	\$185,478	1	0.1%
Family First Funding, LLC	\$182,631	1	0.1%
Trustmark National Bank	\$175,750	1	0.1%
Branch Banking and Trust Company	\$172,000	1	0.1%
Republic State Mortgage Co.	\$163,661	1	0.1%
Waterloo Lending LLC	\$161,000	1	0.1%
American Pacific Mortgage Corporation	\$160,650	1	0.1%
Security National Mortgage Company	\$160,147	1	0.1%
American Nationwide Mortgage Company	\$157,500	1	0.1%
Castle and Cooke Mortgage	\$155,138	1	0.1%
Encompass Lending Group, LP	\$150,350	1	0.1%
Loan Simple, Inc.	\$148,510	1	0.1%
America's Choice Home Loans, LP	\$142,373	1	0.1%
Paramount Residential Mortgage Group	\$141,391	1	0.1%
Michigan Mutual, Inc.	\$133,110	1	0.1%
Guaranteed Rate Affinity, LLC	\$128,040	1	0.1%
Rocky Mountain Mortgage Company	\$127,153	1	0.1%
Legacy Mortgage, LLC	\$126,100	1	0.1%
Affiliated Bank	\$124,699	1	0.1%
Inter National Bank	\$105,245	1	0.1%
Total Committed	\$207,656,898	1236	100%

Tab B

Texas State Affordable Housing Corporation

Development Finance Programs Report
September 2018

Affordable Communities of Texas Program (ACT)

More than 15 homes are under contract to qualified homes buyers, all of which are NSP properties. Several more NSP homes are under construction in the cities of McAllen, Mission and Brownsville. With the large number of files being reviewed and submitted to TDHCA for approval, staff has been very involved in daily calls and communications.

In addition to our pipeline of NSP properties, staff has been working with Local Partners in Dallas and Fort Worth on new construction projects. The Corporation has 7 lots in the Riverside Neighborhood of Fort Worth that will be developed in partnership with Housing Channel, a nonprofit housing builder/developer based in Tarrant County. In Dallas, our Local Partner, East Dallas Community Organization is also in the permitting process to begin construction on 17 new homes in the Creekside subdivision, an NSP land bank.

Here is a summary of this month's portfolio numbers:

Program	Portfolio as of Sept. 1, 2018	Acquired	Sold	Current Portfolio	Current Portfolio Value
ACT Land Bank	53	0	0	51	524,209.00
ACT Land Trust	1	0	0	1	\$650,000.00
Texas NSP	197	0	0	197	\$2,754,623.44
Veteran's Initiative	1	0	0	1	\$33,210.00
Totals	252	0	0	250	\$3,962,042.44

Texas Housing Impact Fund

The Chicon, a 28-unit mixed use condominium project in Austin, Texas continues to move forward with sales of both home ownership and commercial units. Closings did halt in August in order to for the City of Austin to manage down payment assistance through hurdles created by the end of their budget year. Staff has been informed that the remaining home owners should close on their condos in October, with commercial sales completed by December of this year.

Multifamily Bond Program

This month staff will make two presentations to the board related to multifamily bond projects. The first, Walnut Creek is a property that was induced by the board earlier this year and the developer is now ready to close on the bonds and other financing. We are also bringing a new project to the board for inducement. The Hamilton Valley Portfolio is a 25 property portfolio located in 23 cities across the State of Texas. Full write-ups are included in the board book.

Tab C

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS (unaudited)
As of July 31, 2018

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 5,800,049
Restricted Assets Held by Bond Trustee:	
Cash and Cash Equivalents	1,379,894
Accrued Interest	59,776
Custodial Cash and Cash Equivalents	124,473
Investments, at Fair Market Value	9,077,473
Accounts Receivable & Accrued Revenue	81,902
Accrued Interest Receivable	150,964
Loans Receivable, Current Portion	66,551
Notes Receivable, Current Portion	253,342
Prepaid Expenses	126,564

Total Current Assets: 17,120,988

Noncurrent Assets

Loans Receivable, Net of uncollectible amounts of \$26,923	481,856
Notes Receivable	5,589,197
Investments, at Fair Market Value	7,510,605
Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,489,099	236,290
Fixed Assets, Net of Accumulated Depreciation of \$766,550	1,256,627
Owned Real Estate, Federal & Other Programs Net of Amort \$506,919	9,361,402
Restricted Investments Held by Bond Trustee, at Fair Market Value	32,607,329

Total Noncurrent Assets: 57,043,306

TOTAL ASSETS \$ 74,164,294

(continued)

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS - Continued (unaudited)
As of July 31, 2018

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$	369,185
Notes Payable, Current Portion		50,306
Custodial Reserve Funds		124,473
Other Current Liabilities		229,030
Payable from Restricted Assets Held by Bond Trustee:		
Bonds Payable, Current Portion		740,000
Accrued Interest on Bonds		464,614

Total Current Liabilities: 1,977,608

Noncurrent Liabilities

Notes Payable		2,442,007
Revenue Bonds Payable		30,639,039
Due to Federal Programs		2,137,491
Unearned Revenue		164,726

Total Noncurrent Liabilities: 35,383,263

Total Liabilities: 37,360,871

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue		191,594
------------------	--	---------

Total Deferred Inflows of Resources 191,594

NET POSITION

Invested in Capital Assets		1,256,627
Restricted for:		
Debt Service		2,203,346
Other Purposes		490,048
Unrestricted		32,661,808

Total Net Position: \$ 36,611,829

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)
for the 11 months ending July 31, 2018

Operating Revenues

Interest and Investment Income	\$ 1,975,794
Net Increase (Decrease) in Fair Value of Investments	17,583
Single Family Income	8,648,295
Asset Oversight and Compliance Fees	216,348
Loan Servicing Fees	74,923
Multifamily Income	286,956
Land Bank Income	254,326
Public Support	
Federal & State Grants	29,296
Contributions	640,434
Other Operating Revenue	730,419
Total Operating Revenues	\$ <u>12,874,374</u>

Operating Expenses

Interest Expense on Bonds and Notes Payable	\$ 1,207,064
Salaries, Wages and Payroll Related Costs	2,357,116
Professional Fees and Services	396,306
Amortization	208,188
Office and Equipment Rental and Maintenance	94,610
Travel and Meals	93,336
Depreciation	227,567
Program and Loan Administration	849,274
Grant Expenditures	72,087
Foundation Fund/Rebuild Texas Grants	528,000
Other Operating Expenses	584,021
Total Operating Expenses	\$ <u>6,617,569</u>

Net Income 6,256,805

Total Net Position, Beginning 30,355,024

Total Net Position, Ending \$ 36,611,829

Tab 1

**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**

August 16, 2018 at 10:30 a.m.

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 Bill Dietz, Chair, at 10:30 a.m., on August 16, 2018, 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

Bill Dietz, Chair
Jerry Romero, Vice Chair
Valerie Cardenas, Member
Lori Cobos, Member

Staff Present

Betsy Aldrich, Senior Accounting Manager
Cynthia Gonzales, Senior Office, & Loan Servicing Manager
Dave Danenfelzer, Senior Director, Development Finance
David Long, President
Frank Duplechain, Homeownership Programs Specialist
James Matias, Senior Manager, Asset Oversight and Compliance
Janie Taylor, Executive Vice President
Jo Keene, Manager, Development Finance
Joniel Crim, Director, Homeownership Programs
Katie Claffin, Director, Communications & Development
Lacy Brown, Corporate Secretary
Laura Ross, Manager, Communications & Development
Melinda Smith, Chief Financial Officer
Michael Wilt, Manager of External Relations
Nick Lawrence, Controller
Sarah Ellinor, Manager, Homeownership Programs

Guests

Aaron Greg, Greenberg Traurig, LLP
Tim Nelson, Hilltop Securities
Seth Crone, BNY Mellon

Public Comment

No Public Comment was given.

Audit Committee Report

Mr. Romero informed the board that the Audit Committee had met that morning to discuss the 2019 Operating Budget. The budget would be discussed further under Tab 2.

President's Report

Mr. Long informed the board that program and financial reports could be found under Tabs A through D in the board packet, and included the quarterly Compliance and Resident Services report.

Mr. Long stated that the Loan Committee had met the previous day to review the loan portfolio and activity reports. No loan approvals were considered at the meeting. Both Mr. Romero and Ms. Cardenas attended the meeting, with Ms. Cardenas attending via phone. Mr. Romero noted that loan approval processes had also been reviewed at the meeting and recommendations had been made for improvements to the reports. Ms. Cardenas stated that while she was new to the process, she was impressed with the information and detail presented by staff.

Mr. Long provided an update on the Single Family Rental Program. He refreshed the board's memory that one of the homes owned under the program had caught fire several months ago. Thankfully no one had been injured, but the house had sustained significant damage that required a full rehab. Mr. Long informed the board that the rehab work was now complete and a new tenant had moved into the home. Mr. Long expressed how pleased he was with staff for their hard work in getting the home repaired and ready to lease out again.

Mr. Long announced to the board that over the last month the Homeownership staff had trained 160 Realtors through the Overcoming Down Payment Hurdle classes they conducted in conjunction with the Texas Association of Realtors (TAR) and the San Antonio Board of Realtors. He added that in September, staff would attend and have a booth at the TAR Expo in San Antonio.

Mr. Long informed the board that the Corporation would be submitting an application to the Capital Magnet Fund for additional funding for the Texas Housing Impact Fund and Multifamily Private Activity Bond (PAB) Program. Mr. Long explained that the Capital Magnet Fund was a federal grant program administered by the Community Development Financial Institutions

(CDFI) Fund. Applications were due September and staff was working with a consultant to structure the application.

Mr. Long provided an update on the Housing and Economic Assistance to Rebuild Texas (HEART) Program, a disaster recovery grant program administered by the Corporation in conjunction with Enterprise Community Partners. Six awards had been made under the program for a total of \$250,000. Grantees were required to use 100% of their grant funds to provide critical home repairs on homes damaged by Hurricane Harvey. Mr. Long thanked staff for their hard work on the program.

Mr. Long informed the board that he and Mr. Wilt had attended the National Alliance to End Homelessness Conference, held in Washington D.C. the previous month. Mr. Long thanked Mr. Wilt for his efforts on behalf of Mr. Long when he was unable to participate, as well as on behalf of the Corporation.

Mr. Long briefly introduced the professionals in attendance at the meeting which included Mr. Nelson with Hilltop Securities and Mr. Gregg with Greenberg Traurig.

