

T E X A S
State Affordable Housing Corporation

August Board Meeting

To be held at the offices of
Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, TX 78752

Tuesday, August 16, 2022
10:30 a.m.

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

**To be held at the offices of
Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752**

**August 16, 2022
10:30 A.M.**

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

Valerie Cardenas, Vice 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 July 19, 2022. |
| Tab 2 | Presentation and Discussion of Homeownership Programs Monthly Board Reports. |
| Tab 3 | Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith. |
| Tab 4 | Presentation, discussion and possible approval of a resolution approving a Texas Housing Impact Fund construction loan to Project Transitions, Inc. in an amount not to exceed \$3,000,000 for the Burnet Place Apartments. |
| Tab 5 | Presentation, Discussion and Possible Approval of the Fiscal Year 2023 Annual Operating Budget. |
| Tab 6 | Presentation, Discussion and Possible Approval of the Fiscal Year 2023 Audit Committee Guidelines. |

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 6701 Shirley Avenue., Austin Texas, 78752.

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.

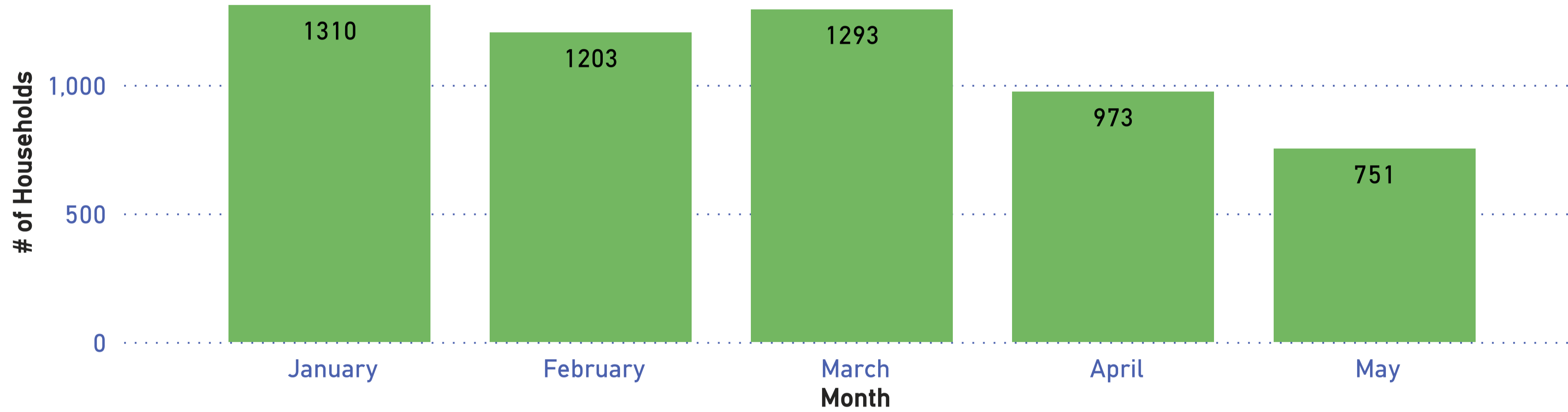
Section 46.035 of the Texas Penal Code prohibits handgun licensees from carrying their handguns at government meetings such as this one. This prohibition applies to both concealed carry and open carry by handgun licensees. Handgun licensees are required by law to refrain from carrying their handguns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

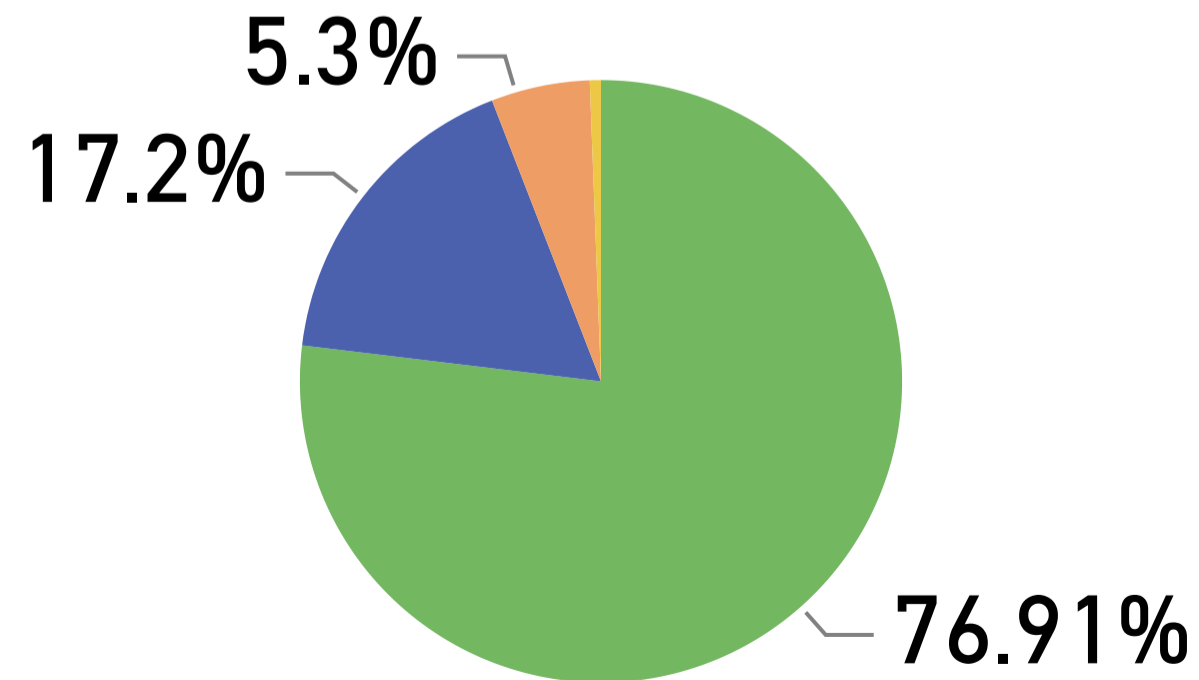
Tab A
Homeownership Finance Report

of Households by Month



Loan Type

- FHA - Purchase
- Conv. - Purch.
- VA - Purchase
- USDA-RHS Purch.



