

tsahnc

T E X A S
State Affordable Housing Corporation

June Board Meeting

To be held at the offices of
Texas State Affordable Housing Corporation
2200 East Martin Luther King Jr. Blvd.
Austin, TX 78702

Wednesday, June 12, 2019
10:30 a.m.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING
AGENDA**

**June 12, 2019
10:30 A.M.**

**2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78702**

**CALL TO ORDER
ROLL CALL
CERTIFICATION OF QUORUM**

Bill Dietz, Chair

Pledge of Allegiance – **I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.**

Texas Allegiance – **Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.**

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 May 8, 2019. |
| Tab 2 | Discussion and Designation of a Vice Chair for the Texas State Affordable Housing Corporation Board of Directors. |
| Tab 3 | Discussion and Possible Approval of Audit Committee Membership. |
| Tab 4 | Presentation and Discussion by Patterson and Associates regarding the Corporation's Investment Portfolio. |
| Tab 5 | Presentation, Discussion and Possible Approval of a Resolution Appointing Hearing Officers for the Corporation. |
| Tab 6 | 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 for the Ventura at Fairgrounds Apartments. |
| Tab 7 | Presentation, Discussion and Possible Approval of the Corporation's Program Guidelines for Phase II of the Housing and Economic Assistance to Rebuild Texas (HEART) Program. |
| Tab 8 | Discussion of the 86th Texas Legislative Session. |

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

ANNOUNCEMENTS AND CLOSING COMMENTS

ADJOURN:

A Board member of the Corporation may participate in a Board meeting by video conference pursuant to Section 551.127 of the Texas Government Code. A quorum of the Board will meet at the Texas State Affordable Housing Corporation's headquarters located at 2200 East Martin Luther King Jr. Blvd., Austin Texas, 78702.

Individuals who require auxiliary aids or services for this meeting should contact Rebecca DeLeon, 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 to April 30, 2019**

<i>Month</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
January-19	\$ 74,868,511	436	20.9%
February-19	\$ 74,012,198	425	20.7%
March-19	\$ 103,759,659	593	29.0%
April-19	\$ 105,278,382	599	29.4%
Totals	\$357,918,750	2053	100%
<i>Lender</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
Everett Financial, dba Supreme Lending	\$44,835,049	257	12.5%
Guild Mortgage Corporation	\$26,023,951	150	7.3%
Fairway Independent Mortgage Corporation	\$20,424,202	124	5.7%
PrimeLending	\$16,743,179	101	4.7%
DHI Mortgage Company, Ltd.	\$16,281,607	74	4.5%
Cornerstone Home Lending, Inc.	\$10,129,024	55	2.8%
Cardinal Financial Company	\$9,401,426	56	2.6%
Movement Mortgage, LLC	\$8,569,351	50	2.4%
Thrive Mortgage, LLC	\$8,549,863	52	2.4%
Nations Reliable Lending, LLC	\$8,422,820	48	2.4%
Stearns Lending, LLC	\$8,352,009	40	2.3%
AmCap Mortgage Limited	\$7,331,312	46	2.0%
SFMC, LP (Service First Mortgage)	\$6,773,012	36	1.9%
loanDepot.com LLC	\$6,729,013	36	1.9%
Highlands Residential Mortgage	\$6,381,771	35	1.8%
Academy Mortgage Corporation	\$6,332,263	41	1.8%
Guaranteed Rate	\$6,314,876	36	1.8%
Cherry Creek Mortgage Co., Inc.	\$6,090,796	36	1.7%
Southwest Funding, LP	\$5,651,098	32	1.6%
CMG Mortgage, Inc. dba CMG Financial	\$5,394,283	29	1.5%
NTFN, Inc.	\$5,270,684	30	1.5%
FBC Mortgage LLC	\$4,577,751	27	1.3%
First Choice Loan Services, Inc.	\$4,491,012	21	1.3%
Crosscountry Mortgage, Inc.	\$3,956,691	22	1.1%
DAS Acquisition Company, LLC	\$3,614,674	19	1.0%
Hometruster Mortgage Company	\$3,476,820	21	1.0%
Gardner Financial Services, Ltd.	\$3,370,241	19	0.9%
Pulte Mortgage LLC	\$3,347,885	16	0.9%
Ark-La-Tex Financial (Benchmark Mtg.)	\$3,196,264	18	0.9%
LHM Financial Corp., dba CNN Mortgage	\$3,115,148	18	0.9%
Network Funding, LP	\$2,888,861	17	0.8%
SWBC Mortgage Corporation	\$2,662,082	17	0.7%
Mortgage Financial Services, LLC	\$2,647,077	17	0.7%
Mortgage Solutions of Colorado, LLC	\$2,448,062	13	0.7%
First National Bank Mortgage	\$2,375,060	13	0.7%
Michigan Mutual, Inc.	\$2,348,439	14	0.7%
Mid America Mortgage, Inc.	\$2,325,616	14	0.6%
Gateway Mortgage Group, LLC	\$2,279,747	16	0.6%
Certainty Home Loans, LLC	\$2,231,517	15	0.6%
Independent Bank	\$2,126,968	10	0.6%
Primary Residential Mortgage, Inc.	\$2,094,590	14	0.6%
Hometown Lenders, Inc.	\$1,994,305	12	0.6%
Synergy One Lending, Inc.	\$1,988,888	11	0.6%
Security National Mortgage Company	\$1,894,832	12	0.5%
Guaranteed Rate Affinity, LLC	\$1,831,364	11	0.5%
New American Funding (Broker Solutions)	\$1,823,924	12	0.5%
First Bank	\$1,821,147	9	0.5%
American Mortgage & Equity Consultants	\$1,684,991	11	0.5%
Union Home Mortgage	\$1,559,033	10	0.4%
Geneva Financial, LLC	\$1,521,981	9	0.4%
American Pacific Mortgage Corporation	\$1,458,510	9	0.4%
First Continental Mortgage, Ltd.	\$1,371,674	5	0.4%
HomeBridge Financial Services	\$1,365,980	9	0.4%
Commerce Home Mortgage, Inc.	\$1,298,267	7	0.4%
Interlinc Mortgage Services, LLC	\$1,269,207	7	0.4%
Eagle Home Mortgage, LLC	\$1,256,683	6	0.4%
Wallick and Volk, Inc.	\$1,252,365	7	0.3%

