



**May Board Meeting**

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

Tuesday, May 16, 2023  
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**

**May 16, 2023  
10:30 A.M.**

**CALL TO ORDER**

**ROLL CALL**

**Bill Dietz, Chair**

**CERTIFICATION OF QUORUM**

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 April 11, 2023.   |
| Tab 2 | Presentation, discussion and possible approval of Resolution authorizing and approving an amendment to the Regulatory Agreement relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007; authorizing and approving a supplemental agreement to the Asset Oversight Agreement and Compliance and Security Agreement relating to such Bonds; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto. |
| Tab 3 | 88th Texas Legislative Session Update.   |

**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.*

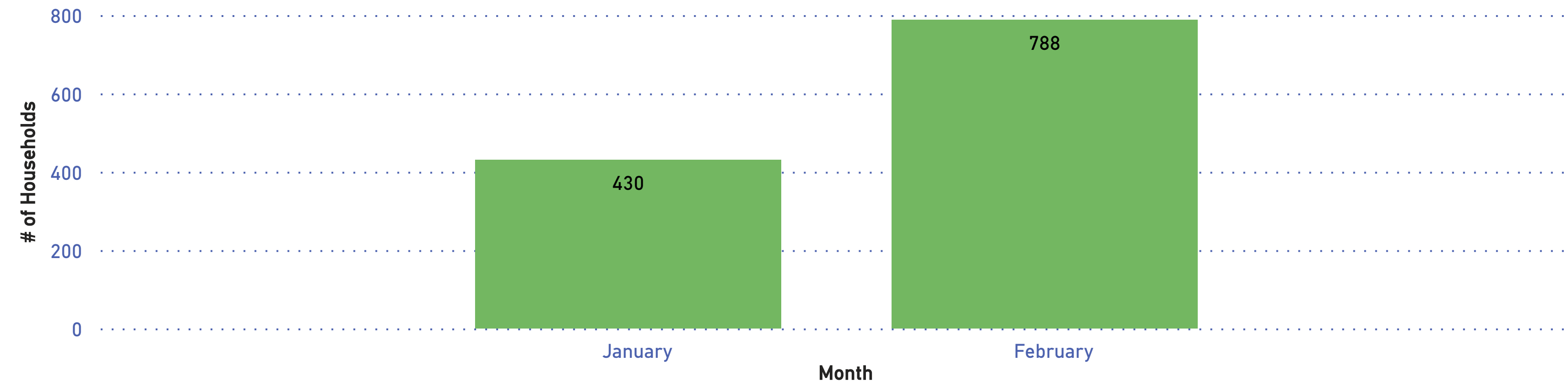
*Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will 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