Lastly, Mr. Long recognized Ms. Keene, Manager of Development Finance, and noted that she would be leaving the Corporation after seven years to become the Executive Director of Accessible Housing Austin (AHA!). Staff was sad to see her go but thankful for the work she had done for the Corporation and proud of her for the opportunity she had given to become Executive Director at AHA!.

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on July 19, 2018.

Mr. Romero made a motion to approve the minutes of the Board Meeting held on July 19, 2018. Ms. Cobos seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously

Tab 2 Presentation, Discussion and Possible Approval of the Fiscal Year 2019 Operating Budget.

Ms. Smith provided the board with an overview of the Fiscal Year 2019 Operating Budget. Mr. Romero noted that he and Ms. Cobos had spoken with staff prior to the meeting to go over the budget and ask questions. Ms. Cobos noted that she had asked for more information on each of the line items and why they had changed between budget and actual and between 2018 and 2019, in order to better understand what was being presented. She noted that staff had answered her questions satisfactorily. Ms. Cardenas asked specifically about the decrease in net revenue from 2018 actual to 2019 budget. Mr. Long responded that while Single Family Program revenue was quite high in 2018, staff was not projecting it to be as high in 2019. He added that the 2019 budget also included funds to purchase a new office building which could be found under the Program Expenditures line item. Mr. Dietz asked about increase to salary and payroll expenditures and Mr. Long explained that funds were included in the line item to cover 3 new positions and a few internships.

Ms. Smith noted that at the Audit Committee's request, staff would be adding some additional footnotes in the future to further explain the line items and variances. Discussion followed about the reasons staff wanted to be conservative in their revenue projections for 2019.

Mr. Dietz noted that because the FY2019 Operating Budget came to the board as a motion from the Audit Committee, it did not require a second. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 3 Presentation, Discussion and Possible Approval of the Request for Proposals for General Counsel of the Corporation.

Mr. Long informed the board that the Corporation periodically issued Requests for Proposals (RFPs) for professional services to ensure that the service we received was the best fit for the Corporation and the associated fees were the most reasonable. Mr. Long noted that an RFP for general counsel had not been issued for 12 years. Because we tried to RFP every five to seven years, staff had determined there was a need to issue an RFP for these services. The length of our relationship with Greenberg Traurig had created a wealth of institutional knowledge, however by going through the RFP process we would ensure that other providers along with Greenberg Traurig would have a chance to show how they could best serve the Corporation along with the fees associated with those services. Mr. Long asked the board's approval to release the RFP with the timeline for responses and selection outlined in the RFP. Mr. Dietz asked if it was a best practice to RFP every 5 to 7 years and Mr. Long confirmed that it was.

Ms. Cardenas mad a motion to approve the Request for Proposals for General Counsel of the Corporation. Ms. Cobos seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 4 Presentation, Discussion and Possible Appointment of a Board Member to the Single Family and Multifamily Loan Committee.

Mr. Danenfelzer provided the board with an overview of the Single Family and Multifamily Loan Committee and its oversight of the Texas Housing Impact Fund. Mr. Danenfelzer explained that the Committee was created to provide initial reviews of proposed loans and to help staff determine which ones should be recommended to the board. The Loan Committee was comprised of four members including: Board member, President, Executive Vice President, and Chief Financial Officer (CFO). These members represented the board during the committee meetings and made recommendations on loans that are greater than \$500,000. Mr. Romero added that it is of great importance that a board member be a part of the Loan Committee to provide direct input into the Committee's actions and to report to the full board about those decisions.

Mr. Romero made motion to appoint Ms. Cardenas to the Single Family and Multifamily Loan Committee. Ms. Cobos seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Following the vote, Mr. Dietz thanked Mr. Romero for his years of service on the Loan Committee.

Tab 5 Staff Presentation and Overview of Multifamily Tax-Exempt Bond Program.

Mr. Danenfelzer gave an overview of the Corporation's multifamily bond programs. Mr. Danenfelzer explained that the Corporation had the authority to issue 501(c)(3) bonds and multifamily private activity bonds (PAB). He noted that 501(c)(3) bonds could only be issued to borrowers who were nonprofit corporations. PABs could be issued to both for-profit and nonprofit entities and were also eligible for 4 percent tax credits through the Department of Housing Community Affairs (TDHCA). Tax credits provided additional equity to the project that the developer didn't have to repay. Mr. Danenfelzer noted that 501(c)(3) bonds had not been issued by the Corporation since 2003. The PAB program portfolio totaled \$249 million in bonds and 5,400 units of affordable housing. He added that the Asset Oversight and Compliance staff visited the properties annually to do physical inspections. The typical length of time properties remained in the portfolio was 15 years and sometimes longer depending on the ownership and structure of the bonds. Mr. Danenfelzer noted that the Corporation's authority to issue bonds was included in statute along with the objective to meet housing needs not being met by other housing finance corporations in Texas. He noted that the PAB program had four targeted housing needs: preservation and rehabilitation of existing affordable housing, properties in smaller urban and rural markets, properties serving seniors and those with special needs, and properties in areas impacted by recent natural disasters.

Mr. Danenfelzer then spoke in detail about the different steps in the approval process for bond transactions under the PAB program, including board approval of both an inducement resolution and resolution approving the final bond transaction.

Ms. Cardenas asked if staff had looked at other potential areas of the state to issue bonds, and Mr. Danenfelzer explained that the process typically involved developers coming to the Corporation with their requests for funding. Mr. Danenfelzer went into further detail about the funding sources for the PAB program and how they differed from the loan program.

Mr. Dietz asked if all multifamily transactions issued by the Corporation fell under the loan and bond programs. Mr. Danenfelzer explained that they fell under one of those programs, or the Affordable Communities of Texas (ACT) Program.

Ms. Cardenas asked how the development community heard about the programs we have available and Mr. Danenfelzer explained that through participation at conferences as well as general outreach, developers learn about the Corporation's programs. Ms. Cardenas then asked about outreach to developers in rural areas and Mr. Danenfelzer noted that certain developers focused on rural areas. He added that most transactions in rural areas were smaller and funded under the USDA 515 Program. Mr. Danenfelzer spoke further about outreach efforts being conducted for developers in rural areas.

Mr. Dietz thanked Mr. Danenfelzer for his presentation and noted there was no action to be taken on this tab item.

Tab 6 Closed Executive Session: Discussion and Update Regarding the Purchase of Property to be Used as the Headquarters of the Corporation. (Real Estate Matters – Section 551.072 Texas Government Code)

Mr. Dietz called the Board into closed meeting in accordance with Government Code 551.072, Real Estate Matters. The time was 11:31am.

The closed meeting ended and the Board came back into open meeting at 12:13pm. Mr. Dietz noted that no action had been taken during closed meeting.

Adjournment

Mr. Dietz adjourned the meeting at 12:13PM.

Respectfully submitted by _____
Lacy Brown, Corporate Secretary

Tab 2

MINUTES AND CERTIFICATION

THE STATE OF TEXAS

§
§
§
§

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

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

1. The Board of Directors of said corporation convened on the day of September, 2018, at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted members of said Board, to wit:

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Jerry Romero	Vice Chairperson
Robert Elliott Jones	Director
Valerie Vargas Cardenas	Director
Lori Cobos	Director

and all of said persons 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. 18-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION Regarding Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto

was duly introduced for the consideration of said Board. It was duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion was adopted by the following vote:

_____ AYES _____ NOES _____ ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution 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 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 consented, in advance, to the holding of said meeting for such purpose.

SIGNED this September 20, 2018.

Secretary, Texas State Affordable Housing
Corporation

RESOLUTION NO. 18-___

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION Regarding Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") received a certificate of reservation relating to 2018 volume allocation for qualified mortgage bonds totaling \$700,000,000 (the "2018 Volume Allocation");

WHEREAS, the 2018 Volume Allocation may be used in connection with any of the qualified mortgage bond or mortgage credit certificate programs the Corporation is authorized to provide;

WHEREAS, the Board of Directors of the Corporation desires to convert the 2018 Volume Allocation for qualified mortgage bond to mortgage credit certificates for a Mortgage Credit Certificate Program;

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

Section 1. That the Corporation hereby elects to convert all of the \$700,000,000 of 2018 Volume Allocation for qualified mortgage bonds to allocation for mortgage credit certificates.

Section 2. That any officer of the Corporation is authorized and directed to execute and deliver any certificates and documents relating to the mortgage credit certificates and to take other actions deemed necessary or appropriate to implement a mortgage credit certificate program, including, but not limited to, the publication of any notices required in connection therewith.

Section 3. That the publication of the notice required in connection with mortgage credit certificates is hereby in all things ratified and confirmed.

Section 4. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Corporation in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 5. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this September 20, 2018.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Tab 3

MINUTES AND CERTIFICATION

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

The Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") convened on September 20, 2018, at its regular meeting place, and roll was called of the duly constituted members of said Board of Directors, to-wit:

Table with 2 columns: Name, Office. Rows include William H. Dietz (Chairperson), Jerry Romero (Vice Chairperson), Robert Elliott Jones (Director), Valerie Vargas Cardenas (Director), and Lori Cobos (Director).

and all of said persons 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 for the consideration of said Board:

"RESOLUTION NO. 18-___

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Hamilton Valley Texas Portfolio Project"

Upon motion duly made and seconded, the Resolution was finally passed and adopted by the following vote:

___ AYES _____ NOES _____ ABSTENTIONS

MINUTES APPROVED AND CERTIFIED TO BE TRUE AND CORRECT and to reflect accurately the duly constituted officers and members of the Board of Directors of the Corporation, and the attached and following copy of such Resolution is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of the Corporation.

SIGNED this September 20, 2018.

Secretary, Texas State Affordable Housing
Corporation

RESOLUTION NO. 18-____

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Hamilton Valley Texas Portfolio Project

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") desires to submit one or more calendar year 2018 Application for Carryforward for Private Activity Bonds, 2019 Applications for Allocation of Private Activity Bonds or calendar year 2019 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations (the "Bonds") relating to qualified residential rental housing projects referenced in **Exhibit A** attached hereto (collectively, the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to HVM Portfolio, LLC, or a wholly owned subsidiary or affiliate of HVM Portfolio, LLC as referenced in **Exhibit A** (collectively, the "Borrower"), which will use the proceeds for acquiring, rehabilitating and equipping the Project;

WHEREAS, it is anticipated that the Borrower will make certain capital expenditures with respect to the Project and currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the Corporation must declare its expectation to make such reimbursement;

WHEREAS, the Corporation desires to preserve the ability of the Borrower to reimburse the capital expenditures with proceeds of tax-exempt obligations; and

WHEREAS, the Board desires to make all other appropriate filings and requests to the Texas Bond Review Board to enable the Corporation to issue the Bonds.