67.50K

Average Annual Income

234K

Average of Loan Amount

4.92%

Average Interest Rate

689

Average Credit Score

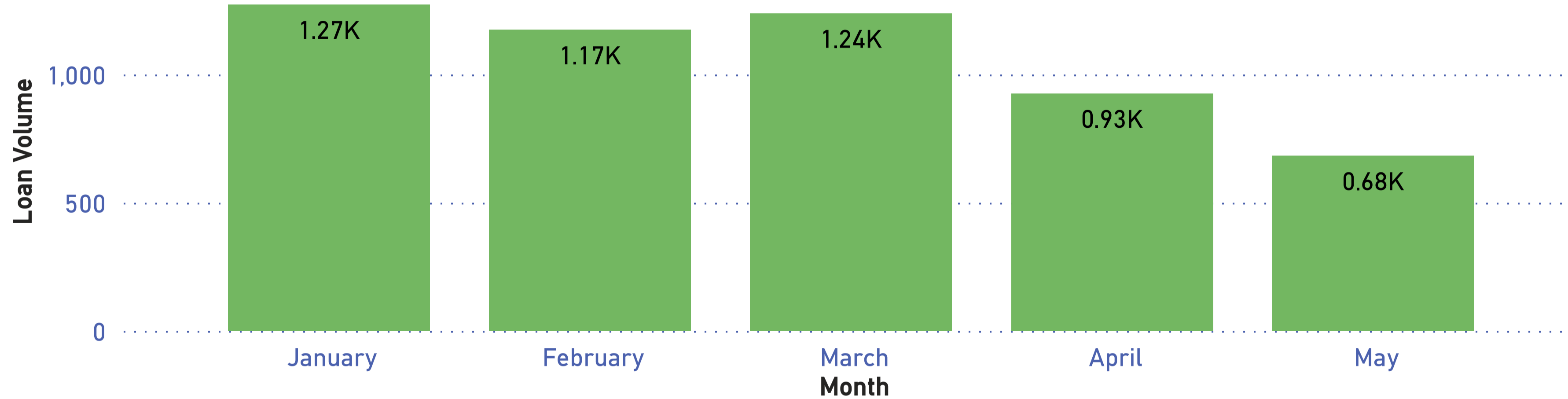
5530

Households Served

2

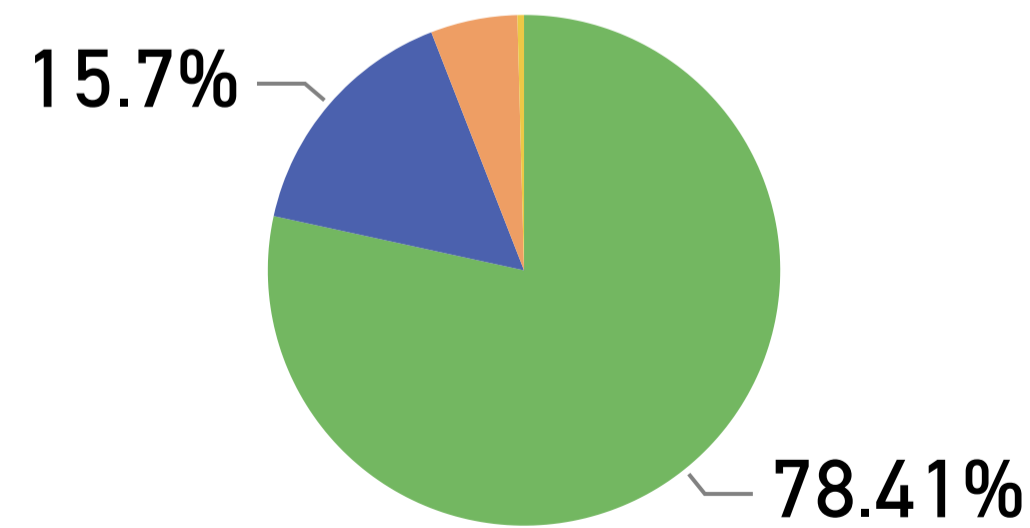
Average Household Size

Loan Volume by Month



Loan Type

- FHA - Purch...
- Conv. - Purch.
- VA - Purchase
- USDA-RHS ...



\$8,720
Average DPA Awarded

\$46,162,272
Total DPA Awarded

68.00K

Average Annual Income

234K

Average Loan Amount

1239M

Total Loan Volume

5294

Households Served

4.96%

Average Interest Rate

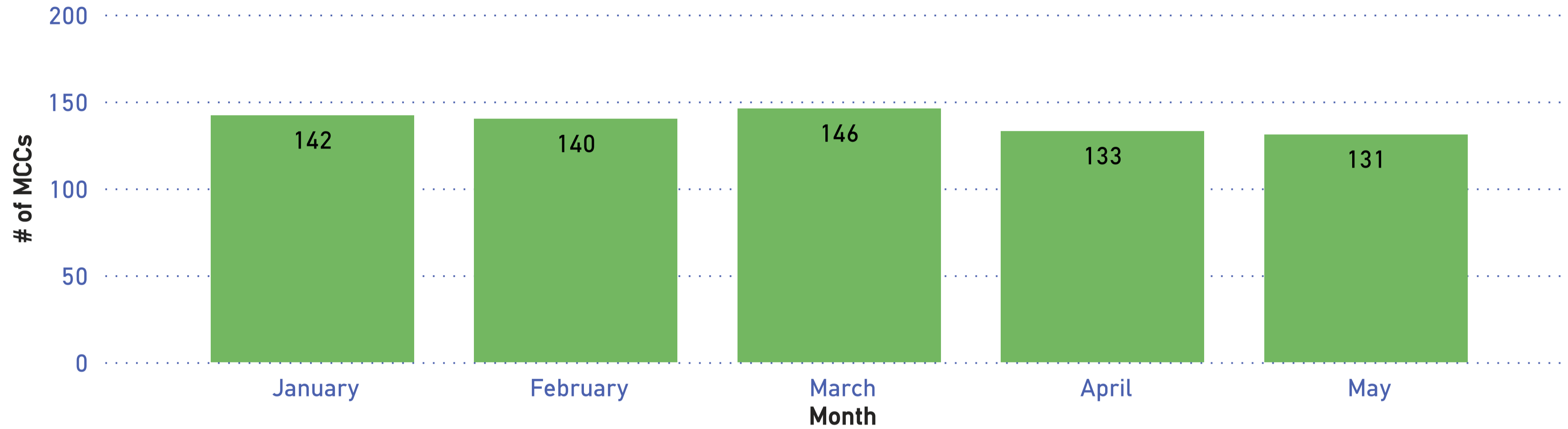
689

Average Credit Score

2

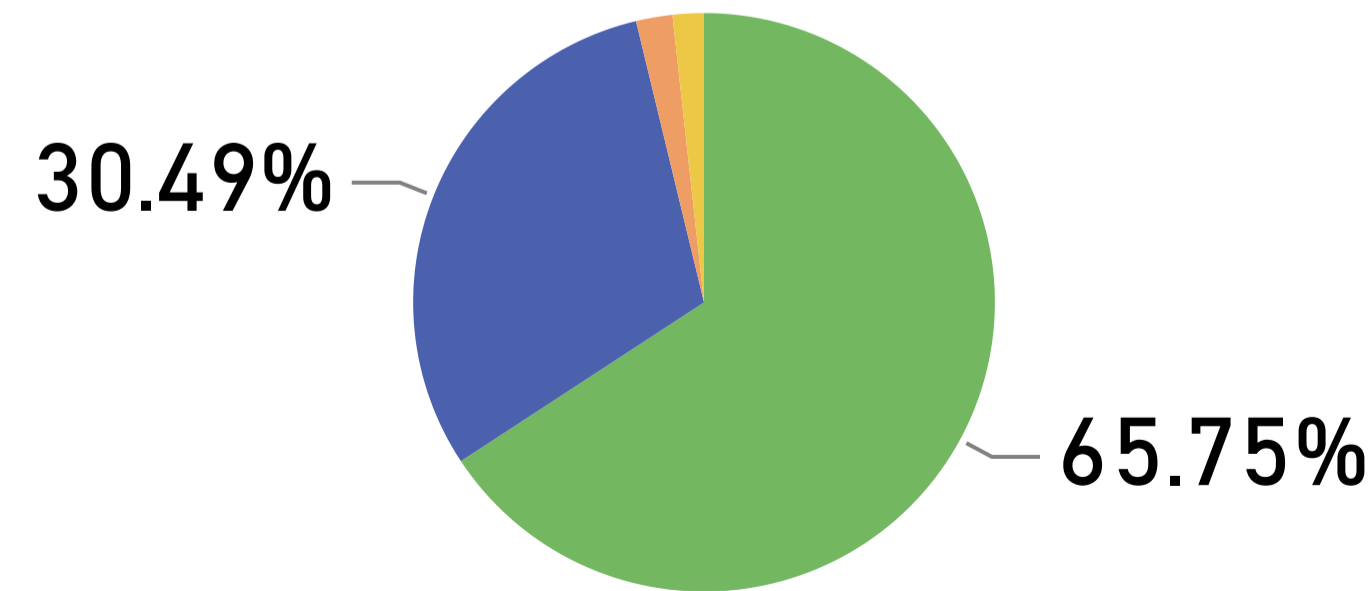
Average Household Size

of MCCs by Month



Loan Type

- FHA - Purchase
- Conv. - Purch.
- VA - Purchase
- USDA-RHS Purch.