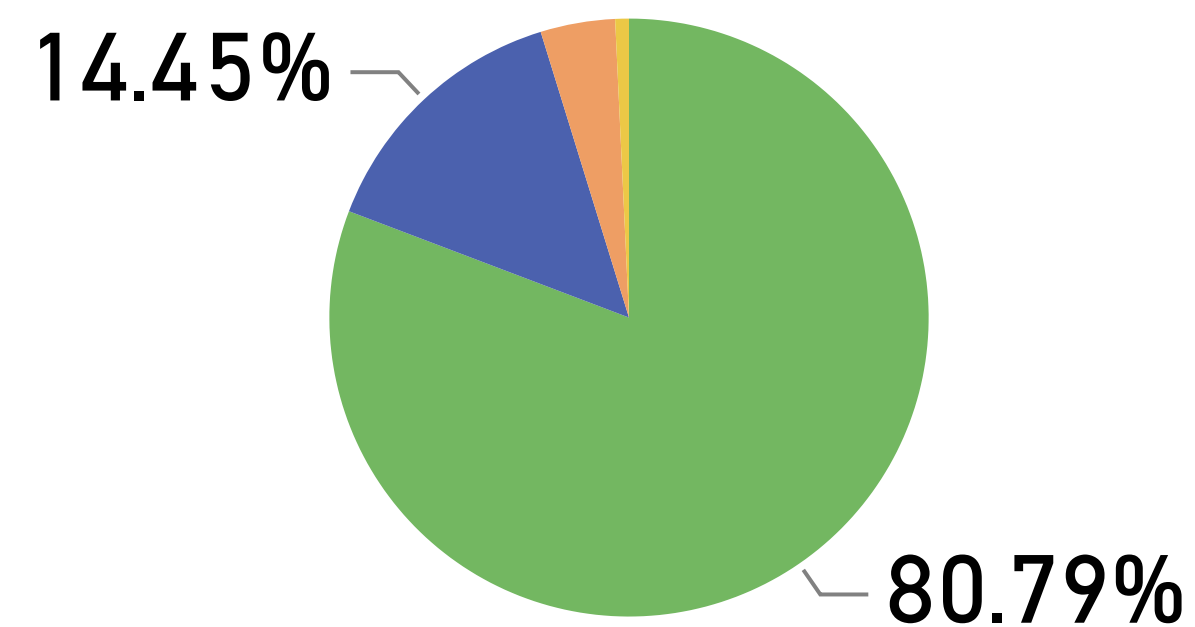
Homeownership Finance Reports

## # of Households by Month



## Loan Type

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



**76.18K**

Average Annual Income

**236K**

Average of Loan Amount

**6.65%**

Average Interest Rate

**692**

Average Credit Score

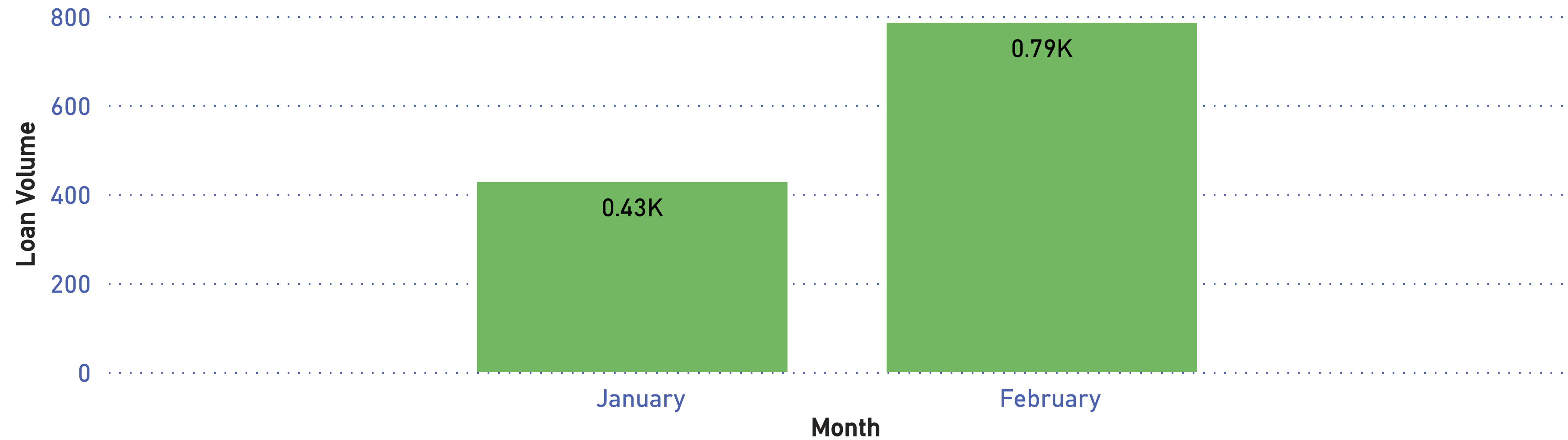
**1218**

Households Served

**2**

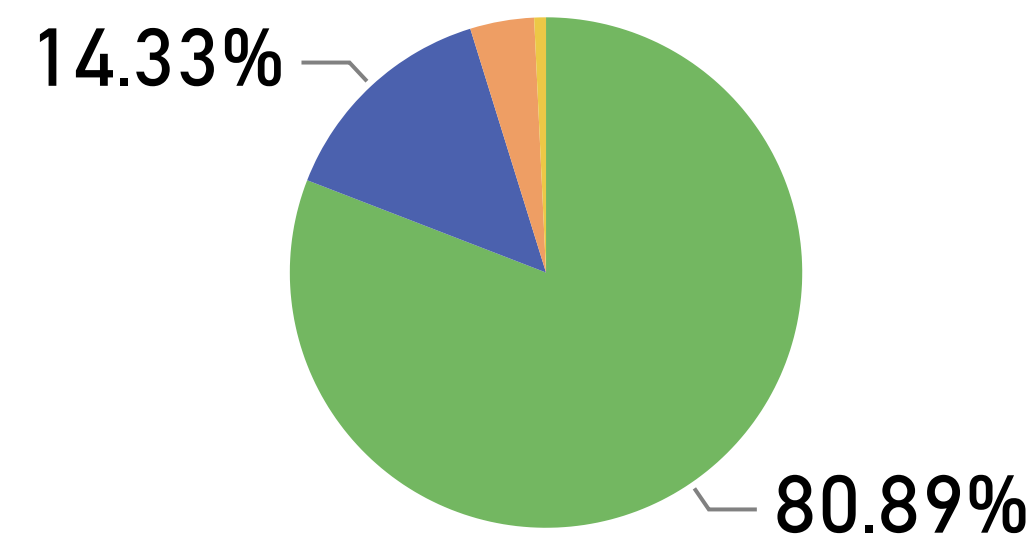
Average Household Size

## Loan Volume by Month



## Loan Type

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



7,339.18

Average DPA Awarded

8,916,008.40

Total DPA Awarded