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

1. That the President of the Corporation or any officer of the Corporation is hereby authorized and directed to execute and deliver the Application to the Texas Bond Review Board in connection with requesting allocation for the Bonds, together with any documents, certificates or instruments related thereto.

2. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to file with the Texas Bond Review Board one or more Notices of Intent to Issue Bonds and one or more State Bond Applications in connection with the Bonds and such officers are further authorized and directed to request that the application(s) be approved by the Executive Director of the Texas Bond Review Board in accordance with Chapter 181 of the Texas Administrative Code, as amended.

3. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to take any and all other actions necessary or incidental to securing the private activity bond allocation(s) and the approval of the Bonds from the Texas Bond Review Board.

4. That the Corporation reasonably expects that the Borrower will reimburse capital expenditures with respect to the Project with proceeds of debt hereafter to be incurred by the Corporation, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Project by the Corporation is \$39,000,000 as further referenced in **Exhibit A**.

PASSED, APPROVED AND EFFECTIVE this September 20, 2018.

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

EXHIBIT A

<u>Name of Property</u>	<u>Address</u>	<u>Borrower</u>	<u>Borrower's sole member</u>	<u>Maximum Principal Amount of Obligations to be Issued (\$)</u>
Bay City Manor Apartments	900 Avenue J Bay City, TX 77414 (Matagorda County)	HVM BP Bay City, LLC	HVM Portfolio, LLC	2,477,000
Brush Country Cottages	500 Cross Creek Dilley, TX 78017 (Frio County)	HVM BP Dilley Ret., LLC	HVM Portfolio, LLC	1,092,000
Chula Vista	201 Springfield Road San Diego, TX 78384 (Duval County)	HVM BP San Diego, LLC	HVM Portfolio, LLC	1,972,000
Cielo Lindo Apartments	402 Hinojosa Drive Edcouch, TX 78538 (Hidalgo County)	HVM BP Edcouch II, LLC	HVM Portfolio, LLC	1,311,000
La Estancia	366 East 8th Street Sebastian, TX 78594 (Willacy County)	HVM BP Sebastian I, LLC	HVM Portfolio, LLC	1,274,000
La Posada Apartments	901 Lamar Street Elsa, TX 78543 (Hidalgo County)	HVM BP Elsa, LLC	HVM Portfolio, LLC	2,933,000
La Reina Apartments	600 Sauz Street La Villa, TX 78562 (Hidalgo County)	HVM BP La Villa, LLC	HVM Portfolio, LLC	1,261,000
La Sombra	519 North Main Street Donna, TX 78537 (Hidalgo County)	HVM BP Donna Ret., LLC	HVM Portfolio, LLC	1,727,000
Las Palmas Apartments	27745 S. Kansas City Rd. La Feria, TX 78559 (Cameron County)	HVM BP La Feria III, LLC	HVM Portfolio, LLC	1,550,000

<u>Name of Property</u>	<u>Address</u>	<u>Borrower</u>	<u>Borrower's sole member</u>	<u>Maximum Principal Amount of Obligations to be Issued (\$)</u>
Leuty Avenue Apartments	909 West 7th Street Justin, TX 76247 (Denton County)	HVM BP Justin, LLC	HVM Portfolio, LLC	1,027,000
Linden Oaks	1201 North Live Oak St. Rockport, TX 78382 (Aransas County)	HVM BP Rockport, LLC	HVM Portfolio, LLC	1,042,000
Los Laureles	1100 East Santa Rosa Edcouch, TX 78538 (Hidalgo County)	HVM BP Edcouch I, LLC	HVM Portfolio, LLC	990,000
Los Naranjos Apartments	210 North Eagle Pass St. Alton, TX 78572 (Hidalgo County)	HVM BP Alton Ret., LLC	HVM Portfolio, LLC	1,223,000
Orchard Park Apartments	1749 East Henderson Rd. Angleton, TX 77515 (Brazoria County)	HVM BP Angleton Srs., LLC	HVM Portfolio, LLC	2,334,000
Oak Haven Apartments	513 East Frontage Road Donna, TX 78537 (Hidalgo County)	HVM BP Donna II, LLC	HVM Portfolio, LLC	892,000
Raintree Apartments	650 Raintree Street Alamo, TX 78516 (Hidalgo County)	HVM BP Alamo I, LLC	HVM Portfolio, LLC	1,025,000
Seagraves Garden Apartments	1100 12th Street Seagraves, TX 79359 (Gaines County)	HVM BP Seagraves, LLC	HVM Portfolio, LLC	1,197,000
Silver Trail	403 Mesquite Street Menard, TX 76859 (Menard County)	HVM BP Menard Ret., LLC	HVM Portfolio, LLC	1,074,000
The Village Apartments	517 School Street Tomball, TX 77375	HVM BP Tomball Cong.,	HVM Portfolio, LLC	2,996,000

<u>Name of Property</u>	<u>Address</u>	<u>Borrower</u>	<u>Borrower's sole member</u>	<u>Maximum Principal Amount of Obligations to be Issued (\$)</u>
	(Harris County)	LLC		
Valley View Apartments	513 N. Pecan Creek Trail Valley View, TX 76272 (Cooke County)	HVM BP Valley View, LLC	HVM Portfolio, LLC	941,000
Villa Vallarta	600 Fairgrounds Road Rio Grande City, TX 78582 (Starr County)	HVM BP Rio Grande City I, LLC	HVM Portfolio, LLC	1,764,000
Vista Verde	404 Medina Street Cotulla, TX 78014 (LaSalle County)	HVM BP Cotulla, LLC	HVM Portfolio, LLC	953,000
Willowick Apartments	1501 Newland Drive Gainesville, TX 76240 (Cooke County)	HVM BP Gainesville, LLC	HVM Portfolio, LLC	2,219,000
Windmill Apartments	550 N. Montgomery Ave. Giddings, TX 78942 (Lee County)	HVM BP Giddings, LLC	HVM Portfolio, LLC	1,297,000
Windwood	100 Windwood Drive Kingsland, TX 78639 (Llano County)	HVM BP Kingsland, LLC	HVM Portfolio, LLC	2,429,000
				Total: 39,000,000

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

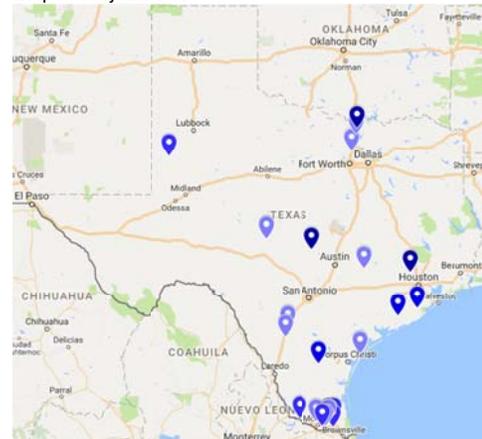
Agenda:

Presentation, Discussion and Possible Approval of a Resolution Regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for the Hamilton Valley TX Portfolio.

Summary:

The Corporation received an application from Hamilton Valley Management, Inc. (Developer) on July 12, 2018 proposing the acquisition and rehabilitation of a 25 property portfolio of affordable apartment communities totaling 957 units. Ten of the projects are designated as family projects while the other seventeen projects are designated as Elderly (Age 62 or older, or disabled). The application requests a total of \$39 million in bonds to be issued in 2019. The portfolio will be called Hamilton Valley TX Portfolio.

Map of Project Area



Public Benefit:

The proposed project will provide 957 units of housing targeted to families earning 60% of area median income or less. The project includes 25 properties located in 17 different Counties across the State of Texas, the majority of which are located in Rural or Smaller Urban markets. Additionally, 17 of the projects also meet the Corporation's Targeted Housing Need for Seniors and 13 properties are located in areas with current Disaster Declarations.

Financial Summary:

The proposed acquisition and rehabilitation of the Hamilton Valley TX Portfolio has a total budget of approximately \$77.3 million. The proposed financing includes tax-exempt bonds, 4% housing tax credits, assumption and subordination of original USDA RHS Section 515 debt, and new USDA Section 538 loans. Approximately \$25.4 million will be used for property acquisition costs, with total rehabilitation costs of \$36.8 million. Financing costs, soft costs, developer fees and reserves account for the remaining \$15.1 million in total costs.

The total bond amount is anticipated to total \$39 million. The bonds will be issued as a Public Offering under one or more Trust Indentures (maximizing economies of scale in order to minimize the costs of issuance) and proportionately secured by 25 separate notes and mortgages. The bonds will be issued from 2019 volume cap or carryforward, with the proceeds to be used substantially for repairs of the properties. Other sources include \$29.4 million in new USDA 538 loans and \$22.8 million in assumed USDA 515 debt. The tax credits are estimated to be valued at \$19.7 million in total equity. Owner contributions from surplus case reserves, investment income, and deferred developer fees are estimated at \$5.5 million, rounding out the remaining sources.

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

All of the properties include rental assisted units support by the USDA 515 program. These units make it possible for the Developer to provide housing to households well below the targeted 60% area median income. Of the total 957 units in the portfolio, 845 units (88%) have rental assistance currently. The USDA approval process will also provide for additional funding at some properties, or increases in rental assistance caps based on current needs.

Market Conditions:

The Hamilton Valley TX Portfolio includes 25 properties in 23 different cities across the State of Texas. Because this transaction will take several months to go through USDA approvals, staff has not completed its review of market conditions prior to Inducement. Staff has begun their process of underwriting, but a full and accurate underwriting cannot take place until USDA and the Developer finalize their scope of work for each property in the portfolio. Attached at the end of this write-up is a map and list of each property in the portfolio.

Developer Summary:

Hamilton Valley Management, Inc. is a property development and management company that specializes in affordable multifamily housing in rural areas of Texas. They have extensive experience with programs operated by the US Department of Agriculture's Rural Development Division, the US Department of Housing and Urban Development (HUD), and the Texas Department of Housing and Community Affairs (TDHCA) tax credit program. In addition to traditional multifamily housing, they manage 37 properties targeted specifically to seniors.