<i>At a Glance</i>	
Average Annual Income	\$60,305
Average Purchase Price	\$178,164
Average Loan Amount	\$174,339
Average Household Size	2
Average Interest Rate	5.759%
<i>Program</i>	<i>%</i>
Home Sweet Texas	85.34%
Homes for Texas Heroes	14.66%
<i>Allied Health Faculty</i>	0.05%
<i>Corrections Officer</i>	0.88%
<i>County Jailer</i>	0.10%
<i>EMS Personnel</i>	0.29%
<i>Fire Fighter</i>	0.68%
<i>Peace Officer</i>	1.36%
<i>Professional Nurse Faculty</i>	1.27%
<i>Public Security Officer</i>	0.34%
<i>School Counselor</i>	0.24%
<i>School Librarian</i>	0.05%
<i>School Nurse</i>	0.05%
<i>Teacher</i>	7.26%
<i>Teacher Aide</i>	0.29%
<i>Veteran</i>	1.80%
<i>New/Existing Home</i>	
Existing	82.66%
New	17.34%
<i>Type of Loan</i>	
Conventional - Purchase	27.28%
FHA - Purchase	70.48%
USDA-RHS Purchase	0.00%
VA - Purchase	2.24%
<i>Ethnicity</i>	
American Indian/Alaskan Native	0.29%
Asian/Pacific Islander	1.32%
Black	11.45%
Hispanic	38.72%
Not Defined	7.84%
Other	2.09%
White	38.29%
<i>Top 20 Originating Counties*</i>	<i># Households</i>
Harris	322
Tarrant	259
Dallas	209
Bexar	131
Denton	64
Travis	59
Williamson	55
Fort Bend	54
Collin	42
Galveston	39
Nueces	39
Montgomery	38
Midland	37
Hidalgo	35
El Paso	34
Ector	33
Johnson	33
Bell	32
Kaufman	30
Hays	24

*Top 20 of all counties statewide. All remaining counties served 484 households combined.



**Homeownership Programs with Down Payment Assistance
January 1 to April 30, 2019**

BancorpSouth Bank	\$1,241,845	7	0.3%
Envoy Mortgage	\$1,217,246	7	0.3%
Sente Mortgage Inc.	\$1,214,279	6	0.3%
Wells Fargo Bank, N.A.	\$1,203,690	7	0.3%
Willow Bend Mortgage Company, LLC	\$1,200,577	7	0.3%
Directions Equity, LLC	\$1,183,562	7	0.3%
Nations Lending Corporation	\$1,042,171	7	0.3%
Summit Funding, Inc.	\$990,196	5	0.3%
Amerifirst Financial, Inc.	\$989,940	6	0.3%
Finance of America Mortgage, LLC	\$971,196	6	0.3%
Inlanta Mortgage, Inc.	\$958,555	5	0.3%
Gold Star Mortgage Financial Group	\$908,664	5	0.3%
Trinity Oaks Mortgage	\$890,766	5	0.2%
Right Start Mortgage, Inc.	\$806,027	5	0.2%
Churchill Mortgage Corporation	\$785,194	6	0.2%
Infinity Mortgage Holdings, LLC	\$755,383	4	0.2%
Goldwater Bank, N.A.	\$740,986	5	0.2%
Homevantage Mortgage	\$731,012	4	0.2%
America's Choice Home Loans, LP	\$576,268	3	0.2%
Legacy Mortgage, LLC	\$564,906	4	0.2%
LeaderOne Financial	\$552,701	4	0.2%
Republic State Mortgage Co.	\$552,210	4	0.2%
Texas Bank Mortgage Company	\$548,528	3	0.2%
Planet Home Lending, LLC	\$533,153	3	0.1%
Inspire Home Loans, Inc.	\$511,202	3	0.1%
Paramount Residential Mortgage Group	\$507,044	3	0.1%
First Community Mortgage	\$480,970	4	0.1%
Happy State Bank	\$476,704	4	0.1%
Colonial Savings, F.A.	\$470,590	3	0.1%
Pilgrim Mortgage, LLC	\$430,752	2	0.1%
CLM Mortgage, LLC	\$427,153	2	0.1%
University Federal Credit Union	\$417,335	2	0.1%
Patriot Mortgage Company	\$405,958	3	0.1%
First Centennial Mortgage Corporation	\$397,664	2	0.1%
KBHS Home Loan, LLC	\$377,529	2	0.1%
American Financial Network, Inc.	\$374,098	2	0.1%
Loan Leaders of America, Inc.	\$355,442	2	0.1%
Branch Banking and Trust Company	\$351,140	2	0.1%
Residential Wholesale Mortgage, Inc.	\$349,150	2	0.1%
CalCon Mutual Mortgage LLC	\$341,499	2	0.1%
Waterstone Mortgage Corporation	\$327,458	2	0.1%
Moria Development/Peoples Mortgage Co	\$325,119	2	0.1%
University Lending Group, LLC	\$313,220	3	0.1%
Affiliated Bank	\$307,946	2	0.1%
Midwest Mortgage Associates Corp.	\$306,839	2	0.1%
Citywide Home Loans, a Utah Corporation	\$292,552	2	0.1%
The Federal Savings Bank	\$275,495	1	0.1%
Bank of England	\$270,135	2	0.1%
Aim Bank	\$260,533	2	0.1%
Texana Bank, N.A.	\$256,270	2	0.1%
GoPrime Mortgage	\$240,070	2	0.1%
First Financial Bank, N.A.	\$233,794	2	0.1%
Finance Home America	\$226,815	2	0.1%
Caliber Home Loans, Inc.	\$223,100	1	0.1%
Capstar Lending, LLC	\$208,061	1	0.1%
Great Western Financial Services, Inc.	\$173,050	1	0.0%
Bay Equity LLC	\$166,920	1	0.0%
American Bank, N.A.	\$166,484	2	0.0%
Rocky Mountain Mortgage Company	\$155,579	1	0.0%
Panorama Mortgage Group, LLC	\$147,283	1	0.0%
Northpointe Bank	\$126,580	1	0.0%
First Capital Bank of Texas	\$112,917	1	0.0%
Grand Total	\$357,918,750	2053	100%



Mortgage Credit Certificate Program
January 1 to April 30, 2019

Month	Closed	# of Loans	% Total
Jan	\$ 18,516,343	107	18%
Feb	\$ 33,685,906	186	33%
Mar	\$ 31,834,971	178	32%
Apr	\$ 16,718,706	99	17%
Totals	\$100,755,926	570	100%

Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$12,578,142	72	12.6%
Guild Mortgage Corporation	\$5,251,146	32	5.6%
Fairway Independent Mortgage Corporation	\$5,004,812	28	4.9%
Cornerstone Home Lending, Inc.	\$4,128,953	21	3.7%
Nations Reliable Lending, LLC	\$4,028,830	23	4.0%
Thrive Mortgage, LLC	\$3,712,958	22	3.9%
DHI Mortgage Company, Ltd.	\$3,198,518	16	2.8%
CMG Mortgage, Inc. dba CMG Financial	\$2,713,097	16	2.8%
Movement Mortgage, LLC	\$2,577,746	14	2.5%
Cardinal Financial Company	\$2,489,566	14	2.5%
Stearns Lending, LLC	\$2,470,302	11	1.9%
Gateway Mortgage Group, LLC	\$1,992,415	11	1.9%
Primary Residential Mortgage, Inc.	\$1,814,682	10	1.8%
SFMC, LP (Service First Mortgage)	\$1,810,768	9	1.6%
Gardner Financial Services, Ltd.	\$1,764,909	8	1.4%
Town Square Mortgage & Investments, Inc.	\$1,749,074	11	1.9%
New American Funding (Broker Solutions)	\$1,609,877	9	1.6%
PrimeLending	\$1,559,766	10	1.8%
Crosscountry Mortgage, Inc.	\$1,437,505	9	1.6%
Pulte Mortgage LLC	\$1,392,425	7	1.2%
Highlands Residential Mortgage	\$1,355,221	9	1.6%
First Choice Loan Services, Inc.	\$1,343,984	6	1.1%
Texas Bank Mortgage Company	\$1,284,080	8	1.4%
Ark-La-Tex Financial (Benchmark Mtg.)	\$1,238,142	6	1.1%
First Continental Mortgage, Ltd.	\$1,191,374	5	0.9%
Infinity Mortgage Holdings, LLC	\$1,148,808	7	1.2%
Certainty Home Loans, LLC	\$1,130,206	8	1.4%
Guaranteed Rate	\$1,038,077	7	1.2%
Geneva Financial, LLC	\$1,033,507	6	1.1%
NTFN, Inc.	\$994,363	6	1.1%
American Mortgage & Equity Consultants	\$978,990	6	1.1%
University Federal Credit Union	\$966,487	4	0.7%
loanDepot.com LLC	\$947,468	7	1.2%
Republic State Mortgage Co.	\$923,962	5	0.9%
Mid America Mortgage, Inc.	\$907,678	6	1.1%
Hometown Lenders, Inc.	\$893,428	5	0.9%
Guaranteed Rate Affinity, LLC	\$888,893	5	0.9%
AmCap Mortgage Limited	\$826,794	5	0.9%
Hometrust Mortgage Company	\$823,166	5	0.9%
Southwest Funding, LP	\$765,981	5	0.9%
Independent Bank	\$746,396	4	0.7%
Academy Mortgage Corporation	\$733,806	6	1.1%
Gold Star Mortgage Financial Group	\$728,294	4	0.7%
CLM Mortgage, LLC	\$713,503	3	0.5%
Network Funding, LP	\$711,133	4	0.7%
Bank of England	\$685,886	3	0.5%
Colonial Savings, F.A.	\$586,850	3	0.5%
Nations Lending Corporation	\$569,162	3	0.5%
Pilgrim Mortgage, LLC	\$553,389	3	0.5%
Summit Funding, Inc.	\$526,066	2	0.4%
LHM Financial Corp., dba CNN Mortgage	\$504,239	2	0.4%
Envoy Mortgage	\$486,845	3	0.5%
Trinity Oaks Mortgage	\$484,070	2	0.4%
Bank of America, N.A.	\$482,086	3	0.5%
Eagle Home Mortgage, LLC	\$440,966	2	0.4%
Synergy One Lending, Inc.	\$439,007	4	0.7%

At a Glance	
Total Amount Originated	\$100,755,926
Average Annual Income	\$53,034
Average Purchase Price	\$185,379
Average Loan Amount	\$176,765
Average Household Size	2
Average Interest Rate	5.324%
Program	%
Home Sweet Texas	82.11%
Homes for Texas Heroes	17.89%
Allied Health Faculty	0.18%
Corrections Officer	0.35%
County Jailor	0.00%
EMS Personnel	0.70%
Fire Fighter	0.70%
Peace Officer	1.93%
Professional Nurse Faculty	1.23%
Public Security Officer	0.18%
School Counselor	0.35%
School Librarian	0.00%
School Nurse	0.00%
Teacher	9.12%
Teacher Aide	0.18%
Veteran	2.98%
New/Existing Home	
Existing	76.67%
New	23.33%
Type of Loan	
Conventional - Purchase	36.32%
FHA - Purchase	56.67%
USDA-RHS Purchase	2.81%
VA - Purchase	4.21%
Ethnicity	
American Indian/Alaskan Native	0.28%
Asian/Pac Isle	5.07%
Black	12.30%
Hispanic	37.28%
Not Defined	7.30%
Other	2.06%
White	35.70%
Top 20 Originating Counties*	# of Loans
Harris	98
Dallas	64
Tarrant	58
Travis	47
Bexar	40
Williamson	32
Fort Bend	20
Hays	20
Denton	18
Montgomery	12
Hidalgo	12
Johnson	11
Galveston	10
Bell	9
Collin	9
Ellis	9
Hunt	8
Kaufman	8
Nueces	7
El Paso	6

*Top 20 of all counties statewide. All remaining counties served 72 households.



**Mortgage Credit Certificate Program
January 1 to April 30, 2019**

First Centennial Mortgage Corporation	\$438,000	2	0.4%
SWBC Mortgage Corporation	\$432,811	3	0.5%
Interlinc Mortgage Services, LLC	\$374,962	2	0.4%
American Financial Network, Inc.	\$365,162	2	0.4%
Inlanta Mortgage, Inc.	\$359,370	2	0.4%
BancorpSouth Bank	\$350,335	2	0.4%
Amerifirst Financial, Inc.	\$334,650	2	0.4%
Moria Development/Peoples Mortgage Co	\$325,119	2	0.4%
Brazos National Bank	\$304,601	2	0.4%
The Federal Savings Bank	\$275,495	1	0.2%
Origin Bank	\$261,830	2	0.4%
Homevantage Mortgage	\$254,085	1	0.2%
University Lending Group, LLC	\$241,804	2	0.4%
Caliber Home Loans, Inc.	\$225,500	1	0.2%
First National Bank Mortgage	\$221,665	1	0.2%
KBHS Home Loan, LLC	\$207,565	1	0.2%
Castle and Cooke Mortgage	\$200,000	1	0.2%
Residential Wholesale Mortgage, Inc.	\$193,030	1	0.2%
Barton Creek Lending Group	\$184,848	1	0.2%
Wallick and Volk, Inc.	\$174,775	1	0.2%
Goldwater Bank, N.A.	\$162,993	1	0.2%
American Pacific Mortgage Corporation	\$157,102	1	0.2%
Inspire Home Loans, Inc.	\$150,807	1	0.2%
Waterstone Mortgage Corporation	\$145,809	1	0.2%
Churchill Mortgage Corporation	\$145,500	1	0.2%
Open Mortgage LLC	\$137,750	1	0.2%
Affiliated Bank	\$137,365	1	0.2%
Legacy Mortgage, LLC	\$126,003	1	0.2%
Security National Mortgage Company	\$125,190	1	0.2%
FBC Mortgage LLC	\$123,958	1	0.2%
Mortgage Financial Services, LLC	\$103,098	1	0.2%
On Q Financial, Inc.	\$82,323	1	0.2%
Happy State Bank	\$74,623	1	0.2%
Total Committed	\$100,755,926	570	100%

Tab B

Texas State Affordable Housing Corporation

6701 Shirley – Project Update
June 2019

Summary:

In October 2018 TSAHC purchased 6701 Shirley, a 10,140 square foot building in north central Austin that will become the Corporation's new offices. Since purchasing the property staff issued an RFP, selected a Design/Build Team and is currently working on planning and budgeting for the project.