76.20K

Average Annual Income

236K

Average Loan Amount

286M

Total Loan Volume

1214

Households Served

6.65%

Average Interest Rate

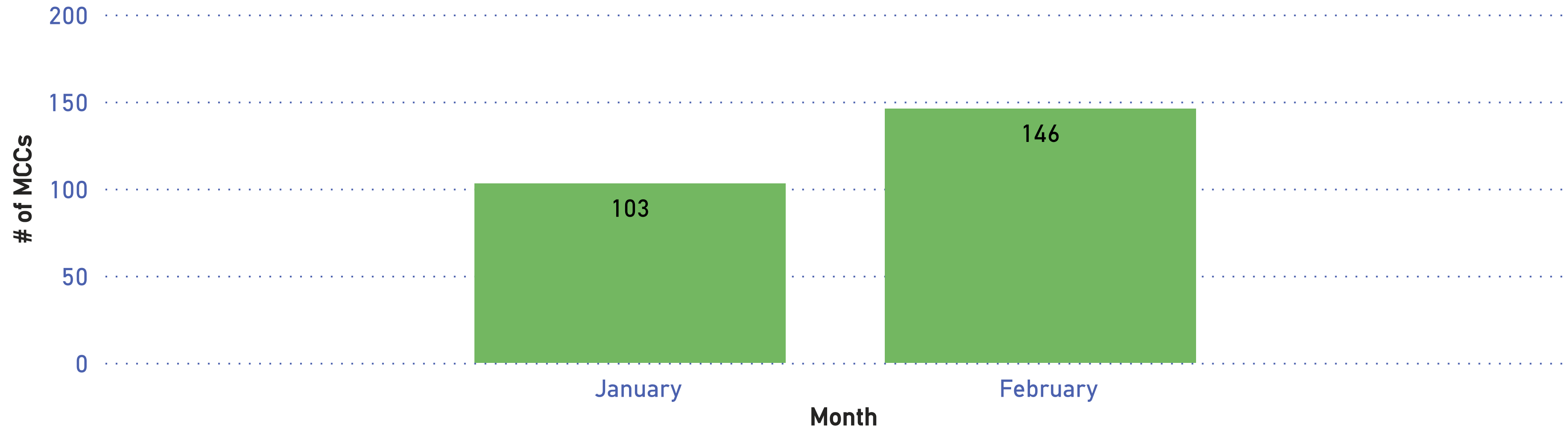
692

Average Credit Score

2

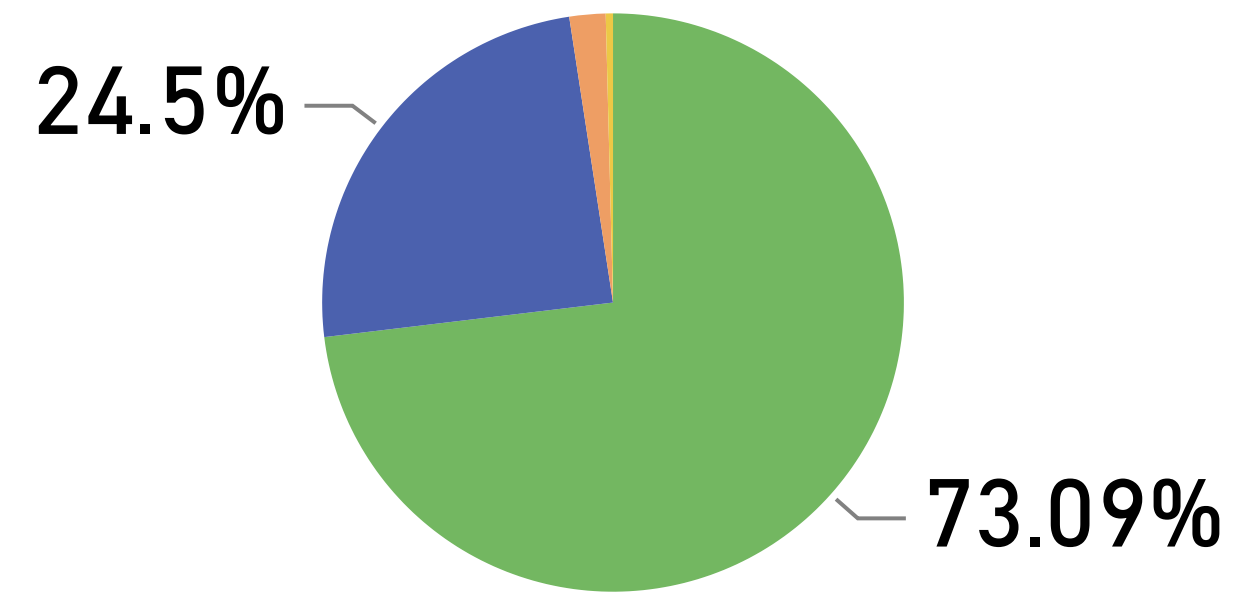
Average Household Size

## # of MCCs by Month



## Loan Type

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



**69.96K**

Average Annual Income

**239K**

Average of Loan Amount

**6.37%**

Average Interest Rate

**697**

Average Credit Score

**249**

Issued MCCs

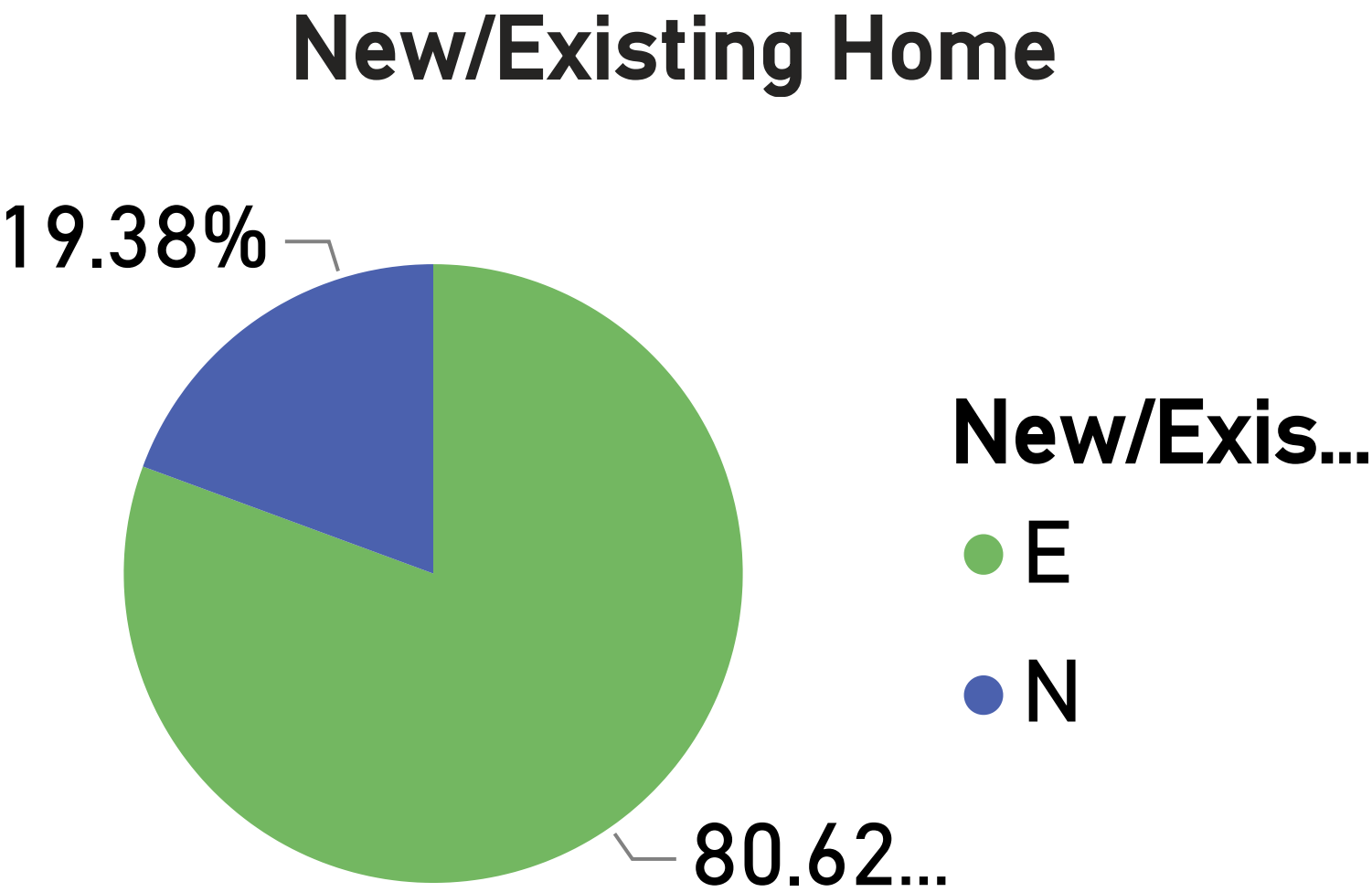
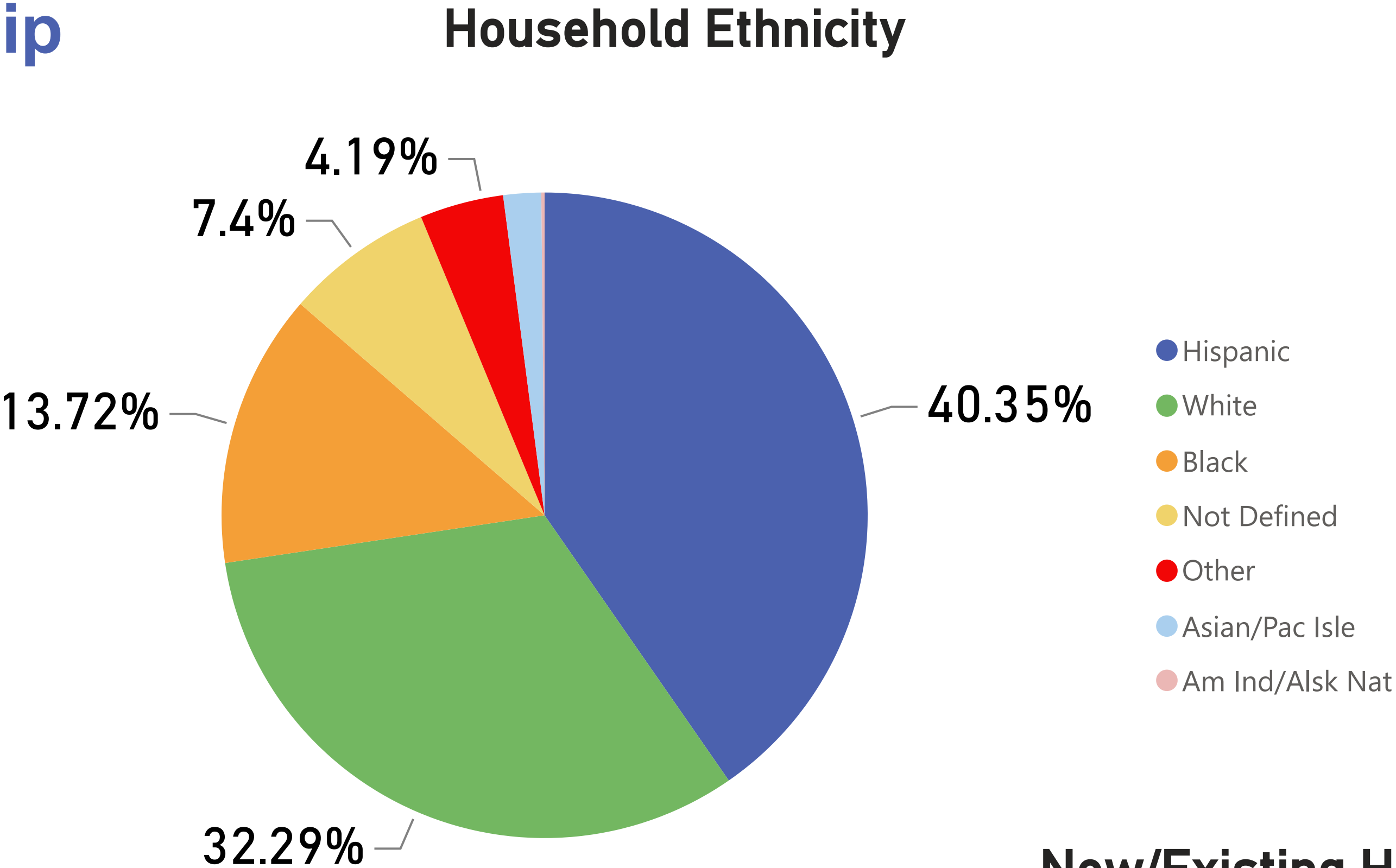
**2**