60.28K

Average Annual Income

227K

Average of Loan Amount

4.70%

Average Interest Rate

698

Average Credit Score

692

Issued MCCs

2

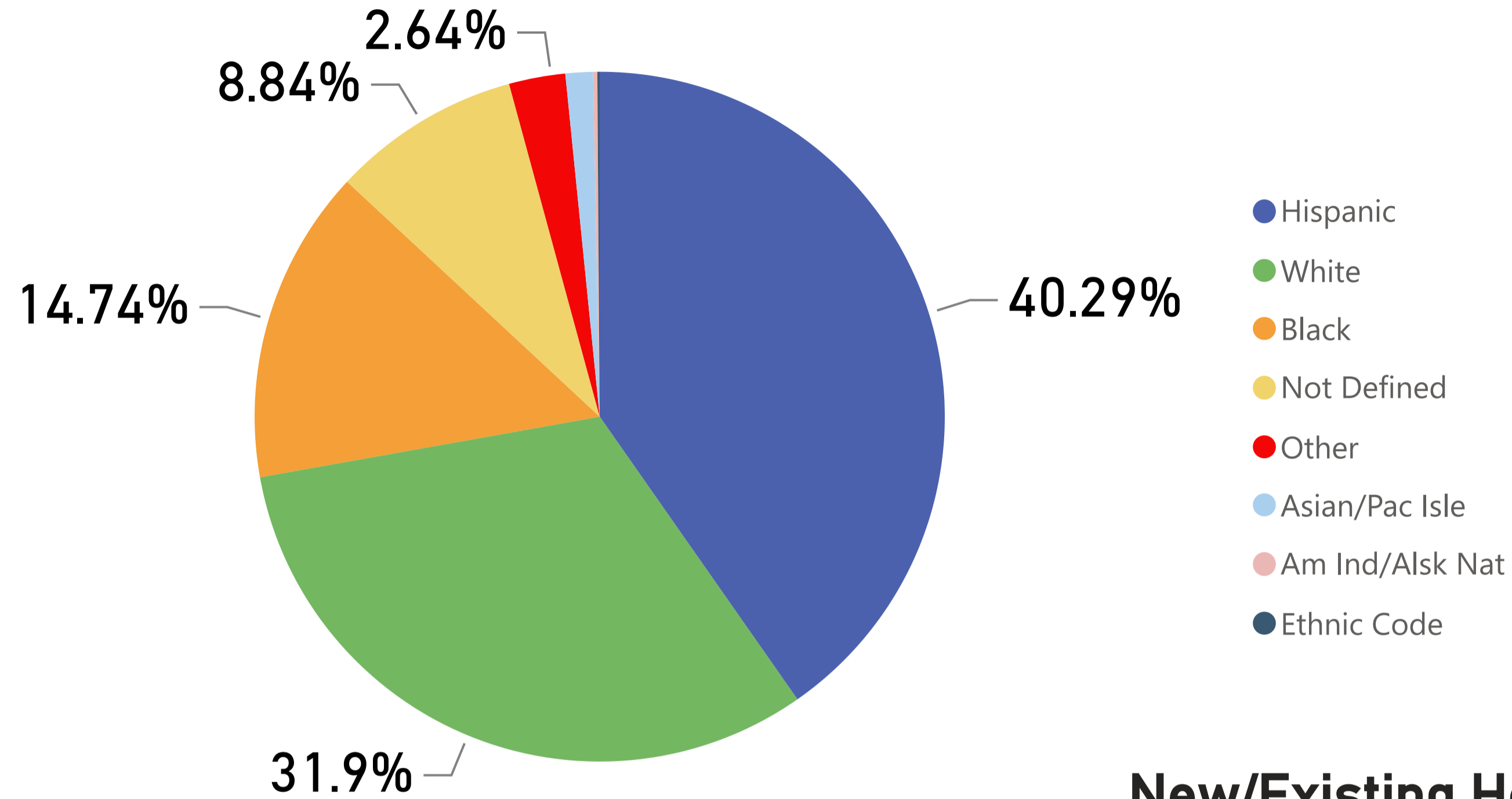
Average Household Size

Professions

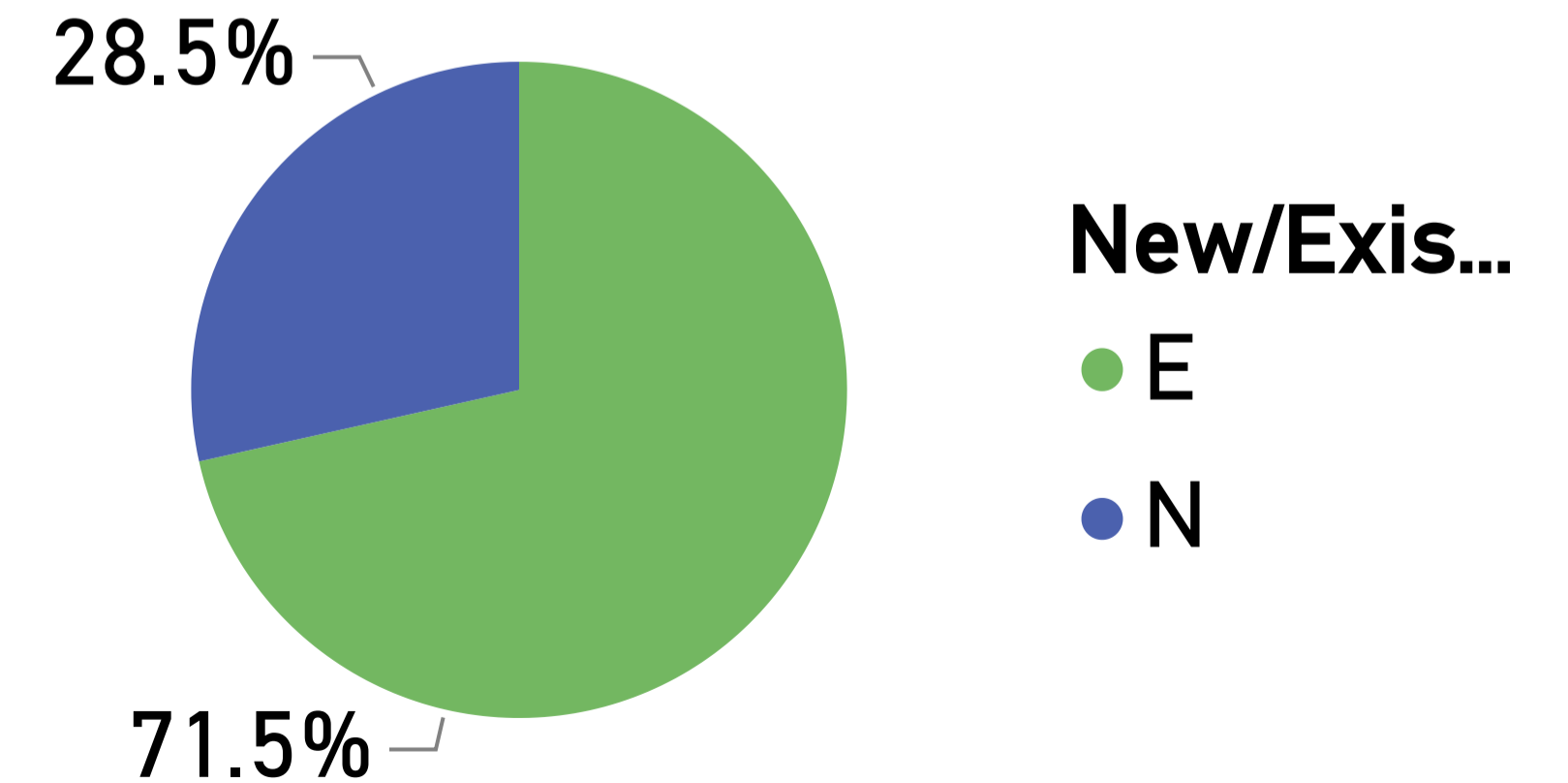
Occupation % of Total

Occupation	% of Total
Other	85.64%
Teacher	5.75%
Veteran	2.67%
Active Military	1.23%
Peace Officer	1.03%
Prof Nurse Fac	0.81%
Fire Fighter	0.76%
Corrections Off	0.63%
Public Sec Off	0.27%
Allied Hlth Fac	0.26%
Teacher Aide	0.25%
EMS Personnel	0.25%
Sch Counselor	0.22%
County Jailer	0.15%
School Nurse	0.05%
Sch Librarian	0.02%
Total	100.00%