The Design/Build Team is made up of Corgan as architect and FlintCo as contractor. After finalizing our contracts in early April, we have been focused on planning the interior layout of offices, board room, storage, etc., with the design team at Corgan. Additionally, the project manager with FlintCo has been focused on looking at building materials, structural components and other matters impacting the budgeting process.

Staff anticipates that by the end of June we will have a final scope of work and designs in order to move forward with bidding to sub-contractors and setting the guaranteed maximum price. Once this has been approved, we will move forward with permitting and the start of construction. Here is a summary timeline:

- ✓ Staff Visioning Session – March 18
- ✓ Design/Build contract signed – April 22
- ✓ Concept Design Presentation - May 14
- ✓ Initial Budget Estimates – May 27
- ✓ Cost Engineering Complete – June 14
- ✓ Guarantee Maximum Price submitted – June 29
- ✓ Final Scope of Work Approval – July 12
- ✓ Permitting and Site Plan Submission – August 1
- ✓ Construction Start – October 1

Staff will continue to provide regular updates to the Board on the status of the project. Once construction starts, photos and other information will be provided to demonstrate progress. We're hoping to move into our new offices by spring of 2020.

Texas State Affordable Housing Corporation

Development Finance Programs Report
June 2019

Affordable Communities of Texas Program (ACT)

Staff completed one NSP home sale this past month in partnership with Community Development Corporation of Brownsville (“CDCB”) and is preparing for five NSP home loan closings in June with Affordable Homes of South Texas, Inc (“AHSTI”) at the Saddle Creek subdivision in McAllen.

In May, staff attended a Vacant, Abandoned, and Deteriorated Properties Training Academy, in Houston, that will assist with the land management and housing development at TSAHC’s land banked properties. The training was coordinated by the Center for Community Progress.

Here is a summary of the past month’s portfolio activity:

Program	Portfolio as of May 1, 2019	Acquired	Sold	Portfolio as of June 1, 2019	Current Portfolio Value
ACT Land Bank	52	0	0	52	\$477,712.00
ACT Land Trust	1	0	0	1	\$650,000.00
Texas NSP	177	0	1	176	\$2,398,757.09
Veteran's Initiative	1	0	0	1	\$33,210.00
Totals	231	0	1	230	\$3,559,679.09

Our current pipeline report has 14 homes under contract with eligible buyers, 18 homes listed for sale, 13 homes under construction and 25 properties in predevelopment.

Earlier this year, TSAHC was introduced to several local developers in the San Antonio market by Texas Capital Bank. That meeting has led to a potential land trust partnership with Terramark Interests, LLC. Terramark has been building infill housing for the past 35 years in Houston, San Antonio and other Texas markets. In April, the principals of Terramark applied for and were awarded a contract to redevelop a small tract of land near downtown San Antonio by the City’s Neighborhood and Housing Services Department.

Staff has been investigating the project and hopes to work with Terramark to build 12 affordable rental units at the project site and is considering a land trust and general partnership model, which will provide TSAHC a long-term ownership interest in the project. Staff anticipates bringing this project to the July or August board meetings for Board consideration.

Texas Housing Impact Fund

Legacy CDC has requested a renewal of their current line of credit and an increase from \$450,000 to \$500,000. Legacy CDC uses the line of credit to acquire, construct and sell affordable homes in Jefferson County (the Beaumont/Port Arthur area) and focus on creating affordable homeownership in downtown Port Arthur. Staff is collecting and reviewing financials and other project information now and aims to present a project summary and underwriting at the June loan committee meeting for full approval.

Multifamily Bond Program

Staff is actively working on three bond transactions at this time. During this board meeting the Board will be asked to consider the submission of a new private activity volume cap application to the Texas Bond

Texas State Affordable Housing Corporation

Development Finance Programs Report

June 2019

Review Board. If approved, TSAHC will apply for a volume cap reservation on August 15th for the Ventura at Fairgrounds transaction, which was originally planned for closing in January of 2019. This new resolution simply allows staff to restart the Bond Review Board's reservation process, with the intention of closing the transaction in September 2019.

Pythian Manor Apartments, a 76 unit apartment project in Dallas, Texas, will have its public hearings completed by June 12, and staff anticipates bringing the project back to the Board for final approval in July. Finally, the Hamilton Valley project, a 23 property portfolio of older USDA Rural Development projects scattered throughout the State, is anticipating submitting their reservation for private activity bond volume cap in July with an anticipated closing in December of this year.

Tab C

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS (unaudited)
As of April 30, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 10,585,574
Restricted Assets Held by Bond Trustee:	
Cash and Cash Equivalents	668,543
Accrued Interest	45,472
Custodial Cash and Cash Equivalents	144,978
Investments, at Fair Market Value	11,538,577
Accounts Receivable & Accrued Revenue	24,046
Accrued Interest Receivable	65,501
Loans Receivable, Current Portion	69,699
Notes Receivable, Current Portion	644,909
Down Payment Assistance	142,954
Prepaid Expenses	57,081

Total Current Assets: 23,987,334

Noncurrent Assets

Loans Receivable, Net of uncollectible amounts of \$4,834	448,441
Notes Receivable, Net Allowance for Loss of \$500,000	3,237,407
Investments, at Fair Market Value	7,215,184
Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,516,956	211,105
Fixed Assets, Net of Accumulated Depreciation of \$812,869	1,240,748
Owned Real Estate, Federal & Other Programs Net of Amort \$633,548	11,460,680
Restricted Investments Held by Bond Trustee, at Fair Market Value	28,698,473

Total Noncurrent Assets: 52,512,038

TOTAL ASSETS \$ 76,499,372

(continued)

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS - Continued (unaudited)
As of April 30, 2019

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$	294,768
Notes Payable, Current Portion		52,862
Custodial Reserve Funds		144,978
Due to Federal Programs		1,879,535
Other Current Liabilities		161,362
Payable from Restricted Assets Held by Bond Trustee:		
Bonds Payable, Current Portion		750,000
Accrued Interest on Bonds		150,937