Average Household Size



Professions  
Occupation    % of Total

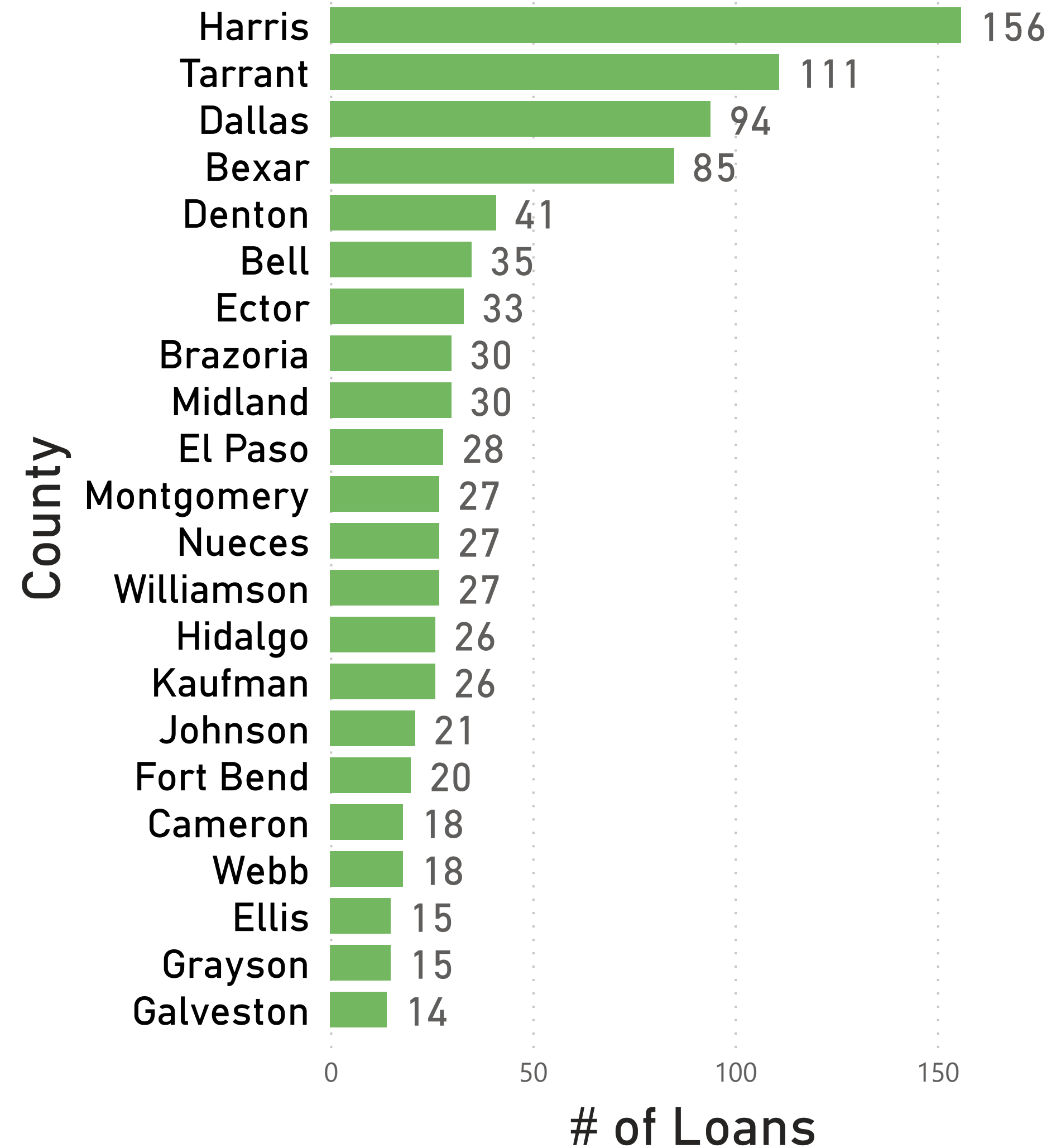
Other	85.41%
Teacher	6.65%
Veteran	2.48%
Prof Nurse Fac	1.65%
Peace Officer	1.09%
Active Military	0.91%
Corrections Off	0.46%
Fire Fighter	0.45%
Public Sec Off	0.37%
Allied Hlth Fac	0.28%
EMS Personnel	0.16%
Teacher Aide	0.07%
Total	100.00%



## Top Lenders

Top Lenders	# of Loans
Everett Financial, dba Supreme Lending	112
Fairway Independent Mortgage Corporation	82
Cardinal Financial Company	59
Guaranteed Rate	55
SFMC, LP dba Service First Mortgage Comp	43
CMG Mortgage, Inc. dba CMG Financial	39
Gateway Mortgage, a division of Gateway	37
PrimeLending	34
Amcap Mortgage, LTD	32
Crosscountry Mortgage, LLC	32
Mortgage Financial Services, LLC	29
loanDepot.com LLC	28
Nations Reliable Lending, LLC	27
Guild Mortgage Corporation	26
Security National Mortgage Company	25
Academy Mortgage Corporation	21
T2 Financial dba Revolution Mortgage	21
KBHS Home Loan, LLC	20
DHI Mortgage Company, Ltd.	18
Cornerstone Home Lending	17
Highlands Residential Mortgage	17
Willow Bend Mortgage Company, LLC	17
American Pacific Mortgage Corporation	16
Synergy One Lending, Inc.	13
<b>Total</b>	<b>1063</b>

## Top Originating Counties



Tab B

Development Finance Report

### **Affordable Communities of Texas Program (ACT)**

This past month, TSAHC sold 2709 Sayle (in Greenville) to an income eligible household and is actively marketing the remaining home at 2715 Sayle. Staff is also preparing for closing on 2709 Purdy Lane, Laredo in mid-May. TSAHC acquired this property from the National Community Stabilization Trust in the fall of 2022 and will provide the homeowner with \$10,000 in ACT down payment assistance. Funding for the acquisition and rehab was provided by Texas Community Bank, and we look forward to holding a key ceremony with them in the coming months.

The City of San Antonio approved \$33,500 in fee waivers for TSAHC's housing development at 631 Carolina. A building permit application and plan set will be submitted this month. The project will result in four homes, each with 2 bedrooms and 1.5 bathrooms, located in the Denver Heights neighborhood. Construction pricing is also underway.

Regarding the Park on 14<sup>th</sup> in Plano, staff is reviewing updated construction pricing and tracking the site plan and building permits in order to rate lock our HUD 221(d)(4) loan. The project has received preliminary approval of \$450,000 in Tax Increment Reinvestment Zone funds for public infrastructure costs. Final approval by Plano City council is anticipated in late May or June. .

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

Program	Portfolio as of April 1, 2023	Transferred	Sold	Portfolio as of May 1, 2023	Current Portfolio Value
ACT Land Bank	14		2	12	\$232,233.37
ACT Land Trust	1			1	\$650,000.00
Totals	15			13	\$882,233.37

Our current pipeline report:

- 3 properties listed for sale
- 3 homes under construction
- 2 properties leased to Local Partner
- 2 properties in predevelopment
- 3 properties searching for a Local Partner

### **Texas Housing Impact Fund**

In April, Loan Committee approved a one-year extension to the Community Development Corporation Brownsville (dba Come Dream, Come Build) for the MiCasita program.

The Housing Authority of Travis County is mobilizing for the construction start of the Manor Town Phase II and will be submitting an AHP loan draw soon.

Staff has been working on a new system to schedule meetings for our loan program that will aid staff in screening applicants and assist with our department's annual budget preparation. We are excited to begin the roll out this month.

**Multifamily Bond Program**

Applications for approval from the Texas Bond Review Board (TBRB) have been submitted for both the Eden Court and Juniper Crossing apartment projects. Eden Court is an exempt transaction, meaning it does not require the TBRB's full approval. Staff expect the administrative approval to be released in late May.