Hamilton Valley has undertaken a major initiative to preserve and upgrade their affordable housing rental projects located throughout rural Texas. Hamilton Valley currently manages a total of 91 properties in 65 cities across Texas and has been successful in the development of over 3,000 units of affordable housing throughout the state, most of which are in the Low Income Housing Tax Credit program, as well as the USDA-Rural Development Interest Credit and Rental Assistance program.

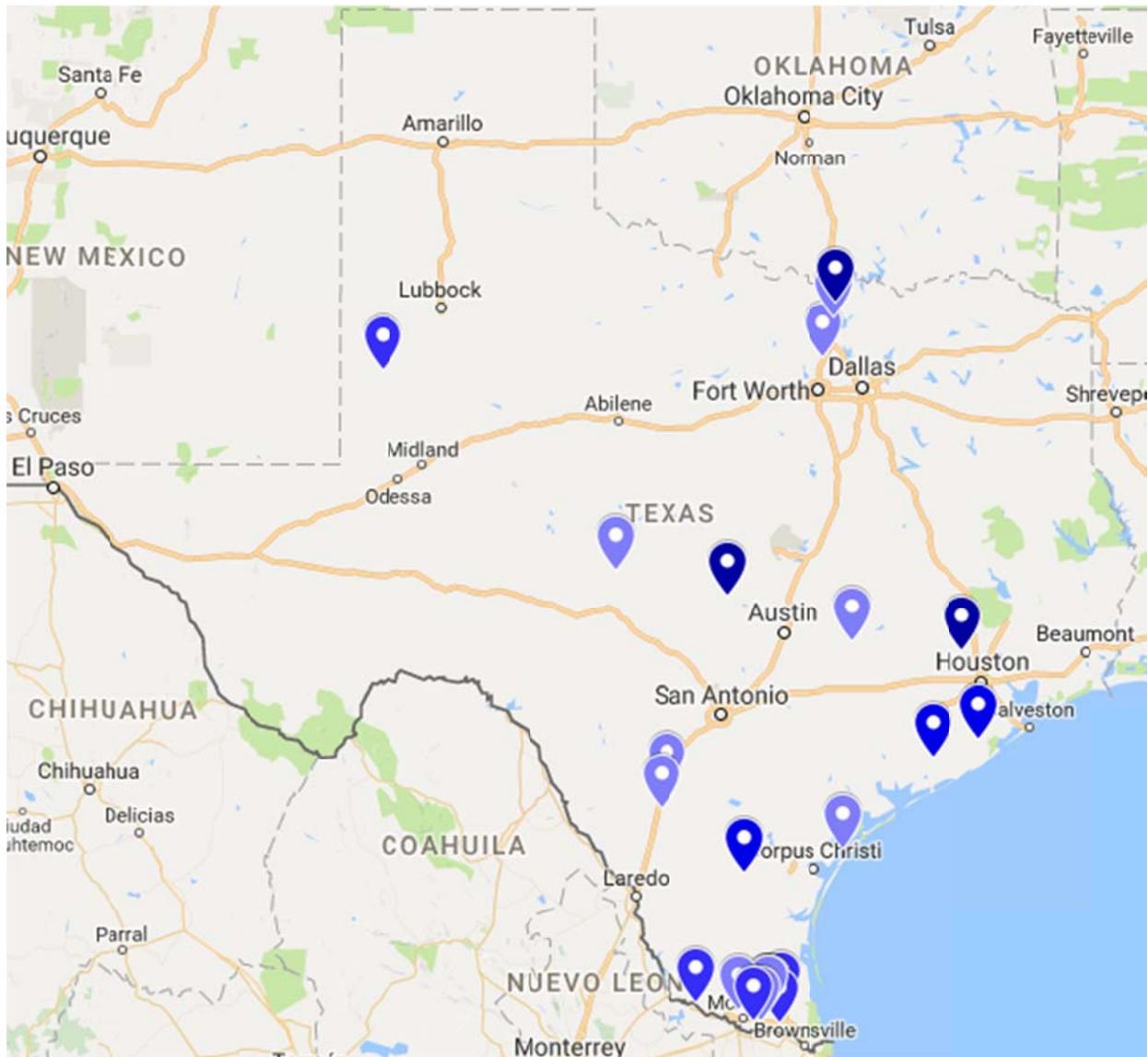
Approximately 96% of Hamilton Valley's units under management are affordable, and they will serve as the general partner and management agent of this portfolio. Hamilton Valley and its principals will also serve as the guarantors for the transaction.

Recommendation:

Staff recommends approval of the resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for the Hamilton Valley TX Portfolio Project.

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary



List of Properties

PROPERTY	CITY	COUNTY	UNITS
LINDEN OAKS	ROCKPORT	ARANSAS	28
NORTHSIDE SENIOR	ANGLETON	BRAZORIA	48
LAS PALMAS	LA FERIA	CAMERON	36
VALLEY VIEW	VALLEY VIEW	COOKE	24
WILLOWICK	GAINESVILLE	COOKE	60
LEUTY AVENUE	JUSTIN	DENTON	24
CHULA VISTA	SAN DIEGO	DUVAL	44
BRUSH COUNTRY	DILLEY	FRIO	28
SEAGROVE	SEAGRAVES	GAINES	32
THE VILLAGE	TOMBALL	HARRIS	64

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

CIELO LINDO	EDCOUCH	HIDALGO	34
LA POSADA I & II	ELSA	HIDALGO	74
LA REINA	LA VILLA	HIDALGO	30
LA SOMBRA	DONNA	HIDALGO	50
LOS LAURELES	EDCOUCH	HIDALGO	23
LOS NARANJOS	ALTON	HIDALGO	30
OAK HAVEN	DONNA	HIDALGO	24
RAINTREE	ALAMO	HIDALGO	32
VISTA VERDE	COTULLA	LASALLE	24
WINDMILL	GIDDINGS	LEE	28
WINDWOOD I & II	KINGSLAND	LLANO	68
BAY CITY MANOR	BAY CITY	MATAGORDA	56
SILVER TRAILS	MENARD	MENARD	24
VILLA VALLARTA	RIO GRANDE CITY	STARR	40
LA ESTANCIA I	SEBASTIAN	WILLACY	32
TOTAL			957

Tab 4

RESOLUTION NO. 18-___

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith

WHEREAS, Texas State Affordable Housing Corporation (the "Governmental Lender") 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. Vernon's Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), for the public purpose, among other things, of promoting the public health, safety and welfare through the provision of adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income; and

WHEREAS, the Act authorizes the Governmental Lender to (a) make mortgage loans to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income; (b) issue bonds or other obligations, including notes, to accomplish its public purpose, for the purpose, among others, of obtaining funds to make loans for multifamily developments if at least 40 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 60 percent of the median income, adjusted for family size, to establish any necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such obligations; (c) pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the payment of the principal or redemption price of and interest on such obligations; and (d) make, enter into, and enforce contracts, agreements, leases, indentures, mortgages, deeds, deeds of trust, security agreements, pledge agreements, credit agreements and other instruments with any person on terms the Governmental Lender determines to be acceptable; and

WHEREAS, the Governmental Lender has determined to provide a loan (the "Loan") to LIH Walnut Creek Austin LP, a Texas limited partnership (the "Borrower"), for the purpose of acquiring, rehabilitating and equipping a multifamily residential development located in the City of Austin, Texas and known as the Walnut Creek Apartments (the "Project") to be rented to persons of low and moderate income, as evidenced by that certain Project Loan Agreement dated as of October 1, 2018 (the "Project Loan Agreement") by and among the Governmental Lender, the Borrower and Wilmington Trust, National Association (the "Fiscal Agent"), and in connection therewith the Borrower has agreed to assume certain of the obligations set forth in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2018 (the "Regulatory Agreement") by and among the Governmental Lender, the Fiscal Agent and the Borrower, and the Borrower will execute and deliver to Governmental Lender a multifamily note (the "Project Note") in the original principal amount equal to the original principal amount of the Note (hereinafter defined); and

WHEREAS, the Governmental Lender now proposes to issue its note styled "Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018" (the "Note") pursuant to this Resolution and a Funding Loan Agreement dated as of October 1, 2018 (the "Funding Loan Agreement") among the Governmental Lender, CBRE Capital Markets, Inc. (the "Initial Purchaser") and the Fiscal Agent; and

WHEREAS, the Governmental Lender further proposes to sell the Note, upon the issuance thereof, to the Initial Purchaser in order to obtain the funds to make the Loan; and

WHEREAS, all capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Funding Loan Agreement unless the context in which they appear requires otherwise; and

WHEREAS, there have been presented to the Governmental Lender proposed forms of each of the following:

1. the Funding Loan Agreement;
2. the Project Loan Agreement;
3. the Asset Oversight, Compliance and Security Agreement (the "Asset Oversight and Compliance Agreement"), by and between the Borrower and the Governmental Lender;
4. the Regulatory Agreement; and
5. the Subordination Agreement (the "Subordination Agreement") by and between the Borrower, the Initial Purchaser and the Governmental Lender.

WHEREAS, the Governmental Lender finds the form and substance of the above-listed documents (hereinafter, collectively the "Note Documents") to be satisfactory and proper and finds the recitals with regard to the Governmental Lender contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Note, the execution of such documents and the taking of such other actions as may be necessary and appropriate in connection therewith; and now

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

Section 1: Based solely upon the representations made to the Board of Directors (the "Board") by the Borrower, it appears and the Board hereby finds that the issuance of the Note and the making of the various contractual commitments, as provided herein, will provide a means of financing the Project within the State that accomplishes the public purpose of providing adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income.

Section 2: The issuance of the Note in one or more series and in the aggregate maximum principal amount of not to exceed \$15,000,000, is hereby authorized and approved. The Note shall mature, bear interest at the rate or rates and shall be subject to the redemption features as specified in the Funding Loan Agreement. The Board hereby approves the Funding

Loan Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender is authorized and directed, for and on behalf of the Governmental Lender, to execute the Funding Loan Agreement and such officers are hereby authorized to deliver the Funding Loan Agreement. Upon execution by the parties thereto and delivery thereof, the Funding Loan Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 3: The Board hereby approves the Project Loan Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender is hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Project Loan Agreement, and such officers are hereby authorized to deliver the Project Loan Agreement. Upon execution by the parties thereto and delivery thereof, the Project Loan Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 4: The Board hereby approves the Asset Oversight and Compliance Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender are each hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Asset Oversight and Compliance Agreement, and such officers are hereby authorized to deliver the Asset Oversight and Compliance Agreement. Upon execution by the parties thereto and delivery thereof, the Asset Oversight and Compliance Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 5: The Board hereby approves the Regulatory Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender are each hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Regulatory Agreement, and such officers are hereby authorized to deliver the Regulatory Agreement. Upon execution by the parties thereto and delivery thereof, the Regulatory Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 6: The Board hereby approves the Subordination Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender are each hereby authorized

and directed, for and on behalf of the Governmental Lender, to execute the Subordination Agreement, and such officers are hereby authorized to deliver the Subordination Agreement. Upon execution by the parties thereto and delivery thereof, the Subordination Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 7: The Board hereby approves the Note in substantially the form and substance set forth in the Funding Loan Agreement as presented to the Board with such changes or additions as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender, as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender are hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Note or have their facsimile signatures placed upon the Note, and the Chief Financial Officer and Treasurer, Secretary or any Assistant Secretary, by manual or facsimile signature, are hereby authorized and directed to attest the signature of the Chairperson, Vice Chairperson, President or Executive Vice President, and any of such officers is hereby authorized and directed to deliver the Note.