Household Ethnicity



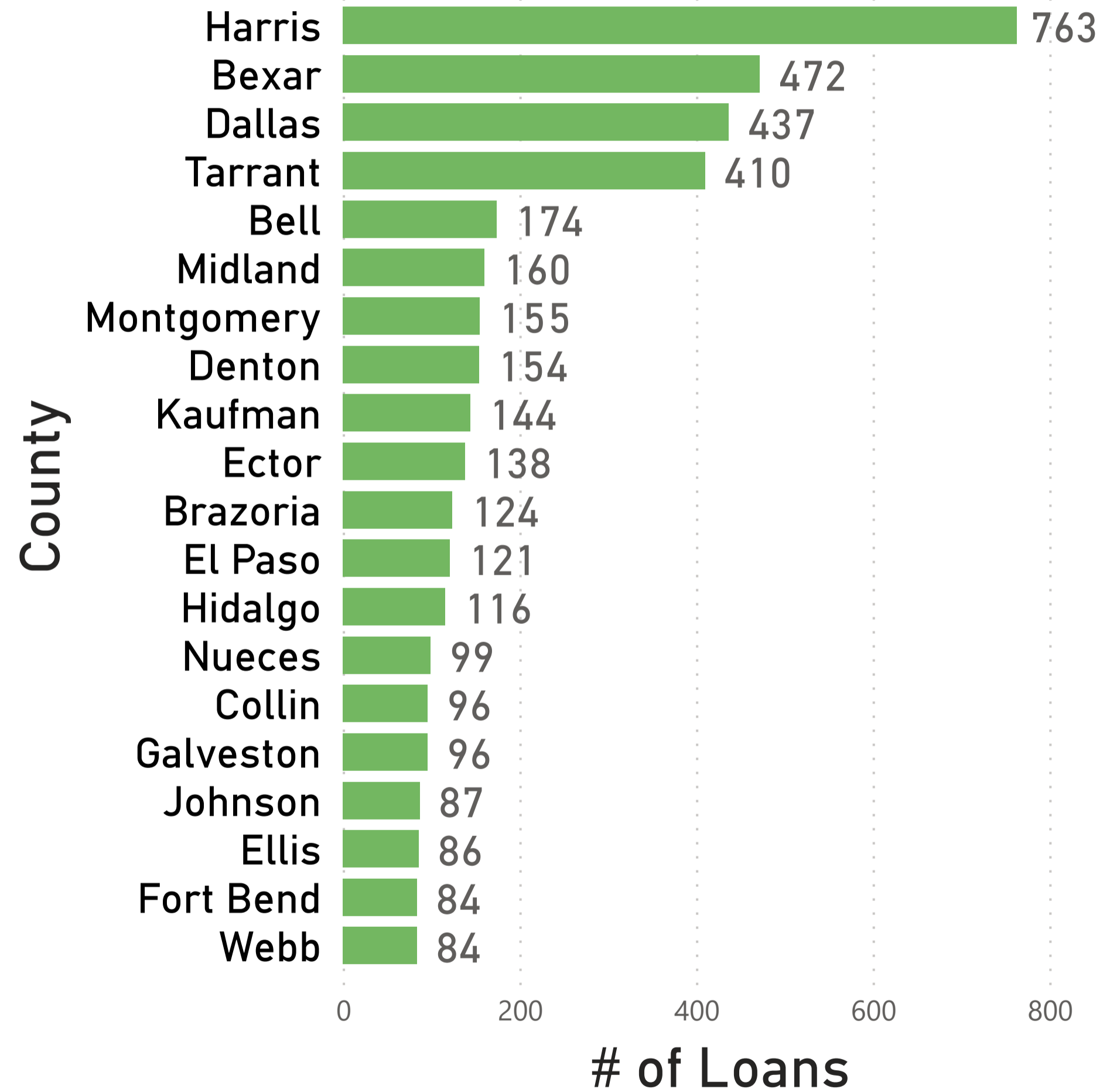
New/Existing Home



Top Lenders

Top Lenders	# of Loans
Fairway Independent Mortgage Corporation	409
Everett Financial, dba Supreme Lending	378
Gateway Mortgage, a division of Gateway	325
Amcap Mortgage, LTD	243
PrimeLending	215
DHI Mortgage Company, Ltd.	210
SFMC, LP dba Service First Mortgage Comp	185
loanDepot.com LLC	154
Cardinal Financial Company	151
Guild Mortgage Corporation	143
Guaranteed Rate	137
American Pacific Mortgage Corporation	115
CMG Mortgage, Inc. dba CMG Financial	114
KBHS Home Loan, LLC	108
Security National Mortgage Company	104
Academy Mortgage Corporation	95
T2 Financial dba Revolution Mortgage	78
Ark-La-Tex Financial (Benchmark Mtg.)	77
Thrive Mortgage, LLC	75
Total	3316

Top Originating Counties



Tab B
Development Finance Report

Texas State Affordable Housing Corporation

Development Finance Programs Report
August 2022

Affordable Communities of Texas Program (ACT)

In July, staff acquired a property in Plano on behalf of its local partner, Housing Channel, as part of the short-term land bank approved at TSAHC's May board meeting. TSAHC is assisting with land banking the property through the completion of the federal environmental clearance period with the City of Plano. Once the environmental clearance period is complete, TSAHC will transfer or sell the land to Housing Channel to begin development activities. Demolition of the improvements is currently underway.

Regarding 631 Carolina Street in San Antonio, the re-zoning application received approval from both the Denver Heights Neighborhood Association and the City of San Antonio Zoning Commission. The zoning change will allow TSAHC to develop up to four units on this lot. City Council's final approval is anticipated at the Council's August meeting. Schematic building plans and construction cost estimates are underway.

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

Program	Portfolio as of July 1, 2022	Transferred	Sold	Portfolio as of August 1, 2022	Current Portfolio Value
ACT Land Bank	15			16	\$433,381.60
ACT Land Trust	1			1	\$650,000.00
Totals	16			17	\$1,083,381.60

Our current pipeline report:

- 0 property under contract
- 2 properties listed for sale
- 7 homes under construction
- 2 properties leased to Local Partner
- 2 properties in predevelopment
- 3 properties searching for a Local Partner
- 1 property under demolition

Texas Housing Impact Fund

This month, staff will bring to the TSAHC Board a proposed loan to Project Transitions for the Burnet Place Apartments, located in Austin, and serving persons with HIV/AIDS. The loan request is for \$3,000,000 in construction financing which will assist in bridging construction costs while the developer closes on permanent loan sources. Additional materials and a resolution are included in the board book.

Multifamily Bond Program

Our current pipeline of bond projects is experiencing delays due to permitting and approval procedures. The Marketplace at Liberty Crossing transaction, original planned to close in July, is still awaiting final permits from the City of Wilmer. While all indications are that permits will be released in early August, staff has worked with the Developer to extend their bond closing timeline through the reissuance of their volume cap reservation. All other aspects of the project are on track for closing once permits are in hand.

Texas State Affordable Housing Corporation

Development Finance Programs Report August 2022

The Bluff View transaction, located in Boerne, has also received a reissuance of its volume cap reservation due to permitting concerns. A recent expansion by CPS Energy affecting the site area is causing delays on final engineering approval for the project. The reissuance was submitted at the end of July to ensure that these delays do not cause larger problems for the project. Staff still intends to bring the project for final bond approval in September.

Finally, the La Vista de Lopez project will be reviewed for Board approval of the bond resolution in August and, if approved, submitted to the Texas Bond Review Board for approval in September. A reissuance of the volume cap reservation was submitted on August 4th to avoid timeline issues due to delays with processing of the project FHA mortgage application. The project lender, Bellwether Enterprise, has communicated with FHA and they've been notified of anticipated delays due to staffing shortages and end of year workload. In an abundance of caution, the volume cap reissuance will ensure access to volume through the end of 2022 and into next calendar year.

Tab C
Monthly Financial Reports

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of June 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$	6,355,797
Pooled investments		919,332
Restricted assets:		
Cash and cash equivalents		6,634,309
Accrued interest		39,920
Investments, at fair value		8,551,774
Accounts receivable and accrued revenue		117,592
Accrued interest receivable		67,087
Loans receivable, current portion		67,779
Notes receivable, current portion		4,598,356
Downpayment assistance, current portion		503,532
Prepaid expenses		166,722

Total current assets 28,022,200

Noncurrent assets:

Loans receivable		226,153
Notes receivable, net of allowance for loss \$433,438		215,944,211
Investments, at fair market value		39,158,447
Mortgage servicing rights, net of accumulated amortization of \$2,618,705		109,357
Capital assets, net of accumulated depreciation of \$759,911		5,829,002
Owned real estate, federal & other programs, net of amortization of \$1,781,265		12,244,970
Restricted investments held by bond trustee, at fair market value		19,800,308

Total noncurrent assets 293,312,448

Total assets \$ 321,334,648

(continued)

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of June 30, 2022

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$	416,847
Notes payable, current portion		61,431
Custodial reserve funds		234,914
Other current liabilities		221,021
Payable from restricted assets held by bond trustee:		
Revenue bonds payable, current portion		600,000
Accrued interest on revenue bonds		271,339

Total current liabilities 1,805,552

Noncurrent liabilities:

Notes payable		2,083,777
Revenue bonds payable		19,247,411
Unearned revenue		1,891,539

Total noncurrent liabilities 23,222,727

Total liabilities 25,028,279

Deferred Inflows of Resources

Deferred revenue 135,677

Total deferred inflows of resources 135,677

Net Position

Invested in capital assets		5,829,002
Restricted for:		
Debt service		1,711,853
Other purposes		4,912,517
Unrestricted		283,717,320

Total net position 296,170,692

Total liabilities and net position \$ 321,334,648

Texas State Affordable Housing Corporation

Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 10 Months Ending June 30, 2022

Operating Revenues:	
Interest and investment income	\$ 1,670,411
Net increase (decrease) in fair value of investments	(2,439,362)
Single family income	95,547,687
Asset oversight and compliance fees	338,042
Rental program income	579,051
Multifamily income	647,348
Land bank income	68,672
Public support:	
Federal & state grants	1,065,629
Contributions	139,686
Other operating revenue	93,006
Total operating revenues	<u>\$ 97,710,170</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 284,030
Program and loan administration	164,278
Texas Foundation Fund & Misc Grants	710,000
Salaries, wages and payroll related costs	3,940,145
Professional fees and services	436,966
Depreciation and amortization	586,772
Office expense and maintenance	109,028
Travel and meals	65,985
Other operating expenses	535,409
Total operating expenses	<u>6,832,613</u>
Net income	90,877,557
Total net position, beginning	<u>205,293,135</u>
Total net position, ending	<u>\$ 296,170,692</u>

Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on July 19, 2022.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING**

The Governing Board of the Texas State Affordable Housing Corporation (TSAHC)

**July 19, 2022
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 Valerie Cardenas, Vice Chair, at 10:34 a.m., on July 19, 2022, at the offices of Texas State Affordable Housing Corporation, 6701 Shirley Avenue, Austin, TX 78752. Roll Call certified that a quorum was present.