Juniper Creek Apartments is not an exempt transaction, meaning it does require a formal vote of approval from the TBRB. The next voting meeting for the TBRB is scheduled for June 8<sup>th</sup>, and staff anticipates approval at that time.

Both projects are scheduled for closing in early July. Final closing dates will be announced once TBRB approvals are in hand.

Tab C

Monthly Financial Reports

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited)

As of March 31, 2023

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### Assets

#### Current assets:

Cash and cash equivalents	\$ 4,160,329
Pooled investments	9,899,073
Restricted assets:	
Cash and cash equivalents	69,419,041
Accrued interest	31,421
Investments, at fair value	2,233,574
Accounts receivable and accrued revenue	24,059
Accrued interest receivable	269,118
Loans receivable, current portion	72,549
Notes receivable, current portion	28,882,909
Downpayment assistance, current portion	343,492
Prepaid expenses	<u>231,066</u>

Total current assets	<u>115,566,631</u>
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#### Noncurrent assets:

Loans receivable, Net of uncollectible amounts of \$9,395	171,432
Notes receivable, net of allowance for loss \$421,388	221,598,427
Lease Receivable	120,524
Investments, at fair market value	36,932,720
Mortgage servicing rights, net of accumulated amortization of \$2,638,790	89,271
Capital assets, net of accumulated depreciation of \$968,518	5,691,871
Owned real estate, net of depreciation of \$2,063,151	14,410,240
Downpayment assistance	102,494
Restricted investments held by bond trustee, at fair market value	<u>17,537,019</u>

Total noncurrent assets	<u>296,653,998</u>
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Total assets	<u>\$ 412,220,629</u>
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(continued)

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited)

As of March 31, 2023

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### Liabilities

#### Current liabilities:

Accounts payable and accrued expenses	\$ 441,406
Notes payable, current portion	64,620
Custodial reserve funds	263,443
Other current liabilities	541,881
Payable from restricted assets held by bond trustee:	
Revenue bonds payable, current portion	385,000
Accrued interest on revenue bonds	51,488

Total current liabilities	<u>1,747,838</u>
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#### Noncurrent liabilities:

Notes payable	2,032,836
Revenue bonds payable	79,450,876
Unearned revenue	<u>1,857,008</u>

Total noncurrent liabilities	<u>83,340,720</u>
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Total liabilities	<u>85,088,558</u>
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### Deferred Inflows of Resources

Deferred revenue	<u>344,091</u>
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Total deferred inflows of resources	<u>344,091</u>
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### Net Position

Invested in capital assets	5,691,871
Restricted for:	
Debt service	2,747,431
Other purposes	4,533,355
Unrestricted	<u>313,815,323</u>

Total net position	<u>326,787,980</u>
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Total liabilities and net position	<u><u>\$ 412,220,629</u></u>
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## Texas State Affordable Housing Corporation

### Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 7 Months Ending March 31, 2023

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Operating Revenues:	
Interest and investment income	\$ 1,388,385
Net increase (decrease) in fair value of investments	(715,328)
Single family income	33,439,715
Asset oversight and compliance fees	191,566
Rental program income	548,284
Multifamily income	355,072
Land bank income	17,131
Public support:	
Federal & state grants	23,685
Contributions	59,095
Other operating revenue	<u>22,812</u>
Total operating revenues	\$ <u>35,330,417</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 364,076
Program and loan administration	832,178
Texas Foundation Fund & Misc Grants	50,000
Salaries, wages and payroll related costs	2,781,056
Professional fees and services	330,617
Depreciation and amortization	7,183,975
Office expense and maintenance	88,939
Travel and meals	56,894
Other operating expenses	<u>428,585</u>
Total operating expenses	<u>12,116,320</u>
Net income	23,214,097
Total net position, beginning	<u>303,573,883</u>
Total net position, ending	\$ <u><u>326,787,980</u></u>

**Texas State Affordable Housing Corporation**  
**Budget Report**  
**March 31, 2023**

	<b>Annual Budget</b>	<b>Actual</b>	<b>Percent of Annual Budget</b>	<b>Reference</b>
<b>Revenue</b>				
Single Family Program Revenue	8,653,000	5,996,306	69%	
Lending Program Revenue	5,645,000	3,759,249	67%	
Multifamily Program Revenue	1,055,000	672,623	64%	
Rental Program Revenue	918,000	542,268	59%	
Federal & State Grants	1,500,000	27,824	2%	①
Grants, Donations & Other Awards	260,000	166,466	64%	
Land Bank Revenue	601,000	563,884	94%	②
Servicing Revenue	98,000	44,553	45%	
Investment Revenue	1,580,000	983,940	62%	
<b>Total Revenue</b>	<b>20,310,000</b>	<b>12,757,113</b>	<b>63%</b>	
<b>Expenditures</b>				
Texas Housing Impact Fund	6,575,000	3,695,154	56%	
Affordable Communities of Texas	3,100,000	300,741	10%	③
Other Program Expenditures	3,439,000	4,004,718	116%	④
Salaries & Payroll Related Expenditures	4,400,000	2,781,056	63%	
Grants	1,115,000	16,194	1%	⑤
Principal & Interest on Notes Payable	136,000	79,488	58%	
Professional Services	605,000	330,617	55%	
Marketing	159,000	73,244	46%	
Insurance	260,000	150,039	58%	
Travel & Meals	99,000	56,894	57%	
Furniture, Equipment, & Software	49,000	30,127	61%	
Building Maintenance	70,000	40,488	58%	
Professional Dues, Conferences & Train	34,000	25,374	75%	
Sponsorships	24,000	11,500	48%	
Communication	27,000	14,188	53%	
Bank Fees & Charges	22,000	13,702	62%	
Publications, Subscriptions & Office Ex	26,000	16,991	65%	
Freight, Delivery, Postage	12,000	5,149	43%	
Printing & Office Supplies	5,000	1,906	38%	
<b>Total Expenditures</b>	<b>20,157,000</b>	<b>11,647,570</b>	<b>58%</b>	
<b>Excess Revenues Over Expenditures</b>	<b>153,000</b>	<b>1,109,543</b>		

**Average Expected Percent Received/Expended = 58%**

**Texas State Affordable Housing Corporation**  
**Budget Report**  
**March 31, 2023**

**Explanations**

- ① Budgeted Income from Federal and State Grants consists of \$1,500,000 in grant funds from the Department of Health and Human Service's Money Follows the Person Program (MFP). MFP funds have been allocated to four Texas Housing Impact Fund projects which were expected to close during the budget year but due to various delays some of these projects will more likely than not be postponed until next fiscal year. Consequently we do not anticipate meeting budget for 2023.
- ② Land Bank Revenue consists of income from the sale of properties that were donated or purchased and rehabilitated. Through the first 7 months of the fiscal year more properties were sold than originally anticipated and the Corporation realized 94% of budgeted income. We anticipate that income from property sales will exceed budgeted revenue by year end.
- ③ ACT Program expenditures budgeted for fiscal year 2023 include the purchase of properties totaling \$2.8 million. As of March 31st these purchases had not been finalized. We anticipate that all ACT property purchases will close prior to year end.
- ④ Other Program Expenditures appear over budget at mid-year because expenditures budgeted for the issuance of the 2023 Single Family bonds (\$1.6 million) and expenditures for the purchase of new single family rental homes (\$1.4 million) have already occurred. We anticipate that this line item will be on budget by year end.
- ⑤ Budgeted Grant expenditures represents awards made by the Corporation's Texas Foundations Fund. Applications will be received in May and presented to the Board for approval in July. Grants will not be disbursed until July & August.

## Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on April 11, 2023.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
BOARD MEETING**

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

**April 11, 2023  
10:30 a.m.**

**Summary of Minutes**

**Call to Order  
Roll Call  
Certification of Quorum**

**The Board Meeting of the Texas State Affordable Housing Corporation (the “Corporation”) was called to order by Bill Dietz, Chairman, at 10:46 a.m., on February 21, 2023, 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:**

Bill Dietz, Chairman  
Andy Williams, Member  
Courtney Johnson-Rose, Member  
Lemuel Williams, Member

**Guests Present:**

Routt Thornhill, Coats Rose

**President’s Report**

**David Long, President**

**Closed Executive Session from 10:49 am to 11:40 am, at which time Chairman Dietz reconvened the meeting.**

The Board met in Closed Executive Session in accordance with Texas Government Code Article 551.072, deliberation regarding purchase, exchange, lease, or value of real property, and to discuss personnel matters, as covered under Texas Government Code 551.074.

See page 11 in the official transcript.

**Tab 1            Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 21, 2023.**

Mr. Lemuel Williams made a motion to approve the minutes of the Board meeting held February 21, 2023. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 11 in the official transcript.

**Tab 2                    Presentation, Discussion and Possible Approval of Amendments to the Affordable Communities of Texas program (“ACT”) Policies.**

Presented by David Danenfelzer, Senior Director, Development Finance

Ms. Rose made a motion to Approve the Amendments to the Affordable Communities of Texas program (“ACT”) Policies. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 12 in the official transcript.

**Tab 3                    Presentation, Discussion and Possible Approval of the Publication for Public Comment of Amendments to the Texas Housing Impact Fund (“THIF”) Policies.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to approve the Publication for Public Comment of Amendments to the Texas Housing Impact Fund (“THIF”) Policies. Ms. Rose seconded the motion. Mr. Dietz 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 4                    Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Eden Court Apartments Project) Series 2023, 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.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to approve of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Eden Court Apartments Project) Series 2023, 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.

Mr. Lemuel Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 17 in the official transcript.

**Tab 5            Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Juniper Creek Apartments Project) Series 2023, 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.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to approve of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Juniper Creek Apartments Project) Series 2023, 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. Mr. Lemuel Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 20 in the official transcript.

**Tab 6            Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take action to carry out the financing of The Park on 14th located in Plano, Texas, including approval of an additional \$1 Million in TSAHC equity investment to meet development costs.**

Presented by Cassandra Ramirez, Development Finance Manager

Ms. Rose made a motion to approve a Resolution Authorizing the Texas State Affordable Housing Corporation to take action to carry out the financing of The Park on 14th located in Plano, Texas, including approval of an additional \$1 Million in TSAHC equity investment to meet development costs. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 25 in the official transcript.

**Tab 7            Presentation, Discussion and Possible Approval of a Resolution authorizing and approving a Supplemental Indenture relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Bluff View Apartments), Series 2023A and Series 2023B; authorizing the execution of documents and instruments**

**necessary or convenient in connection therewith; and other matters incident and related thereto.**

Presented by Cassandra Ramirez, Development Finance Manager

Ms. Rose made a motion to approve a Resolution authorizing and approving a Supplemental Indenture relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Bluff View Apartments), Series 2023A and Series 2023B; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto. Mr. Lemuel Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 30 in the official transcript.

**Tab 8                    Presentation, Discussion and Possible Approval of a Resolution approving the purchase of 22 homes in Flint, Texas (Villas at The Ranch Subdivision) and authorizing the Corporation to start a new program surrounding the purchase of homes or property that will be initially developed as rental and thereafter potentially transitioned to homeownership and other matters incident and related thereto.**

Presented by James Matias, Senior Manager, Asset Oversight & Compliance

Mr. Andy Williams made a motion to approve of a Resolution approving the purchase of 22 homes in Flint, Texas (Villas at The Ranch Subdivision) and authorizing the Corporation to start a new program surrounding the purchase of homes or property that will be initially developed as rental and thereafter potentially transitioned to homeownership and other matters incident and related thereto. Ms. Rose seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 32 in the official transcript.

**Tab 9                    Presentation, Discussion and Possible Approval of an Amendment to the Fiscal Year 2023 Operating Budget.**

Presented by Melinda Smith, Chief Financial Officer

Ms. Rose made a motion to approve an Amendment to the Fiscal Year 2023 Operating Budget. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 39 in the official transcript.

**Tab 10                  Presentation, Discussion and Possible Approval of the 2023 Texas Foundations Fund Guidelines.**



Presented by Michael Wilt, Senior Manager, External Relations

Mr. Lemuel Williams made a motion to approve the 2023 Texas Foundations Fund Guidelines. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 41 in the official transcript.

**Tab 11        88th Texas Legislative Session Update.**

Presented by Michael Wilt, Senior Manager, External Relations

No Action taken.

See page 44 in the official transcript.

**Announcements and Closing Comments**

Mr. Long and Board Members tentatively scheduled the next Board Meeting for May 16, 2023, at 10:30am.

**Adjournment**

Mr. Dietz adjourned the meeting at 12:30pm.

Respectfully submitted by \_\_\_\_\_  
Rebecca DeLeon, Corporate Secretary

## Tab 2

Presentation, discussion and possible approval of Resolution authorizing and approving an amendment to the Regulatory Agreement relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007; authorizing and approving a supplemental agreement to the Asset Oversight Agreement and Compliance and Security Agreement relating to such Bonds; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto.

RESOLUTION NO. 23-\_\_\_\_

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION authorizing and approving an amendment to the Regulatory Agreement relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007; authorizing and approving a supplemental agreement to the Asset Oversight Agreement and Compliance and Security Agreement relating to such Bonds; authorizing the defeasance and redemption of the Bonds; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto

WHEREAS, Texas State Affordable Housing Corporation (the "Issuer") has previously issued its "Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects), Series 2007" (the "Bonds") pursuant to a Trust Indenture dated as of August 1, 2007 (the "Original Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee");

WHEREAS, the proceeds of the Bonds were used by the Issuer to fund a loan to RHAC - Chaparral, LLC, RHAC - Cove, LLC, RHAC - El Nido, LLC, RHAC - Garden, LLC, RHAC - High Plains, LLC, RHAC - JAE, LLC, RHAC - Ebanos, LLC, RHAC - Peppertree, LLC, RHAC - River Park, LLC, RHAC - Salem, LLC, RHAC - Sierra, LLC, RHAC - Spring, LLC, RHAC - WinLin, LLC (collectively, the "Original Borrower") pursuant to a Loan Agreement between the Issuer and the Original Borrower dated as of August 1, 2007 and a Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2007, by and among the Issuer, the Trustee and the Original Borrower (the "Original Regulatory Agreement");

WHEREAS, the Original Borrower and the Issuer entered into an Asset Oversight Agreement, dated as of August 1, 2007 (the "Asset Oversight Agreement"), relating to the Bonds;

WHEREAS, the Original Borrower and the Issuer entered into a Compliance and Security Agreement, dated as of August 1, 2007 (the "Compliance Agreement"), relating to the Bonds;

WHEREAS, the Original Borrower intends to sell the projects financed with the Bonds (the "Projects") to TXCVA-O, LP; TXCVA-C, LP; TXENA, LP; TXGA, LP; TXHPA, LP; TXSFA, LP; TXLEA, LP; TXPAA, LP; TXRPA, LP; TXSVA, LP; TXSVA II, LP; TXSTA, LP; and TXWLVA, LP, each a Texas limited partnership (collectively, the "New Borrower") on a date to be mutually agreed upon by the Original Borrower and the New Borrower (the actual date of sale of the Projects referred to herein as the "Sale Date");