Total Current Liabilities: 3,434,442

Noncurrent Liabilities

Notes Payable		2,150,214
Revenue Bonds Payable		26,132,497
Unearned Revenue		4,030,814

Total Noncurrent Liabilities: 32,313,525

Total Liabilities: 35,747,967

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue		182,384
------------------	--	---------

Total Deferred Inflows of Resources 182,384

NET POSITION

Invested in Capital Assets		1,240,748
Restricted for:		
Debt Service		2,379,054
Other Purposes		3,837,159
Unrestricted		33,112,060

Total Net Position: \$ 40,569,021

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)
for the 8 months ending April 30, 2019

Operating Revenues

Interest and Investment Income	\$ 1,359,739
Net Increase (Decrease) in Fair Value of Investments	(91,178)
Single Family Income	3,834,440
Asset Oversight and Compliance Fees	167,082
Rental Program Income	413,304
Multifamily Income	201,939
Land Bank Income	148,277
Public Support	
Federal & State Grants	11,980
Contributions	42,300
Other Operating Revenue	45,851
Total Operating Revenues	\$ 6,133,734

Operating Expenses

Interest Expense on Bonds and Notes Payable	\$ 665,597
Salaries, Wages and Payroll Related Costs	1,855,044
Professional Fees and Services	221,528
Amortization	138,359
Office and Equipment Rental and Maintenance	67,640
Travel and Meals	65,531
Depreciation	169,081
Program and Loan Administration	258,309
Grant Expenditures	11,986
Foundation Fund/Rebuild Texas Grants	648,000
Other Operating Expenses	246,596
Total Operating Expenses	\$ 4,347,671

Net Income 1,786,063

Total Net Position, Beginning 38,782,958

Total Net Position, Ending \$ 40,569,021

Texas State Affordable Housing Corporation
Budget Report
April 30, 2019

	Annual Budget	Actual	Percent of Annual Budget	Reference
Revenue				
Servicing Revenue	128,000	89,429	70%	
Single Family	9,550,000	5,356,652	56%	
Multifamily Program Revenue	764,000	527,606	69%	
Lending Program Revenue	2,720,000	2,484,710	91%	①
ACT/THIF Program Revenue	200,000	97,297	49%	
Grants & Donations	720,000	292,300	41%	
Federal & State Grants	151,000	3,833,693	2539%	②
Tenant Rent Revenue	513,000	344,174	67%	
Investment Revenue	1,140,000	1,622,225	142%	③
Total Revenue	15,886,000	14,648,086	92%	
Expenditures				
Salaries & Payroll Related Expenditures	2,935,000	1,862,068	63%	
Program Expenditures	10,491,000	3,088,726	29%	④
HEART Program & Foundation Fund Grants	950,000	648,000	68%	
Professional Services	451,000	227,930	51%	
Principal & Interest on Notes Payable	159,000	597,318	376%	⑤
Marketing	152,000	96,996	64%	
Insurance	120,000	85,145	71%	
Travel & Meals	125,000	65,531	52%	
Furniture, Equipment & Software	31,000	17,231	56%	
Building Maintenance	72,000	29,480	41%	
Professional Dues, Conferences & Training	43,000	24,148	56%	
Bank Fees & Charges	20,000	7,801	39%	
Sponsorships	20,000	16,350	82%	
Communication	15,000	9,933	66%	
Printing & Office Supplies	4,000	3,276	82%	
Publications, Subscriptions & Office Exp.	18,000	13,661	76%	
Freight, Delivery & Postage	9,000	7,916	88%	
	15,615,000	6,801,510	44%	
Net Income	271,000	7,846,576	2895%	

Average Expected Percent Received/Expended = 67%

Texas State Affordable Housing Corporation
Budget Report
April 30, 2019

Explanation of Variances

- ① The budget overage for Lending Program Revenue relates exclusively to the timing of the repayment of a \$2 million loan made to the Chestnut Neighborhood Revitalization Corporation. The money was used for the development of a residential & commercial property called The Chicon located in Austin, Texas. Of the \$2.7 million budgeted for Lending Program Revenue \$2 million related to the Chicon note which was repaid in full prior to the end of March 2019. We anticipate that Lending Program Revenue will be on target by year end.
- ② Federal & State Grant funds are significantly over budget because the Corporation applied for and received a grant totaling \$3,750,000 from the Capital Magnet Fund. The Capital Magnet Fund (CMF), awards competitive grants to community development financial institutions (CDFIs) and other non-profit organizations to develop affordable housing and other projects. Administered through the federal CDFI Fund, the CMF was established as a permanent trust fund in the Housing and Economic Recovery Act of 2008. Application and receipt of the CMF grant was not anticipated in the original operating budget for FY 2019.
- ③ Investment revenue is over budget due the prepayment of mortgages within the pools making up the Corporation's mortgage backed securities investments. While we make every effort to estimate the number and amount of prepayments, it is not possible to predict this activity with certainty. During the period September 1, 2018 through April 30, 2019 the Corporation collected loan prepayments totaling \$1,210,210.
- ④ Program expenditures are under budget due to the timing of program expenses paid out. We expect this line item to be on target by year end.
- ⑤ Principal & Interest on Notes Payable is over budget because the Corporation decided to repay a \$500,000 line of credit borrowed from Texas Capital Bank. The line of credit was originally used to fund the Chicon project described in explanation #1 above. When the note receivable related to the project was repaid in full the Corporation also extinguished the associated debt of \$500,000.

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
May 8, 2019 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 Jerry Romero, Vice Chair, at 10:30 a.m., on May 8, 2019, 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

Jerry Romero, Vice Chair
Bob Jones, Member
Valerie Cardenas, Member

Members Absent

William Dietz, Chair

Staff Present

Cassandra Ramirez, Specialist, Development Finance
Celina Stubbs, Manager, Asset Oversight and Compliance
Cynthia Gonzales, Senior Office Manager and Loan Servicing Manager
Dave Danenfelzer, Senior Director, Development Finance
David Long, President
Frank Duplechain, Specialist, Homeownership Programs
James Matias, Senior Manager, Asset Oversight and Compliance
Janie Taylor, Executive Vice President
Joniel Crim, Director, Homeownership Programs
Katie Claflin, Director, Communications and Development
Laura Ross, Manager, Communications and Development
Melinda Smith, Chief Financial Officer
Michael Wilt, Manager, External Relations
Nick Lawrence, Controller
Rebecca DeLeon, Corporate Secretary
Sarah Ellinor, Senior Manager, Homeownership Program

Guests

Claire Merritt, Hilltop Securities
Karen Kennard, Greenberg Traurig, LLP
Stephen McPherson, Wilmington Trust
Kathy McQuiston, Bank of Texas

Public Comment

No public comment was given.