Members Present:

Valerie Cardenas, Vice Chair

Lemuel Williams, Member

Courtney Johnson-Rose, Member

Andy Williams, Member

Guests Present:

Routt Thornhill, Coats Rose

President’s Report

David Long, President

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on May 17, 2022.

Ms. Rose made a motion to approve the minutes of the Board meeting held May 17, 2022. Mr. Lemuel Williams seconded the motion. Ms. Cardenas 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 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 (2022 annual allocation).

Presented by Joniel LeVecque, Director, Homeownership Programs; Donnetta McGrew, MCC Program Manager

Ms. Rose made a motion to approve the 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

(2022 annual allocation). Mr. Lemuel Williams seconded the motion. Ms. Cardenas 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 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 (post August 6, 2022).

Presented by Joniel LeVecque, Director, Homeownership Programs; Donnetta McGrew, MCC Program Manager

Ms. Rose made a motion to approve the 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 (post August 6, 2022). Mr. Lemuel Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 15 in the official transcript.

Tab 4 Resolution Regarding the Application for Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2020 and 2021 carryforward).

Postponed to a later board meeting.

See page 22 in the official transcript.

Tab 5 Presentation, Discussion and Possible Approval of the Appointment of Beatriz Farias to the Board of Texas Community Capital, LLC.

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Lemuel Williams made a motion to approve the Appointment of Beatriz Farias to the Board of Texas Community Capital, LLC. Mr. Andy Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 22 in the official transcript.

Tab 6 Presentation, Discussion and Possible Approval of Amendments to the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2022.

Presented by David Danenfelzer, Senior Director, Development Finance

Ms. Rose made a motion to approve the Amendments to the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program

Policies for Calendar Year 2022. Mr. Andy Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 26 in the official transcript.

Tab 7 Discussion and Possible Approval of a Resolution Removing the Requirement for a Minimum Balance in the Texas Foundations Fund and Approval of Increase in Amount of Texas Foundation Fund and Allocations Thereof to Qualified Applicants.

Presented by Michael Wilt, Senior Manager, External Relations; Anna Orendain, Specialist, Communications & Marketing

Ms. Rose made a motion to approve the Resolution Removing the Requirement for a Minimum Balance in the Texas Foundations Fund and Approval of Increase in Amount of Texas Foundation Fund and Allocations Thereof to Qualified Applicants. Mr. Andy Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 31 in the official transcript.

Tab 8 Presentation, Discussion and Possible Approval of the 2022 Texas Foundations Fund Nonprofit Partners.

Presented by Michael Wilt, Senior Manager, External Relations; Anna Orendain, Specialist, Communications & Marketing

Ms. Rose made a motion to approve the 2022 Texas Foundations Fund Nonprofit Partners. Mr. Andy Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 34 in the official transcript.

Tab 9 Presentation, Discussion and Possible Approval of TSAHC Depository Services Contract.

Presented by Melinda Smith, Chief Financial Officer

Mr. Lemuel Williams made a motion to approve the TSAHC Depository Services Contract. Mr. Andy Williams seconded the motion. Ms. Cardenas asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 44 in the official transcript.

Tab 10 Presentation and Discussion by Patterson & Associates, Investment Advisors.

Presented by Melinda Smith, Chief Financial Officer; Linda Patterson, Patterson & Associates.

No action required.

See page 47 in the official transcript.

Announcements and Closing Comments

Mr. Long and Board Members tentatively scheduled the next Board Meeting for August 16, 2022, at 10:30 am. Audit Committee Meeting will be held at 9:30am.

Adjournment

Ms. Cardenas adjourned the meeting at 11:48 pm.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

Presentation and Discussion of Homeownership Programs Monthly
Board Reports. (Please refer to Tab A.)

Tab 3

Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith.

RESOLUTION NO. 22-_____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith

WHEREAS, Texas State Affordable Housing Corporation (the "Issuer") 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 Issuer 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 its bonds or other obligations, including notes, for the purpose, among others, of obtaining funds to make loans for multifamily developments, to establish any necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; (c) pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; 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 Issuer determines to be acceptable; and

WHEREAS, the Issuer has determined to provide a loan to La Vista de Lopez, LP, a Texas limited partnership (the "Borrower"), for the purpose of acquiring, constructing and equipping a multifamily residential development to be located in the City of Austin, Texas and to be known as the La Vista de Lopez Apartments (the "Project") to be rented to persons of low and moderate income and paying certain costs of issuance of the Bonds, as evidenced by that certain Loan Agreement (the "Agreement") by and between the Issuer and the Borrower 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 (the "Regulatory Agreement") by and among the Issuer, Wilmington Trust, National Association, as trustee (the "Trustee") and the Borrower; and

WHEREAS, the Issuer now proposes to issue its bonds styled "Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022" (the "Bonds") pursuant to this Resolution and a Trust Indenture (the "Indenture") between the Issuer and the Trustee; and

WHEREAS, the Issuer further proposes to sell the Bonds, upon the issuance thereof, to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”); and

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

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

1. the Indenture;
2. the Agreement;
3. the Bond Purchase Agreement (the “Purchase Agreement”), by and among the Underwriter, the Issuer and the Borrower;
4. the Asset Oversight, Compliance and Security Agreement (the “Asset Oversight and Compliance Agreement”), by and between the Borrower and the Issuer;
5. the Regulatory Agreement; and
6. the Preliminary Official Statement (the “Preliminary Official Statement”), relating to the Bonds.

WHEREAS, the Issuer finds the form and substance of the above-listed documents (hereinafter, collectively the “Bond Documents”) to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Bonds, 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 Bonds 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 Bonds in one or more series and in the aggregate maximum principal amount of not to exceed \$11,000,000, is hereby authorized and approved. The Bonds shall mature, bear interest at the rate or rates and shall be subject to the redemption features as specified in the Indenture. The Board hereby approves the Indenture 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 Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the

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

Section 3: The Board hereby approves the 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 Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Agreement, and the Chief Financial Officer and Treasurer, Secretary or any Assistant Secretary of the Issuer is authorized and directed, for and on behalf of the Issuer, to attest the Agreement, and such officers are hereby authorized to deliver the Agreement. Upon execution by the parties thereto and delivery thereof, the Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 4: The Board hereby approves the Purchase 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 Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Purchase Agreement, and such officers are hereby authorized to deliver the Purchase Agreement. Upon execution by the parties thereto and delivery thereof, the Purchase Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 5: 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 Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, 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 Issuer in accordance with the terms and provisions thereof.

Section 6: 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 Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, 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 Issuer in accordance with the terms and provisions thereof.

Section 7: The Board hereby approves the Preliminary Official Statement and the changes to the Preliminary Official Statement which will result in the final Official Statement (the "Official Statement") proposed to be delivered in connection with the sale of the Bonds, 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 Issuer (upon advice of bond counsel to the Issuer) and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Preliminary Official Statement and the Official Statement. Delivery to the Underwriter of the Preliminary Official Statement and the Official Statement, based upon representations received from the Borrower is hereby authorized.

Section 8: The Board hereby approves the Bonds in substantially the form and substance set forth in the Indenture 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 Issuer, as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon the Bonds, 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 Bonds.

Section 9: The Board hereby approves the sale of the Bonds to the Underwriter in accordance with the terms and conditions specified in the Purchase Agreement approved herein.

Section 10: Wilmington Trust, National Association is hereby appointed as Trustee and paying agent under the terms of the Indenture for the Bonds. If said bank shall be unable or unwilling to so serve, the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Trustee and paying agent.

Section 11: The Chairperson, Vice Chairperson, President and Executive Vice President of the Issuer, either individually or jointly, are hereby authorized to approve any different date, designation or title by which the Bonds shall be known, the principal amount or amounts and maturity date or dates of the Bonds to be issued pursuant to this Resolution, to establish the interest rate or rates to be borne by the Bonds, provided, however, that the interest rate or rates shall never exceed 15% per annum. The Chairperson, Vice Chairperson, President and Executive Vice President of the Issuer, 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 Bonds.

Section 12: The officers of the Issuer are each hereby authorized to execute and deliver to the Trustee the written order of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Indenture.

Section 13: All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is ratified, approved, and confirmed.

Section 14: The officers of the Issuer shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Bonds 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 Bonds, this Resolution, the Bond 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, including a remarketing agreement, if any, in addition to those specifically referenced herein which are associated with the issuance of the Bonds.

Section 15: The President or the Executive Vice President of the Issuer 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 Bonds for a period of up to one year as well as the certificates, agreements and documents authorized in Section 14 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 16: If any section, paragraph, clause, or provision of this 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 Issuer authorized or established by this Resolution or the Bonds 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 Issuer to the fullest extent permitted by law.