Section 8: The Board hereby approves the sale of the Note to the Initial Purchaser in accordance with the terms and conditions specified in the Funding Loan Agreement approved herein.

Section 9: Wilmington Trust, National Association is hereby appointed as Fiscal Agent and paying agent under the terms of the Funding Loan Agreement for the Note. If said bank shall be unable or unwilling to so serve, the Chairperson, Vice Chairperson, President or Executive Vice President of the Governmental Lender is hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Fiscal Agent and paying agent.

Section 10: The Chairperson, Vice Chairperson, President and Executive Vice President of the Governmental Lender, either individually or jointly, are hereby authorized to approve the principal amount or amounts and maturity date or dates of the Notes to be issued pursuant to this Resolution, to establish the interest rate or rates to be borne by the Note, provided, however, that the interest rate or rates shall never exceed 15% per annum. The President and Executive Vice President of the Governmental Lender, either individually or jointly, are further authorized to engage the services of consultants that may be needed, in the opinion of such officer, to fully complete the issuance and delivery of the Note.

Section 11: The officers of the Governmental Lender are each hereby authorized to execute and deliver to the Fiscal Agent the written order of the Governmental Lender for the authentication and delivery of the Note by the Fiscal Agent in accordance with the Funding Loan Agreement.

Section 12: All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Governmental Lender directed toward the financing of the Project and the issuance of the Note shall be and the same hereby is ratified, approved, and confirmed.

Section 13: The officers of the Governmental Lender shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Note and take all action necessary or desirable in conformity with the Act to finance the Project and for carrying out, giving effect to, and consummating the transactions described in the Note, this Resolution,

the Note Documents, and any other instruments authorized by this Resolution or required to effect the transactions contemplated hereby, including without limitation, the execution and delivery of any certificates, agreements or documents in addition to those specifically referenced herein which are associated with the issuance of the Note.

Section 14: The President or the Executive Vice President of the Governmental Lender is authorized to approve such changes to the documents specifically referenced in this Resolution and to make any changes or enter into any supplements or amendments that may be required following the closing of the Note for a period of up to one year as well as the certificates, agreements and documents authorized in Section 13 hereof, as they deem necessary or appropriate. The execution and delivery of such documents by either of such officers shall constitute conclusive evidence of such approval.

Section 15: If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Governmental Lender authorized or established by this Resolution or the Note is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Governmental Lender to the fullest extent permitted by law.

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PASSED, APPROVED AND EFFECTIVE this September 20, 2018.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

Chairperson

ATTEST:

Secretary

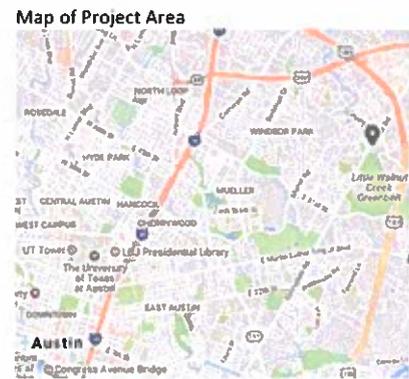
Texas State Affordable Housing Corporation

Agenda Item:

Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith.

Summary:

The Corporation received an application from LIH Walnut Creek GP, LLC (LIH) in March 2018 for the issuance of Multifamily Private Activity Bonds for the Walnut Creek Apartments project, located at 6409 Springdale Road in Austin, Texas. The project includes the acquisition of a 98 unit multifamily housing complex that was built in 1972 and is nearing the end of its current housing assistance contract. The Corporation's board is being asked to approve the attached resolution and provide staff with the authority to close the transaction.



Public Benefit:

The proposed project fulfills the Corporation's targeted housing need as an At-risk Preservation development. The applicant is also proposing to add 10 income restricted units for households earning 30% or less than the area median income.

Financial Summary:

The proposed acquisition and rehabilitation of Walnut Creek Apartments has a total budget of approximately \$18.4 million. The proposed financing leverages tax-exempt bonds and 4% housing tax credits under a fairly typical financing structure. Approximately \$9.25 million will be used for acquisition costs, while renovation costs are estimated at \$3.98 million or \$40,631 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$5.2 million in total costs.

The total bond amount is anticipated to be \$15 million. The full amount of the bonds proceeds will be used for acquisition and construction activities. Upon completion of construction approximately \$4.8 million of the bond proceeds will be repaid using tax credit equity. The remaining \$10.2 million will remain outstanding for 15-years. The bonds will be securitized through the Freddie Mac Tax Exempt Loan program. The program is similar to other government securitized bond products from Fannie Mae and the Federal Housing Administration. CBRE Capital Markets is the designated lender for Freddie Mac and has committed to a rate of 4.68% on the bonds with an amortization of 35-years. The tax credits will be purchased by Enterprise Community Partners and will bring in \$5.59 million in total equity. A seller note of \$1 million, cash flow contributions of \$915,000 and deferred developer fees and cash estimated at \$727,817 round out the remaining sources.

Market Conditions:

Walnut Creek Apartments sits near the intersection of Springdale and Manor Roads in East Austin. The property was originally built in 1972 and has had a Section 8 project based rental contract since initial

Texas State Affordable Housing Corporation

lease up. The project did receive 4% housing tax credits in 2000 and is near the end of its current 15-year compliance period. Although located in a mixed commercial and multifamily residential area, the property is located near many community services and amenities. Within ½ mile of the site are two elementary schools and students from these schools flow into Johnson High School, the location of Austin's Liberal Arts and Science Academy, which was ranked #27 in the nation by U.S. News & World Report for the 2017/18 school year. The project is also located within two miles of two full service grocery stores, Dell Children's Hospital, and the 206 acre Little Walnut Creek Preserve and Greenbelt.

The surrounding neighborhoods have seen significant growth in density and home prices over the past 10 years. In the past year home values in the 78723 zip code have increased 10.8% to \$385,330. Median rental costs have also risen sharply, so the preservation of rental assistance at Walnut Creek will help alleviate the impact that increased housing costs have on older neighborhoods.



In addition to good access to services, schools and parks, the neighborhood is within three miles of the State Capitol, the University of Texas and other employment drivers for the Austin area.

Borrower Summary:

The applicant, LIH Walnut Creek GP, LLC, is a subsidiary entity of Levy Affiliated. Founded in 1988, the company develops and manages a mix of retail centers, office buildings and apartment complexes, largely concentrated in Southern California. In the past few years they have expanded by acquiring and preserving affordable housing complexes in Hawaii, Louisiana and North Carolina. Today, Levy Affiliated owns and manages 15 properties with 1,564 units of affordable housing.

Staff contacted state housing finance agencies about Levy Affiliated's track record. Universally, they received high marks on their compliance track record and condition of properties. Additionally, they received letters of support from the California Statewide Communities Development Authority and a resolution from the City of Austin in support of their plan to preserve the Walnut Creek Apartments.

Staff Recommendation:

Staff recommends that the board approve the resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith.

Walnut Creek - Underwriting.xlsx
Project Summary

Project Summary

Applicant LIH Walnut Creek GP, LLC
Project Name Walnut Creek Apartments

Location

Address 6409 Springdale Road **City** Austin
County: Travis **State** TX **Zip** 78723
Census Tract: 48453002108

Funding Sources

	Amount	% of Total
TSAHC Bonds - Short Term*	\$ 15,000,000	81.30%
CBRE Freddie TEL	\$ 10,210,000	55.34%
Seller Note	\$ 1,000,000	5.42%
Enterprise Equity	\$ 5,598,042	30.34%
Deferred Developer Fee	\$ 727,817	3.94%
Operating Cash Flow	\$ 915,137	4.96%
Totals	\$ 18,450,996	95%

* not included in total

Market Summary

	City	County	State	Census Tract
Population	907,779	1,148,176	26,956,435	3,985
Average Age	32	33	34	28
Minority Pop. %	24.1%	23.9%	25.2%	38.4%
% Hispanic	34.5%	33.7%	38.6%	42.4%
% Persons with Disability	8.8%	8.7%	11.6%	12.4%
% Households that Rent	54.7%	48.0%	38.4%	44.7%
Persons w/o Insurance	16.8%	16.1%	19.3%	22.0%
Median Household Income	\$ 60,939.00	\$ 64,422.00	\$ 54,727.00	\$ 40,990.00
Median Home Price	\$257,800	\$253,600	\$142,700	\$173,700
Median Rents	\$1,106	\$1,113	\$911	\$939
% Renters Who are Cost Burdened	47.2%	47.3%	44.4%	66.8%
% Attending Public Schools	90.7%	90.8%	93.3%	83.7%
Graduation Rate (Austin ISD)	72.4%			
Unemployment		3.1%	4.6%	
CRA Eligible Census Tract	Yes			
Medically Underserved Area	No			

	Projects	Units
# of LI Apartment Projects	5	622

Walnut Creek - Underwriting and Operating Proforma

Operating Proforma

Applicant: LHM Walnut Creek GP, LLC
 Project Name: Walnut Creek Apartments

Number of Units	90	Affordable Units	97
Set-Aside Requirement	9%	Affordable %	99%
		Accessible Unit Min	3

Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	#Units	Rent	Mo. Income	W/Ratio	Rent/LmYr	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
1br/1ba	720	2280	4	\$ 1,187	\$ 4,588	1.02	30% AMI	\$ 55,056	\$ 56,157	\$ 57,260	\$ 58,426	\$ 59,594	\$ 65,797	\$ 72,841
1br/1ba	720	2280	31	\$ 1,187	\$ 35,557	1.02	60% AMI	\$ 478,684	\$ 485,218	\$ 491,922	\$ 498,800	\$ 505,850	\$ 569,927	\$ 648,000
1br/1ba	720	2280	1	\$ -	\$ -	1.02	EO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2br/1ba	854	4120	5	\$ 1,245	\$ 6,225	1.02	30% AMI	\$ 74,700	\$ 76,194	\$ 77,718	\$ 79,272	\$ 80,858	\$ 89,273	\$ 98,588
2br/1ba	854	4120	39	\$ 1,245	\$ 48,555	1.02	60% AMI	\$ 582,690	\$ 594,313	\$ 606,199	\$ 618,329	\$ 630,700	\$ 700,333	\$ 788,801
3br/1ba	1056	1056	1	\$ 1,710	\$ 1,710	1.02	30% AMI	\$ 20,520	\$ 20,930	\$ 21,349	\$ 21,771	\$ 22,197	\$ 24,523	\$ 27,078
3br/1ba	1057	17989	17	\$ 1,710	\$ 29,070	1.02	60% AMI	\$ 348,840	\$ 355,817	\$ 362,933	\$ 370,192	\$ 377,590	\$ 431,890	\$ 490,287
			82981					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income				\$ 20,000	\$ 1,960	1.02		\$ 23,520.00	\$ 23,990	\$ 24,470	\$ 24,960	\$ 25,459	\$ 28,109	\$ 31,034
Potential Gross Income								\$ 1,531,980	\$ 1,562,320	\$ 1,593,872	\$ 1,625,749	\$ 1,658,204	\$ 1,830,858	\$ 2,021,413
Residential Vacancy Loss								\$ (76,595)	\$ (78,131)	\$ (79,884)	\$ (81,287)	\$ (82,913)	\$ (91,543)	\$ (101,071)
Effective Gross Residential Income								\$ 1,455,385	\$ 1,484,189	\$ 1,514,178	\$ 1,544,462	\$ 1,575,291	\$ 1,739,315	\$ 1,920,342

Operating Expenses

	TSAHC Est	Borrower Tr. L	% E/G	Variance	Per Unit	W/Ratio	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
General & Administrative	\$ 95,494	\$ 35,000	2.40	11%	\$ 357	1.03	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,391	\$ 45,647	\$ 52,941
Management Fee	\$ 42,238	\$ 58,215	4.00	38%	\$ 394	1.01	\$ 58,215	\$ 59,961	\$ 61,740	\$ 63,561	\$ 65,421	\$ 75,957	\$ 88,055
Payroll and Related	\$ 128,874	\$ 136,500	9.18	8%	\$ 1,393	1.03	\$ 136,500	\$ 140,595	\$ 144,813	\$ 149,157	\$ 153,632	\$ 178,102	\$ 206,468
Maintenance & Repair	\$ 66,346	\$ 61,500	4.23	-7%	\$ 628	1.03	\$ 61,500	\$ 63,365	\$ 65,245	\$ 67,141	\$ 69,063	\$ 80,244	\$ 93,024
Utilities	\$ 101,234	\$ 146,052	10.04	41%	\$ 1,490	1.03	\$ 146,052	\$ 150,414	\$ 154,947	\$ 159,595	\$ 164,361	\$ 190,565	\$ 220,917
Insurance	\$ 28,615	\$ 35,000	2.40	17%	\$ 357	1.03	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,391	\$ 45,647	\$ 52,941
Property Taxes	\$ 73,206	\$ 89,826	8.17	39%	\$ 917	1.03	\$ 89,826	\$ 92,523	\$ 95,296	\$ 98,155	\$ 101,100	\$ 117,203	\$ 135,870
Operating Debt Service Reserves		\$ 0.00	0.00	0%	\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement reserves	\$ 29,400	\$ 15,300	2.16	17%	\$ 350	1.03	\$ 15,300	\$ 15,829	\$ 16,389	\$ 16,969	\$ 17,569	\$ 20,000	\$ 22,500
HFC/HDVAE Compliance Fees	\$ 3,880	\$ 3,880	0.27	0%	\$ 40	1.03	\$ 3,880	\$ 3,996	\$ 4,116	\$ 4,240	\$ 4,367	\$ 5,081	\$ 5,849
Bond Compliance Fees	\$ 4,410	\$ 4,410	0.30	0%	\$ 45	1.03	\$ 4,410	\$ 4,541	\$ 4,679	\$ 4,819	\$ 4,963	\$ 5,754	\$ 6,671
Issuer Fee		\$ 0.00	0.00	0%	\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (specify)	Security	\$ 75,000	\$ 75,000	5.15	\$ 765	1.03	\$ 75,000	\$ 77,250	\$ 79,548	\$ 81,895	\$ 84,291	\$ 97,858	\$ 113,444
Total Operating Expenses	\$ 592,898	\$ 679,587		15%	\$ 6,935.95		\$ 679,587	\$ 700,073	\$ 721,078	\$ 742,627	\$ 764,784	\$ 842,078	\$ 976,200
				W/Ratio	\$ 4,881.00	Per Unit	\$ 6,935	\$ 7,144	\$ 7,358	\$ 7,576	\$ 7,797	\$ 8,991	\$ 9,961
				Operating Expenses as % of Effective Gross Income			46.7%	47.2%	47.6%	48.0%	48.4%	48.4%	50.6%

NET OPERATING INCOME

Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$ 776,698	\$ 784,615	\$ 793,103	\$ 832,235	\$ 848,967	\$ 897,237	\$ 944,145

Walnut Creek - Underwriting and
Operating Performance

NET OPERATING INCOME

\$	775,698	\$	784,415	\$	793,303	\$	802,235	\$	811,167	\$	820,117	\$	829,145
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
TSMC Bonds - Short Term*	\$ 15,000,000			
CBRE Hydro IEL	\$ 30,210,000	4.83%	35	15
Total Primary Debt	\$ 45,210,000			
TSMC Issuer Fee	\$ 98,208			
Net Cash Flow After Primary Debt				
DSCR Primary Debt				

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$	610,228	\$ 610,228	\$ 605,124	\$ 605,124	\$ 605,124	\$ 605,124	\$ 605,124
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	610,228	\$ 610,228	\$ 605,124	\$ 605,124	\$ 605,124	\$ 605,124	\$ 605,124
\$	10,210	\$ 10,210	\$ 5,000	\$ 5,000	\$ 10,210	\$ 10,210	\$ 10,210
\$	155,762	\$ 163,978	\$ 182,978	\$ 229,111	\$ 232,113	\$ 281,903	\$ 328,811
	1.25	1.18	1.30	1.88	1.88	1.46	1.53

SOFT SUBORDINATE DEBT & EQUITY

Enterprise Equity	\$ 5,598,042		
Letter Note	\$ 1,000,000	5.00%	75% Cash Flow
Deferred Developer Fee	\$ 727,817		
Total Secondary Debt/Equity	\$ 7,325,859		

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	116,448	\$ 122,984	\$ 137,234	\$ 171,833	\$ 175,225		
\$	38,815	\$ 40,995	\$ 45,745	\$ 57,278	\$ 58,408	\$ 24,478	
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	38,815	\$ 40,995	\$ 45,745	\$ 57,278	\$ 58,408	\$ 24,478	\$ -

Summary of Sources and Uses

Applicant LIH Walnut Creek GP, LLC
Project Name Walnut Creek Apartments
Number of Units 98

Sources	Amount	Amount Per Unit	Percentage of Total
TSAHC Bonds - Short Term*	\$ 15,000,000	\$ 153,061	81%
CBRE Freddie TEL	\$ 10,210,000	\$ 104,184	55%
Seller Note	\$ 1,000,000	\$ 10,204	5%
Enterprise Equity	\$ 5,598,042	\$ 57,123	30%
Deferred Developer Fee	\$ 727,817	\$ 7,427	4%
Operating Cash Flow	\$ 915,137	\$ 9,338	5%
Total Sources	\$ 18,450,996	\$ 188,275.47	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 9,250,000	\$ 94,387.76	50%
Off-Site Construction	\$ -	\$ -	0%
On-Site Work	\$ 226,000	\$ 2,306.12	1%
Site Amenities	\$ 45,300	\$ 462.24	0%
Building Costs	\$ 3,710,586	\$ 37,863.12	20%
Other Const/Contingency	\$ 965,345	\$ 9,850.46	5%
Soft Costs	\$ 606,223	\$ 6,185.95	3%
Financing Costs	\$ 1,135,419	\$ 11,585.91	6%
Developer Fees	\$ 2,181,500	\$ 22,260.20	12%
Reserve Accounts	\$ 330,623	\$ 3,373.70	2%
Total Uses	\$ 18,450,996	\$ 188,275.47	100%

(Gap) / Reserve	\$ -
Percent of Developer Fee Deferred	33.36%

Tab 5



2018 Texas Foundations Fund

Overview and Funding Recommendations

2018 Funding Cycle Overview

Through the Texas Foundations Fund TSAHC partners with non-profit organizations across Texas to support high quality programs that address the critical housing needs of very low-income families and individuals. To date TSAHC has completed nine award cycles of the Texas Foundations Fund. TSAHC has awarded 97 grants, totaling more than \$2.9 million.

For the 2018 funding round, the Texas Foundations Fund will once again match public and private funds raised by selected partners (“Partners”). Partners will be selected for a two-year term, with grant funding made available each year. Per the 2018 funding guidelines, all applicants meeting the requirements will be approved as a Partner. To qualify as Partner, applicants must meet the following threshold requirements:

1. **Organization Type:** Applicant must be a non-profit organization with a 501(c)(3) designation from the Internal Revenue Service.
2. **Organization Experience:** Applicant must have at least three years of experience operating housing programs in Texas.
3. **Program Experience:** Applicant must have at least two years of experience operating the program for which a matching grant will be requested (see section below for additional program eligibility information).
4. **Fundraising Experience:** Applicant must provide a letter of reference or support from a funder who has supported the program for which a matching grant will be requested.
5. **Government Grant Performance:** Applicant must certify that it has not defaulted on or been required to repay any federal, state or local government grants within the past two years. Applicants do not need to have prior experience with government grants to be eligible for a matching grant.
6. **Financial Requirements:** Applicant must be able to provide annual financial audits for its two most recent fiscal years (TSAHC will accept financial reviews in lieu of audits from organizations with an annual operating budget of \$750,000 or less) and must be prepared to submit its audits, as well as other financial documents, when requested.
7. **Household Requirements:** To ensure the Texas Foundations Fund reaches those who are most in need, each applicant must utilize matching funds to serve only:
 - a. Households at or below 50% of the area median family income (very low income)
and
 - b. Households with a household member with a disability, **and/or** households located in a rural community

The following housing activities are eligible for support through the 2018 Texas Foundations Fund cycle. All services must be provided free of charge by selected Partners to the families and individuals receiving assistance.