President's Report

Presented by Mr. Long.

See page 5 in the official transcript.

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on April 9, 2019.

Mr. Jones made a motion to approve the minutes of the Board meeting held on April 9, 2019. Ms. Cardenas seconded the motion. Mr. Romero asked for public comment and none was given. A vote was taken and the motion passed unanimously.

See page 13 in the official transcript.

Tab 2 Presentation, Discussion and Possible Approval of a Resolution approving the Corporation's Fiscal Year 2020 Investment Policy

Presented by Melinda Smith.

Ms. Cardenas made a motion to approve a Resolution approving the Corporation's Fiscal Year 2020 Investment Policy. Mr. Jones seconded the motion. Mr. Romero asked for public comment and none was given. A vote was taken and the motion passed unanimously.

See page 14 in the official transcript.

Tab 3 Presentation, Discussion and Possible Approval of the Corporation's Fiscal Year 2020 Broker Listing.

Presented by Melinda Smith.

Ms. Cardenas made a motion to approve the Corporation's Fiscal Year 2020 Broker Listing. Mr. Jones seconded the motion. Mr. Romero abstained. Mr. Romero asked for public comment and none was given. A vote was taken and the motion passed.

See page 16 in the official transcript.

Tab 4 Presentation, Discussion and Possible Approval of a Resolution Regarding the Submission of One or More Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage Revenue Bonds.

Presented by Joniel Crim.

Mr. Jones moved to approve a Resolution Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage Revenue Bonds. Ms. Cardenas seconded the motion. Mr. Romero asked for public comment and none was given. A vote was taken and the motion passed unanimously.

See page 18 in the official transcript.

Tab 5 Discussion of the 86th Texas Legislative Session.

Presented by Mr. Wilt.

See page 20 in the official transcript.

Announcements and Closing Comments

Mr. Long recognized Mr. Jones and Mr. Romero for their service to the Board. Both Mr. Jones and Mr. Romero expressed their appreciation for their fellow board members and thanked Mr. Long and the Corporation staff for their hard work during their tenure on the Corporation's Board of Directors.

Mr. Long and Board Members tentatively scheduled the next Board Meeting for June 12, 2019.

Adjournment

Mr. Romero adjourned the meeting at 10:59am.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

Elect Vice Chair

Tab 3

Approval of Audit Committee Membership

Tab 4

Presentation of Corporation's Investment Portfolio by Linda Patterson

Tab 5

RESOLUTION NO. _____
RESOLUTION APPOINTING HEARING OFFICERS

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") desires to appoint representatives to conduct any public hearings held by the Corporation, including any public hearing relating to the issuance of obligations to be issued by the Corporation (including any public hearings required by Section 147(f) of the Internal Revenue Code of 1986, as amended);

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

Section 1. Appointment of Hearing Officers. The President, the Executive Vice President and the Chief Financial Officer of the Corporation, the Secretary of the Board of Directors of the Corporation, the Corporation's Director of Development Finance, the Corporation's Director of Home Ownership Programs as well as representatives of the Corporation's Bond Counsel with respect to each bond program and the issuance of obligations associated therewith, are each hereby appointed to act individually as the Corporation's Hearing Officers and to conduct any and all public hearings on behalf of the Corporation in connection with the issuance of single family mortgage revenue obligations, multifamily housing revenue obligations, including refundings of any of those obligations and any other matters that require the holding of a public hearing.

Section 2. Open Meeting. It is hereby officially found and determined that the meeting at which this resolution was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 3. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason 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.

Section 4. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

PASSED, APPROVED AND EFFECTIVE this June 12, 2019.

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

Chairperson

ATTEST:

Secretary

Tab 6

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 June 12, 2019, 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), Valerie Vargas Cardenas (Director), Courtney Johnson Rose (Director), Lali Shipley (Director), and Andy Williams (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. _____

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 for the Ventura at Fairgrounds Apartments"

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 June 12, 2019.

Secretary, Texas State Affordable Housing
Corporation

RESOLUTION NO. _____

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 for the Ventura at Fairgrounds Apartments

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") previously adopted Resolution 18-10 which authorized the submission of one or more Applications for Allocation of Private Activity Bonds for calendar year 2018 in connection with tax-exempt obligations in a principal amount not to exceed \$40,000,000 (the "Bonds");

WHEREAS, the Board now desires to submit one or more calendar year 2019 Applications for Allocation of Private Activity Bonds or a calendar year 2019 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with the Bonds relating to a qualified residential rental housing project to be located on the approximately 26 acres at the Northeast corner of the intersection of Scharbauer Drive and North Fairgrounds Road, Midland, Texas 79705 (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to THF Midland Leased Housing Associates II, Limited Partnership, a Texas limited partnership (the "Borrower"), which will use the proceeds for acquiring, constructing and equipping the Project;

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.

PASSED, APPROVED AND EFFECTIVE this June 12, 2019.

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

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 for the Ventura at Fairgrounds Apartments.

Update:

The Corporation's Board approved an inducement and bond resolution for the Ventura at Fairgrounds development in 2018. The targeted closing date of January 10th, 2019 was missed due to difficulties obtaining permitting and site review clearance, causing the bond volume cap reservation to expire.

The developers, Dominion Inc. and Texas Housing Foundation, have been able to resolve the previous issues and are prepared to move forward. In order to reapply for private activity bond volume cap from the Texas Bond Review Board, the Corporation's Board needs to approve the attached resolution authorizing the submission of a new Application for Allocation of Private Activity Bonds. The development may also have to receive re-approval from the Texas Bond Review Board.

Map of Project Area



Project Summary:

The Corporation received an application from Dominion Inc. and Texas Housing Foundation (Developer) on June 14, 2018 proposing the development of a multifamily rental project located in Midland, Texas. The application requested approximately \$40 million in long-term bonds with an original target date of closing on or before January 10, 2019. The project did have a reservation of private activity bonds, approved on August 15, 2018, but was not able to close before the expiration date.

Public Benefit:

The proposed project will provide 300-units of housing targeted to families earning 60% of area median income or less. Midland meets the Corporation's Target Housing Need as a Small Urban Market.

Financial Summary:

The proposed new construction of Ventura at Fairgrounds Apartments has a total budget of approximately \$70.9 million. Approximately \$3.6 million will be used for land acquisition costs, with construction costs of \$45.6 million or \$152,102 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$21.7 million in total costs.

The total bond amount is anticipated to be \$40 million. The bonds will be issued as long-term securities. Key Bank will be the initial bond purchaser, then the bonds will be purchased through the Freddie Mac Tax Exempt Loan Program. The Corporation will issue the bonds and use funds to provide a permanent mortgage to the Developer/Owner. The anticipated permanent first mortgage will be \$38.7 million, with tax credit equity estimated at \$22.4 million. Deferred developer fees of \$6.7 million and cash equity of \$3.1 million round out the remaining sources.