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PASSED, APPROVED AND EFFECTIVE this August 16, 2022.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

President

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

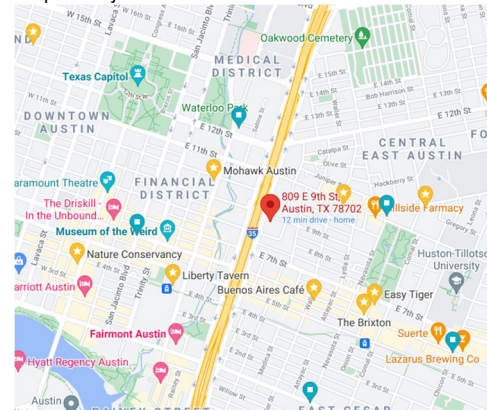
Agenda:

Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith.

Summary:

TSAHC received an application from Guadalupe Neighborhood Development Corporation (GNDC) on November 12, 2021, proposing the acquisition and construction of a 27-unit affordable apartment community located in Austin to be called La Vista de Lopez. All 27-units will be reserved for low-income senior households.

Map of Project Area



Public Benefit:

La Vista de Lopez will create 27-units of affordable rental housing targeted for seniors earning 50% or less than the area median income (AMI). The project qualifies under TSAHC's Targeted Housing Need for Senior and Service Enriched housing. Additionally, TSAHC has already awarded an Affordable Housing Partnership (AHP) loan to La Vista de Lopez, and will require five of the units to be reserved for persons with disabilities at 30% AMI, pursuant to AHP program guidelines.

Financial Summary:

The La Vista de Lopez has a total budget of approximately \$17.65 million. The proposed financing includes cash collateralized short-term tax-exempt bonds, deferred forgivable loans and 4% housing tax credits. Approximately \$510,000 will be used for property acquisition, with a total construction cost of \$13.64 million or \$505,000 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$2.49 million in total costs.

The anticipated par amount of the bonds is \$11 million. The bonds will be issued as a short-term public offering. The underwriter will be Stifel Financial, whom TSAHC has worked with on several previous transactions. The private activity bond volume cap will come from TSAHC's 2022 volume cap. The remaining financing includes \$5 million from the City of Austin, \$4 million from the U.S. Department of Housing and Urban Development's Section 202 program and \$375,000 from TSAHC's AHP program. Housing tax credit equity is estimated to total \$5.9 million, with \$407,000 in grants and \$200,000 in deferred developer fees rounding out the sources.

Staff would like to note that this project will be the most expensive on a per unit basis that TSAHC has ever supported. The high costs come from the project's building type and location. The site is less than 1 acre of land and will require the building to be 9-stories tall and elevator served. Staff has spoken with other funders and agree that construction costs for this building are similar to adjacent apartment and

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

condominium units. This neighborhood, a traditionally low-income and racially diverse area, has seen median home values increase from \$78,000 in 2000 to over \$600,000 in 2022. Since the land is already owned by GNDC, a nonprofit corporation, repurposing it for higher density housing is the only option to preserve and expand access to affordable units in the census tract.

Market Conditions:

La Vista de Lopez will be in the Central East Austin Neighborhood, which has experienced enormous private investment over the past 20 years. Evidence of these changes can be seen in population densities that have gone from around 4,000 persons per square mile to more than 8,300 in the past 15 years. Additionally, median home prices in the census tract were noted at \$78,000 in 2000 and are more than \$600,000 in May 2022. Current listings within three blocks of the property range from \$425,000 to \$2.1 million.

This development pressure has also significantly impacted certain demographic characteristics of the neighborhood. In 2000, only 20% of household reported having no children (i.e., mostly families) versus more than 70% without children in 2020. Despite this trend, the median age in the census tract has only risen from 26 in 2005 to 27 in 2020. This demonstrates that the growth in housing units has targeted young urban professionals and pushed out families and older residents.

Since the project targets seniors, staff has not looked at educational or employment trends for the area. We did note that the neighborhood is considered a medically underserved area, per 2020 Health Resources and Services Administration statistics. However, the property is located within two miles of the Dell Seton Medical Center at The University of Texas. Other community resources include access to community centers, parks, community programs offered at Huston Tillotson University and several art and cultural museums, within a mile of the property site.

Developer Summary:

GNDC is a 501(c)(3) Texas non-profit corporation with nearly 40 years of service as an affordable housing provider to families from East Austin. Since its formation in 1981, GNDC has rehabilitated over 100 homes and has made homeowners of over 60 families, including 18 homeowners in its Community Land Trust program. GNDC also offers an ongoing rental program that provides high quality, long-term affordable housing units to families from GNDC's service area. GNDC provides property management services for all its rental housing and has done so since the organization's inception. GNDC is experienced in multiple funding sources including, but not limited to, Low Income Housing Tax Credits, HUD's Neighborhood Stabilization Program, General Obligation Bonds, Community Development Block Grants, and HOME funds, as well as private foundation support, and has an excellent compliance record with all sources.

Although GNDC has never completed a private activity bond financed project, they are supported by a number of partners with years of experience in bond finance. Sarah Andre, project consultant and technical assistance provider, has worked on multiple bond financed projects as developer and

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

consultant. Most recently, she worked with TSAHC at the lead consultant on the Walnut Creek Apartments and the Chicon phase I.

Recommendation:

Staff recommends approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (La Vista de Lopez Apartments) Series 2022, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith.

La Vista - PAB Underwriting - BRB - Project Summary

Project Summary

Applicant Guadalupe Neighborhood Development Corporation
 Project Name La Vista De Lopez

Location

Address 809 E 9th Street City Austin
 County: Travis State Texas 78702
 Census Tract: 48453000901

Bonds

Max. Par Amount: \$ 11,000,000 Bond Type: PAB
 Term of Bonds: 2yrs Allocation Year: 2022

Perm Funding Souces

	Amount	% of Total
TSAHC - Short Term Bond	\$ 11,000,000	n/a
Bellweather Capital FHA Loan	\$ 1,662,400	9.43%
City of Austin RHDA Loan	\$ 2,133,000	12.09%
City of Austin/Capital Impact	\$ 2,909,657	16.50%
HTC Equity	\$ 5,899,893	33.45%
HUD Section 202	\$ 4,048,000	22.95%
TSAHC AHP Deferred Forgivable	\$ 375,000	2.13%
Grants and GP Contributions	\$ 407,700	2.31%
Deferred Dev Fee	\$ 200,000	1.13%
Totals	\$ 17,635,650	100%

* not included in total

Market Summary

	City	County	State	Census Tract
Population:	961,855	1,290,188	29,145,505	2,719
Median Age:	33	34	35	29
Diversity Index:	-	63	-	67
% Hispanic:	34%	34%	39%	32%
% Persons with Disability:	8%	8%	11%	6%
% Households that Rent:	55%	48%	38%	69%
Median Rents:	1,280	1,289	1,045	1,802
% Renters Who are Cost Burdened:	23%	23%	20%	38%
Median Home Price:	\$ 337,400	\$ 324,800	\$ 172,500	\$ 456,100
Median Household Income:	\$ 71,576	\$ 75,887	\$ 61,874	\$ 96,563
Unemployment:	0.00%	3.50%	4.90%	0.00%
Persons w/o Insurance:	15%	13%	17%	7%
Medically Underserved Area:	Yes	-	-	-
% Attending Public Schools:	89%	90%	93%	100%
Graduation Rate (Austin ISD)	72%			

CRA Eligible Census Tract: moderate income

of LI Projects and Units: 3 246

La Vista - PAB Underwriting - BRB - Summary Sources and Uses

Summary of Sources and Uses

Applicant Guadalupe Neighborhood Development Corporation

Project Name La Vista De Lopez

Number of Units 27

Sources	Amount	Amount Per Unit	Percentage of Total
Bellweather Capital FHA Loan	\$ 1,662,400	\$ 61,570	9%
City of Austin RHDA Loan	\$ 2,133,000	\$ 79,000	12%
City of Austin/Capital Impact	\$ 2,909,657	\$ 107,765	16%
HTC Equity	\$ 5,899,893	\$ 218,515	33%
HUD Section 202	\$ 4,048,000	\$ 149,926	23%
TSAHC AHP Deferred Forgivable	\$ 375,000	\$ 13,889	2%
Grants and GP Contributions	\$ 407,700	\$ 15,100	2%
Deferred Dev Fee	\$ 200,000	\$ 7,407	1%
Total Sources	\$ 17,635,650	\$ 653,172.22	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 510,000	\$ 18,888.89	3%
Off-Site Construction		\$ -	0%
On-Site Work	\$ 657,634	\$ 24,356.81	4%
Site Amenities	\$ 27,750	\$ 1,027.78	0%
Building Costs	\$ 10,515,225	\$ 389,452.78	60%
Other Const/Contingency	\$ 2,438,768	\$ 90,324.74	14%
Soft Costs	\$ 1,008,425	\$ 37,349.07	6%
Financing Costs	\$ 1,296,805	\$ 48,029.81	7%
Developer Fees	\$ 975,000	\$ 36,111.11	6%
Reserve Accounts	\$ 206,043	\$ 7,631.22	1%
Total Uses	\$ 17,635,650	\$ 653,172.22	100%

(Gap) / Reserve	\$ -
Percent of Developer Fee Deferred	20.51%

Tab 4

Presentation, discussion, and possible approval of a resolution approving a Texas Housing Impact Fund construction loan to Project Transitions, Inc. in an amount not to exceed \$3,000,000 for the Burnet Place Apartments.