1. The rehabilitation and/or critical repair of owner-occupied, single family homes to remedy unsafe living conditions. Critical repairs may also include accessibility modifications to assist household members with a disability.
2. The provision of supportive housing services that help individuals and families at risk of homelessness or unnecessary institutionalization gain and maintain their housing stability.

The 2018 Texas Foundations Fund partner application opened in April 2018, and the deadline to submit applications was Friday, June 1, 2018 TSAHC received twenty-four (24) applications from non-profits serving communities throughout Texas. Staff conducted a thorough threshold review of all applications to determine whether each applicant met our organization, program and financial requirements. If questions arose regarding an applicant’s eligibility, staff provided the applicant the opportunity to clarify the deficiency via email.

Funding Recommendations

Staff determined that all of the applicants met the requirements to be selected as a Partner. The total funding available for the 2018 funding cycle is \$348,000, which equals \$14,500 per Partner. Below is a list of the applicants meeting TSAHC’s Partner requirements. Please see pages 3-8 of this document for a detailed description of each proposed Partner.

- | | |
|---|--|
| 1. 6 Stones Mission Network* | 12. Habitat for Humanity of Collin County |
| 2. Austin Habitat for Humanity | 13. Habitat for Humanity of Smith County |
| 3. Avenue Community Development Corporation | 14. Habitat for Humanity of Williamson County |
| 4. Bethany House Laredo* | 15. Meals on Wheels and More dba Meals on Wheels Central Texas* |
| 5. Blackland Community Development Corporation | 16. Motivation, Education and Training, Inc. |
| 6. Buckner Children and Family Services, Inc. | 17. New Hope Housing, Inc. |
| 7. Community Development Corporation Brownsville* | 18. Opportunity Center for the Homeless |
| 8. Easterseals Central Texas, Inc. | 19. Tarrant County Samaritan Housing, Inc. |
| 9. Fort Bend Habitat for Humanity* | 20. The Women’s Home |
| 10. Foundation Communities | 21. Tierra del Sol Housing Corporation |
| 11. Galilee Community Development Corporation | 22. Trinity Habitat for Humanity |
| | 23. VinCare Services of Austin Foundation dba Saint Louise House |
| | 24. Youth and Family Alliance dba LifeWorks |

**New Texas Foundations Fund Partner*

Next Steps

Once Partners are approved by the Board of Directors, TSAHC will execute an agreement with each Partner listed above. The agreement outlines a description of the program that the matching grant will support, eligible expenditures, the process to request matching grants, reporting requirements, and TSAHC’s right to inspect properties or services records and to review financial documents. Each Partner will have six months to access their matching grant.

Any funds not accessed during the initial six-month period will be combined into a statewide pool and made available to other Partners who have already accessed their matching grant, on a first-come, first-awarded basis until all funds are depleted. A Partner must use 100% of its matching grant and submit a

brief summary documenting the use of the matching grant by the end of the first year before accessing matching funds the following year.

A description of each proposed Partner is listed below:

1. 6 Stones Mission Network

6 Stones Mission Network (6Stones) is a coalition of churches, business and other partners that provide solutions to meet community needs ranging from community revitalization, emergency assistance, and school supply drives to community gardens and food share programs. They are based in the Hurst-Euless-Bedford area in North Texas. 6 Stones will use its matching grant to provide critical home repairs through their Community Powered Revitalization Program which aims to assist 125 households in 2018.

Program Type: Critical Repair

Counties Served: Tarrant, Johnson

Priority Served: Persons with a Disability

2. Austin Habitat for Humanity

Austin Habitat for Humanity (Austin Habitat) brings people together to build homes, communities, and hope. In its 30 year history, Austin Habitat has repaired 305 homes and built 430 new homes, making it the largest builder of affordable homeownership in Central Texas. Austin Habitat will use its matching grant to grow its Home Repair Program and plans to provide at least 20 critical home repairs in 2018. All families served with a Texas Foundations Fund matching grant will have a physical or mental disability.

Program Type: Critical Repair

Counties Served: Bastrop, Blanco, Caldwell, Hays, Travis

Priority Served: Persons with a Disability

3. Avenue Community Development Corporation

The mission of Avenue Community Development Corporation (Avenue CDC) is to build affordable homes and strengthen communities. Avenue CDC develops safe, quality housing accessible to low- and moderate-income families and launched its home repair program "Rebuilding Northside Together" in 2014 to help very low-income homeowners in the Northside neighborhood of Houston rehabilitate their homes. Avenue CDC will utilize its matching grant to provide critical repairs to homeowners with disabilities.

Program Type: Critical Repair

County Served: Harris

Priority Served: Persons with a Disability

4. Bethany House Laredo

Bethany House Laredo has a thirty-five year history of providing essential basic human needs to impoverished individuals and families in Laredo through its original mission, "To feed the hungry and shelter the homeless." Bethany House Laredo operates two transitional housing facilities: Lamar Bruni Vergara Community Shelter and Barbara A. Kazen Center for Hope which combined provide 76 emergency beds and 25 transitional homes. They will use their matching grant for case management services in their Transitional Housing Program.

Program Type: Supportive Housing Services

County Served: Webb

Priority Served: Persons with a Disability

5. Blackland Community Development Corporation

The mission of Blackland Community Development Corporation (Blackland CDC) is to foster a safe, inclusive community that strives for social equality by facilitating projects and activities that bring neighbors together, by preserving and enhancing the stock of affordable housing in the neighborhood, and by providing supportive programs for members of the Blackland community to enhance their health, wellness, and financial stability. A matching grant from the Texas Foundations Fund will support Blackland CDC's supportive housing program called Blackland Wellness Project which provides mental health counseling and employment opportunities to residents with disabilities.

Program Type: Supportive Housing Services

County Served: Travis

Priority Served: Persons with a Disability

6. Buckner Children and Family Services, Inc.

Buckner Children and Family Services, Inc. (a subsidiary of Buckner International) was originally founded in Dallas in 1879 as an orphanage. Today it is a highly diversified agency providing social service programs and ministries to disadvantaged and displaced children and families. Buckner has successfully operated the Lufkin Family Pathways program since 1997. It is the oldest of eight supportive housing programs currently operated by Buckner in Texas. Buckner will use its matching grant to support the Lufkin Family Pathways program's case management and other supportive services that help single parent families maintain housing stability while pursuing their education.

Program Type: Supportive Housing Services

County Served: Angelina

Priority Served: Rural Communities

7. Community Development Corporation Brownsville

Community Development Corporation Brownsville (CDC Brownsville) is a multifaceted affordable housing organization devoted to utilizing collaborative partnerships to create sustainable communities across the Rio Grande Valley through quality education, model financing, efficient home design, and superior construction. Over the past five years, they have delivered 786 affordable homes to their service area, making the organization one of the largest housing producers in the region. CDC Brownsville will provide repairs to 10-15 homes each year for families in Colonias.

Program Type: Critical Repair

County Served: Cameron, Willacy

Priority Served: Rural

8. Easterseals Central Texas, Inc.

Easterseals Central Texas, Inc. has been a leader in providing housing services for people with disabilities and their families for more than 20 years and has offered critical home repairs through the Critical Home Accessibility Modification Program (CHAMP) since 2003. A matching grant from the Texas Foundations Fund will support repairs provided through the CHAMP program to people with disabilities.

Program Type: Critical Repair

Counties Served: Bastrop, Caldwell, Hays, Travis, Williamson

Priorities Served: Persons with a Disability

9. Fort Bend Habitat for Humanity

Seeking to put God’s love into action, Fort Bend Habitat for Humanity (FBHFH) brings people together to build homes, communities, and hope. Their goal is to eliminate poverty housing, substandard housing and homelessness through their home build and home repair programs. Launched in 2016, FBHBH’s Critical Home Repair program has provided critical home repairs to 30 families and disaster repairs to an additional 10. The matching grant will be used towards repairs on an additional 30 homes.

Program Type: Critical Repair

Counties Served: Fort Bend

Priorities Served: Rural

10. Foundation Communities

Foundation Communities was founded in 1990 to work toward housing low-income families and ending homelessness in our communities. The organization offers two supportive housing programs, Permanent Supportive Housing and Children’s HOME Initiative, each providing case management and other services to help residents overcome homelessness and maintain housing stability. A matching grant from the Texas Foundations Fund will be used specifically to serve residents with mental and physical disabilities.

Program Type: Supportive Housing Services

Counties Served: Travis

Priority Served: Persons with a Disability

11. Galilee Community Development Corporation

Galilee Community Development Corporation (Galilee CDC) is a non-profit dedicated to helping low-income members in the San Angelo area find and maintain decent and affordable housing. It has operated its Helping Hands program since 2012 and provides critical home repairs, including accessibility modifications and roof repairs, to 40 households each year. Galilee CDC will direct its matching grant specifically to serving homeowners with disabilities.

Program Type: Critical Repair

County Served: Tom Green

Priority Served: Persons with a Disability

12. Habitat for Humanity Collin County

Habitat for Humanity of Collin County is part of a global, non-profit housing organization operated on Christian principles working to build strength, stability and self-reliance for families through shelter. They fulfill their mission by constructing 10-12 new homes annually for working families and repairing approximately 30 homes annually for low-income families. They will use the matching grant towards repairs for 40 homes in rural areas over the next two years.

Program Type: Critical Repair

County Served: Collin

Priorities Served: Rural Communities

13. Habitat for Humanity Smith County

Habitat for Humanity Smith County (HFHSC) believes every family deserves the opportunity to live in a safe and healthy environment. HFHSC started its critical home repair & modification division, ReHabitat, in 2009 and each year, between 100 and 130 homes are

repaired through the program. A matching grant from the Texas Foundations Fund will fund critical repairs specifically for homeowners with a disability.

Program Type: Critical Repair

County Served: Smith

Priority Served: Persons with a Disability

14. Habitat for Humanity Williamson County

The mission of Habitat for Humanity of Williamson County (HFHWC) is to bring communities and people together to create and sustain homeownership opportunities in Williamson County. HFHWC's home repair program provides interior and exterior home repairs for homeowners who earn less than 50% of the median income. A matching grant from the Texas Foundations Fund will enable HFHWC to provide critical repairs specifically for homeowners in rural areas of Williamson County.