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

Staff has reviewed updated financial information on the project and continues to support this analysis.

Market Conditions:

Ventura at Fairgrounds Apartments will sit near the intersection of East Golf Course Road and North Fairgrounds on the east side of Midland, Texas. The property is located near several large parks and is a fast growing single family residential area. Both elementary and secondary schools are located within 2 miles, and access to office and commercial centers is easily accessed by East Golf Course Road and Business IH-20.

The project sits within a census tract that has a median home price of \$166,300, as compared to Midland County's overall median home price of \$175,000. While the census tract home pricing is lower at this time, more than 200 lots have been approved for development within one mile of the project. Median family income for the census tract was not available to Staff, but the County median Income was reported at \$85,709, higher than the State's median of \$64,585. Because of continued growth in oil and gas field exploration, along with expanding wind energy, the Midland area's income and overall cost of living has grown much faster than the State's. Median rents for the area average \$1,143 compared to the State's average of \$911.

Access to affordable rental units in Midland has increased in recent years, but construction has not kept up with population growth. Thirteen properties with 1,589 affordable units were observed in Staff's market review, one of these, Palladium Midland, was financed through bonds issued by the Corporation in 2015. Of the thirteen properties only five were less than 10-years old.

Staff has reviewed updated market information and continues to support this analysis.

Borrower Summary:

The development team for Ventura at Fairgrounds is Dominion and the Texas Housing Foundation. The Texas Housing Foundation (THF) is a non-profit public housing authority based in Marble Falls, Texas. THF was created in 2006 and has developed more than 1,000 units of affordable rental housing throughout Texas. THF's Executive Director Mark Mayfield has been involved in affordable housing development for more than 20 years. THF, as General Partner, will oversee management of the property and has established working agreements with the Midland Public Housing Authority to provide access to the development for section 8 voucher holders and other special needs populations.

Founded in 1972 by David Brierton and Jack Safar, Dominion now owns over 25,000 apartment units and has more than 1,000 employees across the United States. Eighty-percent of Dominion's portfolio is comprised of affordable communities, primarily Section 42 Tax Credit and senior properties. Product types range from garden style to mid-rise to high-rise communities including historic and value added rehabilitations.

Here in Texas, Dominion is represented by a strong team including Jeff Spicer, Vice President and Project Partner in Development and Acquisitions. Mr. Spicer has worked for more than 25 years in affordable housing in Texas. The Corporation previously worked with Mr. Spicer on the THF Sagebrush Apartments project that received a loan through the Corporation's Texas Housing Impact Fund in 2018.

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

The Corporation did complete the Ventura at Tradewinds development with this development team in January 2019. That project is already under construction and targeted to open in late 2020.

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 for the Ventura at Fairgrounds Apartments.

Tab 7



Phase II Program Guidelines: Housing and Economic Assistance to Rebuild Texas (HEART) Program

Agenda Item

Presentation, Discussion and Possible Approval of the Corporation's Program Guidelines for Phase II of the Housing and Economic Assistance to Rebuild Texas (HEART) Program.

Summary

Staff is proposing an updated set of guidelines to administer Phase II of the HEART Program. Here is a summary of significant changes between the HEART guidelines previously adopted in April and July 2018 and proposed Phase II guidelines.

- Program Overview section updated to reflect activities from the first round of HEART grant funding.
- Funding for Critical Home Repairs section updated to reflect Rebuild Texas Fund's increased commitment to home repair funding for Phase II.
- Eligibility Requirements section amended to recommend the following modified requirements:
 1. Organization Type: Only 501(c)(3) organizations will be considered.
 2. Experience Requirements: Deleted reference to organizations without a 501(c)(3) designation.
 3. Financial Requirements: Two years of audits will be required of all organizations, regardless of the size of their operating budget.
 4. Household requirements: Expanded the definition of critical home repairs to include rebuilds for eligible households whose homes were completely destroyed.
 5. Geographic Requirements: Only 20% of the total grants and funding may be provided to Harris and/or Waller Counties.
- Administration section amended to recommend that the Phase II application process be invite only. TSAHC staff has vetted organizations from the first round of funding through interviews and site visits. Based on those assessments, only high-performing nonprofits or organizations identified by Rebuild Texas Fund will be invited to apply for Phase II. Additionally, the proposed caps for Phase II funding are \$100,000 per organization and \$15,000 per household.
- Grant Agreement section updated to reflect that organizations can use up to 5% of a grant award on administrative costs.

Recommendation

Staff recommends that the Board approve the proposed guidelines, with amendments if any, for immediate adoption.

Program Overview

The Texas State Affordable Housing Corporation (TSAHC) has partnered with Enterprise Community Partners (Enterprise) and the Rebuild Texas Fund to create the Housing and Economic Assistance to Rebuild Texas (HEART) Program, a program that awards grants ~~of up to \$50,000~~ to nonprofits providing critical home repairs and other housing assistance to families displaced or otherwise affected by Hurricane Harvey.

In addition to grant funding, the program also provides direct technical assistance to grantees to help them build capacity and scale their programs to assist more Texas families.

As of May 2018, TSAHC and Enterprise have awarded more than \$1,300,000 million in grants to 324 nonprofit organizations. The initial funding was provided by the Rebuild Texas Fund, the Meadows Foundation, the Center for Disaster Philanthropy and a commitment from TSAHC.

The Rebuild Texas Fund is awardinghas awarded TSAHC and Enterprise additional funding for a Phase II round of grants that will be reserved for high performing nonprofits providing home repairs to households affected by Hurricane Harvey.

Funding for Critical Home Repairs

A total of ~~\$350,000~~ \$840,000 in initial funding is available for critical home repairs under the Phase II of the HEART Program. ~~This includes an initial \$250,000 grant from the Rebuild Texas Fund as well as a \$100,000 commitment from TSAHC's unrestricted revenue.~~

~~The Rebuild Texas Fund has also committed additional funding as matching funds, which may become available once the initial funds are expended.~~ TSAHC and Enterprise **Community Partners** will continue to seek additional funds to increase the funding available under the program.

Eligibility Requirements

To qualify for critical repair grant funding, applicants must meet all of the following requirements:

1. **Organization Type:** Applicant must be a nonprofit organization with a 501(c)(3) designation from the Internal Revenue Service; ~~a government entity serving one or more rural counties, cities and/or communities[†]; a church; or a religious organization.~~
2. **Experience Requirements:** Applicant must have a successful track record of providing housing-related services for at least two years. ~~Applicants without a 501(c)(3) status [as specified in *Organization Type* above] must specifically be able to document prior experience with home repair programs.~~

[†] TSAHC defines "rural" as a county that is outside a metropolitan statistical area (MSA), or a city or community that is: 1) outside the boundaries of an MSA; or 2) within the boundaries of an MSA, if it has a population of 25,000 or less and does not share a boundary with an urban area (population larger than 25,000 within an MSA).