WHEREAS, the New Borrower has agreed and covenanted to operate the Projects in such a manner as to comply with the Original Regulatory Agreement and has assumed in writing and in full the Original Borrower's duties and obligations under the Original Regulatory Agreement;

WHEREAS, on or before the Sale Date, the Original Borrower will cause direct obligations of, or obligations guaranteed by the United States of America to be deposited with the Trustee which will be sufficient without reinvestment to pay and discharge the entire outstanding indebtedness of the Bonds on April 1, 2024 (the "Redemption Date");

WHEREAS, notice of the redemption of the Bonds to take place on the Redemption Date will be given to the Owners of the Bonds at least 30 days prior to the Redemption Date;

WHEREAS, the Original Borrower shall cause to be provided to the Issuer a verification report from a duly qualified accounting or consulting firm verifying the sufficiency of the deposit of the direct obligation or obligations of the United States of America to provide the funds needed to fully discharge the payment obligations of the Bonds on the Redemption Date, as well as verifying the yield on those investments compared to the yield on the Bonds;

WHEREAS, upon the receipt of funds resulting from the direct obligation or obligations of the United States of America referenced above on the Redemption Date, the Bonds will be paid in full and no longer outstanding on and after the Redemption Date;

WHEREAS, as a result of the Bonds being paid in full and no longer outstanding, the Original Indenture shall terminate and the Trustee will cease to be the entity to receive the reports and certificates and other filings required to be made, including reports, certificates and filings required under the Original Regulatory Agreement;

WHEREAS, the Qualified Project Period, as defined in the Original Regulatory Agreement, will continue after the payment in full of the Bonds until the date on which any assistance provided with respect to the Projects under Section 8 of the Housing Act terminates;

WHEREAS, the reports, certificates and other filings that would be filed with the Trustee will, from and after the Redemption Date until the end of the Qualified Project Period, will be filed with the Issuer;

WHEREAS, to effect the transition of the reports, certificates and other filings required by the Original Regulatory Agreement from the Trustee to the Issuer, the Original Regulatory Agreement should be amended;

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

WHEREAS, there has been presented to the Issuer a First Amendment to Regulatory Agreement (the "Regulatory Agreement Amendment") among the Issuer, the Trustee and the New Borrower;

WHEREAS, upon their payment in full on the Redemption Date, the Bonds will no longer be outstanding, and the reports, certificates and other filings required by the Original Regulatory Agreement will continue to be made in accordance with the Regulatory Agreement Amendment until the end of the Qualified Project Period;

WHEREAS, the Compliance Agreement and the Asset Oversight Agreement will terminate upon the payment in full of the Bonds on the Redemption Date and the services of the Issuer will no longer be required with respect to the Projects after the date the Bonds are paid in full;

WHEREAS, the Board of Directors of the Issuer (the "Board") has reviewed the foregoing and determined that the action herein authorized is necessary or desirable and not inconsistent with the Original Indenture; now

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

Section 1: The Board hereby approves the Regulatory Agreement Amendment in substantially the form attached hereto as **Exhibit A** with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer, each an "Authorized Representative" (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and each Authorized Representative is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Regulatory Agreement Amendment. Upon execution by the parties thereto and delivery thereof, the Regulatory Agreement Amendment shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 2: The Board hereby approves the Supplemental Agreement to Asset Oversight Agreement and Compliance Agreement (the "Supplement") in substantially the form attached hereto as **Exhibit B** with such changes or additions thereto as may be approved by an Authorized Representative (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and each Authorized Representative is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Supplement. Upon execution by the parties thereto and delivery thereof, the Supplement shall be binding upon the Issuer in accordance with the terms and provisions thereof

Section 3: Each Authorized Representative is hereby authorized to assist representatives of the Original Borrower or the New Borrower, as applicable, with the establishment of an escrow fund (the "Escrow Fund") to defease the Bonds. Each Authorized Representative is authorized to take all action in conformity with the Act and the Trust Indenture necessary or reasonably required to effectuate the defeasance and redemption of the Bonds, effect any change in ownership or management of the Projects and take any and all action necessary or desirable to give effect to, and consummate the transactions described in this Resolution, and any other instruments authorized by this Resolution or required to effect the transactions contemplated hereby or thereby, including without limitation, the execution and delivery of an escrow agreement, associated with the defeasance and redemption of the Bonds (the "Escrow Agreement") and any certificates, agreements or documents incidental and related thereto.

Section 4: Each Authorized Representative of the Issuer, in cooperation with representatives of the Original Borrower or the New Borrower and the escrow agent (the "Escrow Agent") named in the Escrow Agreement, is hereby authorized and directed to make the necessary arrangements for the purchase of any escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent for deposit to the defeasance of the Bonds; all as contemplated and provided in this Resolution and the Escrow Agreement.

Section 5: The Board further hereby authorizes each Authorized Representative to select a firm of independent accountants, consultants or other qualified professional services firm (the "Verification Agent") to verify the sufficiency of the deposit to the escrow fund to accomplish the defeasance of the Bonds, to the extent such appointment is necessary or desired.

Section 6: All costs associated with the defeasance and redemption of the Bonds shall be the responsibility of the Original Borrower and the New Borrower, as they may determine, and adequate provision for the payment thereof shall be taken into account in determining the sufficiency and funding of the defeasance escrow. The Original Borrower and the New Borrower,

as they may determine, will pay or cause to be paid all such fees and expenses as of the date of establishment of the escrow.

Section 7: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgement and findings of the Board.

Section 8: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision

Section 9: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

Section 10: This Resolution shall be in force and effect from and after its passage on the date shown below.

*[remainder of page intentionally left blank]*

PASSED, APPROVED AND EFFECTIVE this May 16, 2023.

TEXAS STATE AFFORDABLE HOUSING  
CORPORATION

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President

**EXHIBIT A**  
**FORM OF REGULATORY AGREEMENT AMENDMENT**



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**FIRST AMENDMENT TO REGULATORY AGREEMENT**

**By and Among**

TEXAS STATE AFFORDABLE HOUSING CORPORATION,  
as Issuer,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
As Trustee

And

TXCVA-O, LP,  
TXCVA-C, LP,  
TXENA, LP,  
TXGA, LP,  
TXHPA, LP,  
TXSFA, LP,  
TXLEA, LP,  
TXPAA, LP,  
TXRPA, LP,  
TXSVA, LP,  
TXSVA II, LP,  
TXSTA, LP,  
TXWLVA, LP,  
as Borrower

Dated as of July 1, 2023

Relating to

\$34,900,000  
Texas State Affordable Housing Corporation  
Multifamily Housing Revenue Bonds  
(Rainbow Apartment Projects)  
Series 2007

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## **FIRST AMENDMENT TO REGULATORY AGREEMENT**

THIS FIRST AMENDMENT TO REGULATORY AGREEMENT dated as of July 1, 2023 (this “Regulatory Agreement Amendment”) is between Texas State Affordable Housing Corporation, a Texas public nonprofit corporation (the “Issuer”), Wells Fargo Bank, National Association, as trustee (the “Trustee”) and TXCVA-O, LP; TXCVA-C, LP; TXENA, LP; TXGA, LP; TXHPA, LP; TXSFA, LP; TXLEA, LP; TXPAA, LP; TXRPA, LP; TXSVA, LP; TXSVA II, LP; TXSTA, LP; and TXWLVA, LP (collectively, the “Borrower”),