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 August 16, 2022 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:

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Valerie Vargas Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
Andy Williams	Director

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

<u>Name</u>	<u>Office</u>
David Long	President
Janie Taylor	Executive Vice President
Melinda Smith	Chief Financial Officer and Treasurer
Rebecca DeLeon	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. 22-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND CONSTRUCTION
LOAN TO PROJECT TRANSITIONS IN AN AMOUNT NOT TO EXCEED \$3,000,000
FOR BURNET PLACE APARTMENTS

was duly introduced for the consideration of the Board and said caption was read in full. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion and request for comments, said motion prevailed and was carried by the following vote:

___ AYES

___ NOS

___ ABSTENTIONS

4. That a true, full and correct copy of the Resolution adopted at the meeting described in the above is attached to this certificate; that the adoption of the Resolution will be duly recorded in the Board's minutes of the meeting; that the persons named above are the duly chosen, qualified and acting members of the Board and the officers of the Corporation as indicated; that each member of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at said meeting.

SIGNED this ___ day of August, 2022.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 22-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND CONSTRUCTION LOAN TO PROJECT TRANSITIONS IN AN AMOUNT NOT TO EXCEED \$3,000,000 FOR BURNET PLACE APARTMENTS

WHEREAS, the Texas State Affordable Housing Corporation (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of Subchapter Y (Section 2306.551 et. seq.) of Chapter 2306, Texas Government Code, as amended, and other applicable provisions of Texas law (collectively, the “Act”); and

WHEREAS, under the Act, the Corporation is authorized to perform activities and services that the Corporation’s Board of Directors determines will promote 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 such activities and services shall include engaging in lending transactions; and

WHEREAS, said activities and services include those permitted to be funded by the Texas Housing Impact Fund (“THIF”), a fund established and maintained by the Corporation, which include the provision of construction loans for affordable multifamily rental housing satisfying the requirements of the Corporation’s THIF Policy and Guidelines; and

WHEREAS, the Board of Directors has reviewed and discussed a staff proposal (approved by the Loan Committee of the Corporation) to make THIF funds available as a construction loan to Project Transitions in the maximum principal amount of \$3,000,000 (the “Construction Loan”), with the loan proceeds to be used by Project Transitions, together with other available funds, to build 61 units of housing with 40 apartments targeted to households earning 30% of median income or less and 21 apartments targeted to households earning 50% of median income or less; and

WHEREAS, after due discussion and consideration, the Board of Directors of the Corporation has determined to approve the Construction Loan for the purposes described above.

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

Section 1. Approval of Construction Loan and Related Matters. The Board of Directors approves the Construction Loan by the Corporation to Project Transitions in the maximum principal amount of \$3,000,000, the proceeds of which are to be used by Project Transitions, together with other available funds, to construct the 61-unit Burnet Place Apartments.

The Board has determined that a Construction Loan for affordable multifamily rental housing is a suitable purpose under the THIF Policy and Guidelines and such purpose is approved by the Board of Directors.

The Board authorizes the President and the Executive Vice President to approve, in consultation with counsel, the form and substance of all necessary documents relating to the Construction Loan, including but not limited to a promissory note, loan agreement, restrictive covenants, and related security documents (collectively, the "Transaction Documents").

Section 2. Execution and Delivery of Transaction Documents. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized to execute and deliver the Transaction Documents to which the Corporation is a party.

Section 3. Execution and Delivery of Ancillary Documents; Taking of Ancillary Actions. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized by the Board of Directors, at any time before or after the execution and delivery of the Transaction Documents, in consultation with counsel, to (i) execute, acknowledge and deliver any and all such orders, directions, certificates, agreements, documents, instruments, amendments and other papers or items (collectively, "Ancillary Documents"), and (ii) do or cause to be done any and all such acts and things (collectively, "Ancillary Actions"), which such officer deems necessary or desirable in connection to consummate the transactions contemplated by the Transaction Documents, or to otherwise fulfill the purposes of this resolution.

Section 4. Ratification of Prior Actions. All actions taken prior to the date of this Resolution by any officer of the Corporation in the name and on behalf of the Corporation, with respect to any of the matters and transactions described above, are ratified, confirmed and approved by the Board of Directors.

Section 5. Conflicting Prior Actions. Any order, resolution, approval or any action of the Board of Directors in conflict with this Resolution is hereby repealed to the extent of any such conflict.

Section 6. Severability. 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 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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APPROVED AND EFFECTIVE this 16th day of August, 2022.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

William Dietz, Jr., Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

Texas State Affordable Housing Corporation

Texas Housing Impact Fund Loan Recommendation

Agenda:

Presentation, discussion and possible approval of a resolution approving a Texas Housing Impact Fund construction loan to Project Transitions, Inc. in an amount not to exceed \$3,000,000 for the Burnet Place Apartments.

Summary:

Staff received an application from Project Transitions (Borrower) in July of 2022 to construct a 61 efficiency-unit apartment complex, located in Austin, to serve persons living with HIV/AIDS. The loan request is for \$3,000,000, to be used as construction financing.

TSAHC previously approved a \$1.5 million loan for Burnet Place Apartments in March of 2021. That award was withdrawn after the Borrower notified TSAHC that they needed to utilize a construction loan from their FHLB grant sponsor bank as a condition of receiving an FHLB grant award. This new request is being made so that the borrower can fill additional gaps in their construction sources caused by construction cost increases and after identifying permanent sources of financing available to repay the project's construction bridge loans.



Public Benefit:

TSAHC's loan will be used to finance the construction of 61 new affordable apartment homes that include wrap-around supportive services provided by Project Transitions. Of the 61 units, 40 units will be set-aside for households earning 30% or less than the area median income (AMI) and 21 units will be set-aside for households earning 50% or less than AMI. Additionally, seven units will be designed for persons with mobility impairments, and all units will be universally accessible.

Financial Summary:

The total projected development budget for Burnet Place Apartments is \$17,860,851, or approximately \$292,000, per unit. Project Transitions has secured \$6,000,000 in deferred forgivable financing from the City of Austin, \$3,000,000 in soft repayable financing from the Texas Department of Housing and Community Affairs (TDHCA), \$750,000 in grant funds from the Federal Home Loan Bank Dallas, \$500,000 in grant funds from the Federal Home Loan Bank Atlanta, \$539,000 in various foundation/grant funds and \$750,000 in Project Transition capital campaign funds. The remaining sources include two TDHCA loans, totaling approximately \$6,320,000, with awards pending and anticipated by October 2022.

TSAHC's \$3,000,000 construction bridge loan, in combination with \$3,250,000 in bridge financing from Community Impact Partners (CIP) will allow the project to begin construction while the TDHCA permanent loan sources noted above prepare for closing. Closing on TDHCA funds will occur prior to the permanent phase and these funds are the anticipated repayment source for TSAHC and CIP funds. TSAHC's loan funding will be conditioned on the project receiving the TDHCA loan commitments.

Texas State Affordable Housing Corporation

Texas Housing Impact Fund Loan Recommendation

TSAHC's construction loan of \$3,000,000 will be secured through a first or second lien deed of trust, in parity with funds from TDHCA and the City of Austin.

All units at Burnet Place Apartments will receive Housing Opportunities for Persons with AIDS (HOPWA) operating assistance. The HOPWA funding is projected to be approximately \$185,596, with annual increases. Unlike project-based section 8 contracts, HOPWA funds support both rents and tenant services. Staff has included HOPWA income as a separate line item in the attached underwriting report. Project Transitions has received HOPWA funding for more than 20-years and has an excellent track record with capital fundraising campaigns for other facilities they operate.

Market Conditions:

The 2022 median rental rates were \$1,188 for an efficiency in Austin. The highest rent amount proposed at Burnet Place Apartments is \$580. It is widely acknowledged that Austin is in an affordable housing crisis, with 55% of its households renting and 36% of renters being cost burdened. This is more so the case for persons with HIV/AIDS because stable housing is an essential part of managing a resident's general health and consistent access to medical care. People living with HIV/AIDS are at higher risk of losing their housing due to increased medical costs and often decreased ability to work.