Program Type: Critical Repair

County Served: Williamson

Priority Served: Rural Communities

15. Meals on Wheels and More dba Meals on Wheels Central Texas

Meals on Wheels Central Texas (MOWCTX) seeks to nourish and enrich the lives of the homebound and other people in need through programs that promote dignity and independent living. The organization runs 12 programs and counts on 8,000 volunteers to provide a range of services to low-income households. MOWCTX established their home repair program and since then, they have completed 893 homes across 12 counties. They will apply the matching grant towards work on 11 homes in rural areas currently awaiting repairs.

Program Type: Critical Repair

Counties Served: Aransas, Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lampasas, Lee, Llano, San Saba, Travis, Victoria, Williamson

Priority Served: Rural Communities

16. Motivation, Education and Training, Inc.

Motivation, Education and Training, Inc. (MET) was founded for the purpose of providing academic and vocational training to migrant and seasonal farmworkers to help further their economic sufficiency. A matching grant from the Texas Foundations Fund will support MET's Farmworker Housing Rehabilitation Program, enabling MET to serve homeowners in rural communities throughout south Texas.

Program Type: Critical Repair

Counties Served: Cameron, Hidalgo, Maverick, Zavala

Priority Served: Rural Communities

17. New Hope Housing, Inc.

New Hope Housing's core purpose is to provide life-stabilizing, affordable, permanent housing with support services for people who live on limited incomes. New Hope formally instituted its Resident Services Program (RSP) in 2000 to provide case management, information and referral services, direct assistance with basic necessities, and educational and recreational opportunities for spiritual and social well-being. New Hope Housing will target its matching grant specifically to residents with a disability, helping them become self-sufficient, maintain healthy lifestyles and engage with their neighbors.

Program Type: Supportive Housing Services

County Served: Harris

Priority Served: Persons with a Disability

18. Opportunity Center for the Homeless

The Opportunity Center for the Homeless (The Center) exists for all homeless without distinction of race, ethnic origin, language spoken, or, religious beliefs, and regardless of mental, drug and alcohol problems. The Center will utilize its matching grant to fund supportive services, including intensive case management, provided at its Magoffin Avenue SRO (Single-Room Occupancy) permanent housing facility. All services funded by the matching grant will be targeted specifically to residents with a disability.

Program Type: Supportive Housing Services

County Served: El Paso

Priority Served: Persons with a Disability

19. Tarrant County Samaritan Housing, Inc.

Tarrant County Samaritan Housing, Inc. (Samaritan House) was established in 1991 to provide housing and end-of-life care to persons living with HIV/AIDS. As medical interventions improved and life expediencies grew, the agency realigned the mission to help residents maintain housing stability, establish goals, improve life skills, and work toward self-sufficiency. Samaritan House will utilize its matching grant from the Texas Foundations Fund to continue to provide supportive services, such as medical case management, substance abuse counseling, life skills and enrichment services to residents with a disability.

Program Type: Supportive Housing Services

County Served: Tarrant

Priority Served: Persons with a Disability

20. The Women's Home

The Women's Home was created in 1957 with the mission to help women in crisis regain their self-esteem and dignity, empowering them to return to society as productive, self-sufficient individuals. A matching grant from the Texas Foundations Fund will help fund supportive services for residents with disabilities at the organization's Jane Cizik Garden Place permanent supportive housing facility.

Program Type: Supportive Housing Services

Counties Served: Harris

Priority Served: Persons with a Disability

21. Tierra del Sol

Tierra del Sol Housing Corporation (Tierra Del Sol) is a regional housing and community development corporation whose purpose is to improve the quality of life and economic conditions of low-income persons residing in distressed and underserved communities by providing affordable housing and community development through construction activities, lending, training and employment opportunities. Tierra del Sol's Housing Rehabilitation program started in the mid-1980's serving residents living in Colonia areas with substantial rehab, mobile home replacement, home repairs and/or reconstruction. To date, 175 homes have been repaired through the program. The matching grant will be used to fund repairs on five homes in rural El Paso County.

Program Type: Critical Repair

County Served: El Paso

Priority Served: Persons with a Disability and Rural

22. Trinity Habitat for Humanity

Trinity Habitat for Humanity (Trinity Habitat) builds strength, stability and self-reliance through shelter. Programs include building new homes, externally repairing existing homes and offering homeownership education classes and counseling services in partnership with qualified low-income families, sponsors and community volunteers. Trinity Habitat will target its matching grant specifically to serve homeowners with disabilities through its Preserve a Home Program, which provides external home repairs ranging from minor siding repairs to full roof replacements and accessibility modifications.

Program Type: Critical Repair

County Served: Tarrant

Priority Served: Persons with a Disability

23. VinCare Services of Austin Foundation dba Saint Louise House

Saint Louise House was founded in 2000 with the mission to empower women with children to overcome homelessness in Central Texas. Since opening its doors in 2001 to five families in rented apartments, Saint Louise House has expanded to serve 38 families at a time in two agency-owned apartment complexes in South Austin. A matching grant from the Texas Foundations Fund will support regular case management, counseling, employment services, life skills workshops and other services for residents with disabilities.

Program Type: Supportive Housing Services

Counties Served: Bastrop, Hays, Travis, Williamson

Priority Served: Persons with a Disability

24. Youth and Family Alliance dba LifeWorks

LifeWorks has been providing services to runaway, homeless and street youth for more than 40 years. In January 2014 LifeWorks established its Permanent Supportive Housing program, which provides housing and support to chronically homeless youth with disabilities, many of whom have aged out of foster care. A matching grant from the Texas Foundations Fund will help LifeWorks provide case management and other supportive services to its residents to help them build successful lives.

Program Type: Supportive Housing Services

County Served: Travis

Priority Served: Persons with a Disability

Tab 6

Tab 6

Closed Executive Session: Discussion of Real Estate Issues that Affect the Value of the Property to be Purchased as Corporation Headquarters located at 6701 Shirley Avenue, Austin Texas (**Real Estate Matters – Section 551.072 Texas Government Code**)

Tab 7

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:

1. The Board of Directors of the Corporation (the "Board") convened on September 20, 2018, at the Corporation's offices in Austin, Texas, and the roll was called of the duly constituted members of said Board, who are as follows:

Table with 2 columns: Name, Office. Rows include William H. Dietz (Chairperson), Valerie Cardenas (Director), Lori Cobos (Director), Robert Elliott Jones (Director), Jerry Romero (Director).

2. The officers of the Corporation (who are not Board members) are as follows:

Table with 2 columns: Name, Office. Rows include David Long (President), Janie Taylor (Executive Vice President), Melinda Smith (Chief Financial Officer and Treasurer), Lacy Brown (Secretary), Cynthia Gonzales (Assistant Secretary).

All Board members were present except _____, thus constituting a quorum. All of the officers of the Corporation (except the Secretary) were present at the meeting.

3. Whereupon, among other business, the following written resolution (the "Resolution") bearing the following caption:

"RESOLUTION NO. 18-____"

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING THE PURCHASE OF PROPERTY LOCATED AT 6701 SHIRLEY AVENUE, AUSTIN TEXAS TO BE USED AS THE HEADQUARTERS OF THE CORPORATION AND AUTHORIZING THE DEVELOPMENT OF PLANS AND

RESOLUTION NO. 18-____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING THE PURCHASE OF PROPERTY LOCATED AT 6701 SHIRLEY AVENUE, AUSTIN TEXAS TO BE USED AS THE HEADQUARTERS OF THE CORPORATION AND AUTHORIZING THE DEVELOPMENT OF PLANS AND A BUDGET FOR THE RENOVATION OF THE PROPERTY AND OTHER MATTERS INCIDENT AND RELATED THERETO

WHEREAS, the Texas State Affordable Housing Corporation (the “Corporation”) has been duly created and organized under the authority of Texas Government Code, Title 10, Chapter 2306, Subchapter Y, as amended, and 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 (the “Act”); and

WHEREAS, in compliance with the Act, the Corporation now desires to purchase an office building located at 6701 Shirley Avenue, Austin, Texas 78752 (the “Building”); and

WHEREAS, the Board of Directors of the Corporation (the “Board”) now desires to approve and ratify the terms and conditions of the purchase contract as presented to the Board on August 16, 2018 and grant authority to the President and Executive Vice Present of the Corporation to negotiate and execute other applicable documents related to the purchase of the Building located at 6701 Shirley Avenue, Austin, Texas 78752, and the authority to prepare a design plan and budget for the renovation of the Building; and

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

Section 1. Approval of Purchase of Building. That the terms and conditions of the Commercial Contract - Improved Property, dated August 10, 2018 relating to the Building (the “Purchase Contract”) as presented to the Board on August 16, 2018 are approved and ratified, and the execution of the Purchase Contract by the President of the Corporation is hereby approved and ratified.

Section 2. Approval of Certain Actions Related to the Building. That the Board hereby authorizes the President of the Corporation and the Executive Vice President of the Corporation (at the direction of the President), to pursue the following activities related to the Building:

(1) Pay the purchase price of the Building (as set forth in the Purchase Contract) from unrestricted funds of the Corporation, or, in the alternative, to negotiate and execute all required documents to provide for the financing of the purchase of the Building in a form the President determines is in the best interest of the Corporation after obtaining advice from legal counsel to the Corporation; and

(2) Develop design plans and a budget for the renovation of the Building in a form the President determines to be in the best interest of the Corporation and pay all reasonable amounts necessary in connection with the development of such plans and budget.

Section 3. Execution and Delivery of Certain Contracts and Other Documents. That the Board hereby authorizes the President of the Corporation and Executive Vice President of the Corporation (at the direction of the President), to consent to, accept, execute and attest to such other contracts, certificates, documents, instruments, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution to the extent the President concludes such contracts or other documents are in the best interest of the Corporation.

Section 4. Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Corporation in connection with the acquisition of the Building are hereby authorized, ratified, confirmed and approved.

Section 5. Purposes of Resolution. That the Board of Directors of the Corporation has expressly determined and hereby confirms that the acquisition and renovation of the Building for the Corporation accomplishes a valid public purpose of the Corporation.

Section 6. Effective Date. That this Resolution shall be effective immediately upon its adoption.

[Remainder of Page Intentionally Left Blank]

APPROVED AND EFFECTIVE this __th day of September, 2018.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Lacy Brown, Secretary
Texas State Affordable Housing Corporation