3. **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.
4. **Household Requirements:** To ensure the HEART program reaches those who are most in need, each applicant must use critical repair funds only for critical home repairs² of single-family homes³ to households at or below 80% of the area median family income (low income)⁴. Homes receiving repairs must be owner-occupied.
5. **Geographic Requirements:** Applicant must provide critical repairs to hurricane-damaged homes located in counties eligible for individual assistance as part of the Federal Emergency Management Agency's federal disaster declaration. A map of the counties included in the federal disaster declaration is included as an attachment to these guidelines. The number of grants and funding available to Harris, ~~Montgomery~~ and/or Waller County are limited to no more than ~~half~~ 20% of the total amount of critical repair grants and funding available.
6. **Exceptions:** To best meet the needs of households affected by Hurricane Harvey, TSAHC's President or Executive Vice President may allow for exceptions for an applicant's experience or financial requirements on a case-by-case basis for otherwise qualified applicants.

Administration

- ~~1.~~ Applications will be accepted on a rolling basis as long as funding is available on invitation-only basis.
- ~~2.~~ Applicants must have been awarded funds during the first phase of the HEART program and demonstrated a high level of performance in administration of their grant funding, and/or be specifically recommended for funding by the Rebuild Texas Fund.
- ~~1-3.~~ Applicants will be notified of their invitation to Phase II of the HEART program and will be asked to submit a proposal describing their proposed use of funds.
- ~~2.~~ Interested applicants must submit an introductory pre-proposal describing their proposed program and technical assistance needs.
- ~~3-4.~~ After reviewing each pre-proposal for program eligibility, TSAHC, Enterprise Community Partners and the Rebuild Texas Fund will determine if the applicant's is a good fit for the program and if so, direct the applicant to submit a full proposal is satisfactory.
- ~~4-5.~~ The maximum grant per applicant is \$50,000 \$100,000, and the maximum amount that can be used to assist an individual household is \$10,000 \$15,000.
- ~~5-6.~~ Grantees will receive funding as a lump sum award. In certain circumstances, TSAHC may disperse critical repair funds in one or more installment(s).

² TSAHC defines critical repairs as repairs to a failed system, including electrical, roofing repairs/replacements, structural damage, plumbing, mechanical systems, and heating and air conditioning. Critical repairs must be vital to the health and safety of the occupants and meet state and local building codes. Critical repairs may also include complete rebuilds for homeowners whose homes were completely destroyed by the hurricane.

³ TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot, or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex, or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

⁴ TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility for the HEART program. To review the current income limits, visit: www.huduser.org/portal/datasets/il.html

~~6.7.~~ Grantees must spend 100% of their award and complete all activities proposed in their application within one year of signing their grant agreement.

~~7.8.~~ Grantees will be required to provide income certifications for all households assisted with critical repairs.

~~8.9.~~ Grantees will be required to provide evidence that the housing receiving critical repairs was damaged by Hurricane Harvey. Evidence may include proof of application to the Federal Emergency Management Agency, Insurance Claim Statements, or property assessment form completed by another entity. Grantees must also provide documentation demonstrating that the repairs were not funded through federal funds, an insurance claim, or another funding source.

~~9.~~ Funding for additional disaster-related housing services will be made available by Enterprise Community Partners as part of this partnership. While applicants with a 501(c)(3) designation may apply for both funding types, the total available to each organization is capped at \$50,000. Applicants do not need to submit a separate application for each funding type.

Grant Agreement

Grantees will be required to execute a grant agreement that outlines:

- a description of how the grant will be used,
- eligible expenditures⁵,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

Failure to adhere to the terms of the grant agreement may result in the delay or cancelation of grants, termination of the agreement, or request for repayment of all or part of the grants disbursed.

Questions

Questions should be submitted in writing to Michael Wilt by email at mwilt@tsahc.org. Applicants are highly encouraged to review the HEART Program Question and Answer section of TSAHC's website at www.tsahc.org for pertinent application information.

⁵ Grantees may use up to 5% of their grant for administrative costs. The remaining amount must be used 100% of their grant for direct costs for critical home repairs. These costs may include, but are not limited to, contractor fees, materials, salaries for staff performing critical repair work, and building permits and inspection fees for homes to be repaired. The grant agreement will include a full list of expenses eligible for a grant.

Tab 8



86th Texas Legislature TSAHC Report June 2019

TSAHC Activity at the Capitol

- Michael Wilt was available as a resource witness on CSSB 1114 (Housing on School District Land Bill) at House Urban Affairs on May 13th. Committee members did not have questions on the bill.
- At the request of Sen. Lucio's office, David Long, Janie Taylor, and Michael Wilt met with Senate offices on May 20th and 21st to explain CSHB 1402 by Rep. Walle (TSAHC Purposes Bill).
- The Legislative Session concluded Monday, May 27th by adjourning sine die.

Legislation of Interest

- **CSSB 1474 by Sen. Lucio** – Modifies the Private Activity Bond program.

The Senate unanimously passed CSSB 1474 on April 16th, and it was sent to the House on April 17th. It was referred to House Pensions, Investments & Financial Services and passed out of committee May 10th. It passed the full House on May 21st and was sent to the Governor.

- **CSHB 1402 by Rep. Walle / SB 647 by Sen. Lucio** – Allows TSAHC to conduct limited economic development activities and modifies the income categories TSAHC may serve.

The House passed CSHB 1402 on April 24th, and it was sent to the Senate that same day. It was referred to Senate Intergovernmental Relations and passed out of committee on May 6th. It was placed on the Senate Intent calendar on May 13th but was never considered by the Senate. SB 647 became dormant once CSHB 1402 started moving in the legislative process.

- **CSSB 1114 by Sen. Lucio** – Allows some school districts to donate or sell property at below fair market value to TSAHC in order to create housing for school district employees on that property.

The Senate passed CSSB 1114 on April 16th, and it was sent to the House on April 17th. It was referred to House Urban Affairs and heard on May 13th. CSSB 1114 was left pending in committee.

- **CSSB 1116 by Sen. Lucio** - Establishes a state tax credit system TSAHC would administer to provide more private investment in the creation of Permanent Supportive Housing units.

CSSB 1116 was heard by Senate Finance on Wednesday, April 24th. The bill was left pending in committee.

- **CSHB 2646 by Rep. Gutierrez** – Directs TSAHC to adopt a land bank program that would create housing for veterans.

The House passed CSHB 2646 on May 7th, and it was sent to the Senate on May 8th. It was not referred to a committee in the Senate.