Project Transitions is the largest provider of intensely supportive housing for persons living with HIV/AIDS in Central Texas. They currently own and operate 70 units of supportive housing and maintain a back-logged waitlist that includes over 50 individuals on the 1-bedroom waitlist alone and with an estimated wait time of at least 1.5 years for service.

A further motivation for Project Transitions to expand their housing footprint is to provide an impactful response to the "Getting To Zero Strategy" – a UNAIDS commitment to end the AIDS epidemic by achieving zero deaths, zero new infections, and zero discrimination stigma by 2030. The City of Austin's commitment to the strategy was formalized by the Mayor's and County Judge's signing of the Paris Declaration to join the "Fast-Track-Cities" initiative in June 2018.

Project Transitions has been operating in the Brentwood, Crestview and Highland Neighborhoods that encircle the site location for Burnet Place Apartments in the Wooten Neighborhood for the past 30 years and they cherish their existing relationship with neighbors, donors and volunteers that live in these neighborhoods. Project Transitions has approached the neighborhood and talked to key stakeholders about the project and target population. The development of Burnet Place Apartments is complimentary to the neighborhood plan's vision of enhancing affordable housing opportunities for persons with disabilities. The project is located within walking distance from multiple bus routes and less than a ½ mile from the high-frequency North Cross Station. Burnet Place Apartments is adjacent to one of the most transit-connected corridors in Austin – Burnet Road - as well as several neighborhood amenities.

Borrower Summary:

Since 1988, Project Transitions has been deeply committed to their mission of serving persons living with HIV/AIDS by providing supportive housing, recuperative care and hospice in a compassionate and caring environment. Project Transitions provides an extensive list of wrap-around services that includes needs assessment, connection to financial benefits and medical services, group activities, emotional support, and counseling, to name a few. They are proud to state that no one is denied participation in any of their programs

Texas State Affordable Housing Corporation

Texas Housing Impact Fund Loan Recommendation

because of the inability to pay. Their initial program operating costs were largely supported by the proceeds from their thrift store, Top Drawer, which opened in 1993 and remains fully operational today.

Project Transitions is partnering with Foundation Communities as a co-developer and has hired Jennifer Hicks, of True Casa Consulting. Formed in 1990, Foundation Communities owns and operates 23 affordable housing communities in Austin and North Texas. Ms. Hicks has over 17 years of experience in affordable housing finance and development.

Recommendation:

Staff recommends that the Board approve the resolution approving a Texas Housing Impact Fund construction loan to Project Transitions, Inc. in an amount not to exceed \$3,000,000 for the Burnet Place Apartments. Additional terms and conditions recommended by Loan Committee will be provided by staff during their verbal presentation.

Tab 5

Presentation, Discussion and Possible Approval of the Fiscal Year 2023
Annual Operating Budget.

Texas State Affordable Housing Corporation
Proposed Operating Budget
Fiscal Year 2023

	2022 Budget	2022 Actual	2023 Budget
Revenues			
Single Family Revenue	\$ 19,692,000	\$ 21,445,928	\$ 8,653,000
Lending Program Revenue	6,251,000	4,420,334	5,645,000
Multifamily Program Revenue	1,203,000	1,063,983	1,055,000
Rental Program Revenue	1,237,000	1,134,763	918,000
Federal & State Grants	1,036,000	841,236	1,500,000
Grants, Donations & Other Awards	385,000	408,202	260,000
Land Bank Revenue	195,000	219,091	601,000
Servicing Revenue	96,000	105,721	98,000
Investment Revenue	1,535,000	2,746,511	1,580,000
Total Revenue	\$ 31,630,000	\$ 32,385,769	\$ 20,310,000
Expenditures			
Texas Housing Impact Fund	\$ 8,975,000	\$ 4,013,673	\$ 6,575,000
Affordable Communities of Texas	8,700,000	5,446,081	3,100,000
Other Program Expenditures	4,445,000	2,803,843	3,439,000
Salaries & Payroll Related Expenditures	4,300,000	4,399,873	4,400,000
Grants	1,690,000	2,174,616	1,115,000
Principal & Interest on Notes Payable	1,748,000	2,148,525	136,000
Professional Services	636,000	519,157	605,000
Marketing	180,000	104,619	159,000
Insurance	257,000	230,472	260,000
Travel & Meals	118,000	73,682	99,000
Furniture, Equipment, & Software	56,000	47,423	49,000
Building Maintenance	54,000	66,926	70,000
Professional Dues, Conferences & Training	56,000	31,499	34,000
Sponsorships	20,000	20,765	24,000
Communication	28,000	26,621	27,000
Bank Fees & Charges	19,000	22,972	22,000
Publications, Subscriptions & Other Office Exp	15,000	22,577	26,000
Freight, Delivery, & Postage	12,000	8,506	12,000
Printing & Office Supplies	5,000	1,870	5,000
Total Expenditures	\$ 31,314,000	\$ 22,163,700	\$ 20,157,000
Excess Revenues over Expenditures	\$ 316,000	\$ 10,222,069	\$ 153,000

Tab 6

Presentation, Discussion and Possible Approval of the Fiscal Year 2023
Audit Committee Guidelines.

TEXAS STATE AFFORDABLE HOUSING CORPORATION
AUDIT COMMITTEE GUIDELINES
Fiscal Year 2023

These guidelines are intended to define the purposes, membership, and responsibilities of the Audit Committee of the Texas State Affordable Housing Corporation (“the Corporation”).

I. PURPOSES

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

1. Monitor the integrity of the Corporation’s budgeting process, financial reporting process and systems of internal controls regarding finance, accounting, legal and ethics compliance.
2. Monitor the independence and performance of the Corporation’s independent financial auditors who shall report directly to the Audit Committee.
3. Facilitate communication among the independent auditors, management, the CFO, and the Board of Directors.
4. Monitor compliance by the Corporation and its directors, officers and employees with applicable laws, regulations, contracts, agreements, and grants and the Corporation’s code of ethics and conflict of interest policies.
5. Establish procedures for the receipt, retention and treatment of financial matters complaints and the confidential anonymous submission by employees regarding questionable accounting, fraud, or abuse.
6. Report on its activities to the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the independent auditors as well as anyone at the Corporation. The Audit Committee has the ability to retain, at the Corporation’s expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties. However, it is not the duty or responsibility of the Audit Committee or its members to conduct auditing or accounting review procedures, and each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations.

II. COMPOSITON AND MEETINGS

The Audit Committee shall be comprised of four members, as determined by the Board of Directors, two of whom shall be directors of the Corporation. Any other board member will be eligible to serve as an alternate member of the Audit Committee and will serve if one of the other member Board directors is absent from the meeting. The Corporation's President and Chief Financial Officer will serve as Ad Hoc members of the Committee. The two-member board directors shall be free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Audit Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Audit Committee shall have accounting or related financial management expertise.

Audit Committee members shall be appointed on recommendation by the full Board of Directors. If a Chair of the Audit Committee is not designated or present, the members of the Audit Committee may designate a Chair by majority vote of the Audit Committee.

A quorum for a meeting of the Audit Committee shall consist of at least three committee members, two of which must be Board members.

Audit Committee members will be reimbursed for travel and other actual and reasonable expenses incurred in the conduct of official Audit Committee business. No member of the Audit Committee may accept any additional consulting, advisory or other compensatory fee from the Corporation or other organization.

The Audit Committee shall meet a minimum of two times annually or more frequently if circumstances dictate.

III. RESPONSIBILITIES AND DUTIES

The Audit Committee shall have the following duties and responsibilities:

Review Procedures

1. Review and assess the adequacy of these guidelines at least annually and submit any proposed changes to the Board of Directors for approval.
2. Review and approve the Corporation's proposed fiscal year operating budget and any amendments thereto for submission to the Board of Directors for approval.
3. Review and approve the audited financial statements and any amendments thereto for submission to the Board of Directors for approval. The review should include discussion with management and independent auditors of

significant issues regarding accounting and auditing principles, practices, and judgments.

4. In consultation with management, the CFO, and independent auditors, consider the integrity of the company's financial reporting processes and controls. Discuss significant financial and non-financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
5. Consider and approve, if appropriate, major changes to the Corporation's accounting principles as suggested by the independent auditors, management or CFO and any items required to be communicated by the independent auditors in accordance with Statement on Auditing Standards No. 115.

Independent Auditors

1. The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors. The Audit Committee shall approve the appointment of auditors, review their independence, qualifications, and performance, and approve any discharge of auditors when circumstances warrant.
2. On an annual basis, the Audit Committee should review and discuss with the independent auditors all significant relationships they have with the Corporation that could impair the auditors' independence.
3. Prior to releasing the audit report, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to the Audit Committee in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States and any other standards required by applicable federal or state law or regulation.
4. Review with the independent auditor any management letter provided by the auditor and the Corporation's response to that letter.

While the Audit Committee has the responsibilities and powers set forth in these guidelines, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.