### **WITNESSETH:**

WHEREAS, the Issuer has previously issued its Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007 in the original aggregate principal amount of \$34,900,000 (the “Bonds”) pursuant to a Trust Indenture dated as of August 1, 2007, between the Issuer and the Trustee (the “Original Indenture”);

WHEREAS, the proceeds of the Bonds were used by the Issuer to fund a loan to (i) RHAC - Chaparral, LLC, a Delaware limited liability company, (ii) RHAC - Cove, LLC, a Delaware limited liability company, (iii) RHAC - El Nido, LLC, a Delaware limited liability company, (iv) RHAC - Garden, LLC, a Delaware limited liability company, (v) RHAC - High Plains, LLC, a Delaware limited liability company, (vi) RHAC - JAE, LLC, a Delaware limited liability company, (vii) RHAC - Ebanos, LLC, a Delaware limited liability company, (viii) RHAC - Peppertree, LLC, a Delaware limited liability company (ix) RHAC - River Park, LLC, a Delaware limited liability company (x) RHAC - Salem, LLC, a Delaware limited liability company, (xi) RHAC - Sierra, LLC, a Delaware limited liability company, (xii) RHAC - Spring, LLC, a Delaware limited liability company and (xiii) RHAC - WinLin, LLC, a Delaware limited liability company (jointly and severally, the “Original Borrowers”) pursuant to a Loan Agreement between the Issuer and the Original Borrowers dated as of August 1, 2007 (the “Original Loan Agreement”) and a Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2007, by and among the Issuer, the Trustee and the Original Borrowers (the “Original Regulatory Agreement”);

WHEREAS, on a date mutually agreed between the Original Borrowers and the Borrower, the Original Borrowers shall cause to be deposited with the Trustee direct obligations of the United States of America which, without reinvestment, will be sufficient to pay and discharge the entire outstanding indebtedness of the Bonds on April 1, 2024 (the “Redemption Date”);

WHEREAS, it is anticipated that the Bonds will be redeemed in whole on the Redemption Date and will no longer be outstanding from and after the Redemption Date;

WHEREAS, because the Bonds will no longer be outstanding on and after the Redemption Date, the services of BOKF, N.A., as the trustee under the Original Indenture and the Original Regulatory Agreement, will no longer be required after such date;

WHEREAS, certain reports, certificates and other filings required by the Original Regulatory Agreement need to continue until the end of the Qualified Project Period and such reports, certificates and other filings should be filed with the Issuer from and after the date the Bonds are no longer outstanding until the end of the Qualified Project Period;

Now, THEREFORE, in consideration of the premises, the Issuer and the Borrower agree as follows:

## ARTICLE I

### PROVISIONS OF GENERAL APPLICATION

Section 1.1. Effective Date. This Regulatory Agreement Amendment shall be effective as of the date of its execution set forth below..

Section 1.2. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 1.3. Governing Law. This Regulatory Agreement Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

Section 1.4. Defined Terms. Unless otherwise defined herein, all initially capitalized terms used herein shall have the meanings assigned to such terms in the Original Indenture described therein.

Section 1.5. Counterparts. This Regulatory Agreement Amendment may be executed in any number of counterparts, each of which shall be an original, and such counterparts shall together constitute one and the same instrument.

Section 1.6. Authorized Signatories. The persons signing this Regulatory Agreement Amendment are duly authorized to execute it on behalf of the party they purport to represent, and each party warrants that it is authorized to execute this Regulatory Agreement Amendment and to perform its duties hereunder.

Section 1.7. Successors and Assigns. All covenants and agreements in this Regulatory Agreement Amendment by the Issuer and the Borrower shall bind their respective successors and assigns, whether so expressed or not.

Section 1.8. Severability. In case any provision in this Regulatory Agreement Amendment or any application hereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

Section 1.9. Original Regulatory Agreement in Full Force and Effect. Except to the extent modified by this Regulatory Agreement Amendment, all provisions of the Original Regulatory Agreement are hereby confirmed to be in full force and effect.

## ARTICLE II

### AMENDMENTS

Section 2. Amendments.

(a) The Original Regulatory Agreement is hereby amended by adding a new Section 28 which shall read:

*Section 28. Provisions Following Payment in Full of the Bonds. Notwithstanding anything in this Regulatory Agreement, as amended, to the contrary, when the Bonds are no longer outstanding, all reports, certificates and other filings the Borrower is required to provide to the*

*Trustee shall be filed with the Issuer until the end of the Qualified Project Period. The Borrower shall provide or cause to be provided to the Issuer the items listed in Section 10 of the Regulatory Agreement related to sale, transfer or other disposition of the Projects, including a certification that the Borrower is not in default under its obligations in the Regulatory Agreement, the covenant of the Borrower to operate the Projects in such a manner as to comply with the provisions of the Regulatory Agreement, as amended, and an acknowledgement that the Borrower has assumed in writing and in full the original Borrower's duties and obligations under the Regulatory Agreement, as amended.*

(b) The Borrower will pay or cause to be paid all legal and consultant costs and expenses of the Issuer related to the amendment of the Regulatory Agreement and the termination of any other agreements of the Issuer associated with the payment in full of the Bonds.

(d) The Issuer consents and agrees to the sale, transfer and disposition of the Projects to the Borrower.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Regulatory Agreement Amendment to be duly executed by persons thereunto duly authorized and this Regulatory Agreement Amendment is effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**TEXAS STATE AFFORDABLE HOUSING  
CORPORATION**

By: \_\_\_\_\_  
President

[Counterpart Signature Page to Rainbow Regulatory Agreement Amendment]

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION**, as Trustee

By: \_\_\_\_\_  
Authorized Representative

**CONSENTED AND AGREED TO:**

**TXCVA-O, LP,**  
a Texas limited partnership

By: TXCVA-O II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXCVA-C, LP,**  
a Texas limited partnership

By: TXCVA-C II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXENA, LP,**  
a Texas limited partnership

By: TXENA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXGA, LP,**  
a Texas limited partnership

By: TXGA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXHPA, LP,**  
a Texas limited partnership

By: TXHPA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSFA, LP,**  
a Texas limited partnership

By: TXSFA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXLEA, LP,**  
a Texas limited partnership

By: TXLEA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager



**TXPAA, LP,**  
a Texas limited partnership

By: TXPAA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXRPA, LP,**  
a Texas limited partnership

By: TXRPA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSVA, LP,**  
a Texas limited partnership

By: TXSVA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSVA II, LP,**  
a Texas limited partnership

By: TXSVA II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSTA, LP,**  
a Texas limited partnership

By: TXSTA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXWLVA, LP,**  
a Texas limited partnership

By: TXWLVA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**EXHIBIT B**  
**FORM OF SUPPLEMENTAL AGREEMENT TO ASSET OVERSIGHT**  
**AGREEMENT AND COMPLIANCE AGREEMENT**

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**SUPPLEMENTAL AGREEMENT TO ASSET OVERSIGHT AGREEMENT  
AND COMPLIANCE AND SECURITY AGREEMENT**

By and Among

TEXAS STATE AFFORDABLE HOUSING CORPORATION,  
as Issuer,

and

RHAC - CHAPARRAL, LLC,  
RHAC - COVE, LLC,  
RHAC - EL NIDO, LLC,  
RHAC - GARDEN, LLC,  
RHAC - HIGH PLAINS, LLC,  
RHAC - JAE, LLC,  
RHAC - EBANOS, LLC,  
RHAC - PEPPERTREE, LLC,  
RHAC - RIVER PARK, LLC,  
RHAC - SALEM, LLC,  
RHAC - SIERRA, LLC,  
RHAC - SPRING, LLC, AND  
RHAC - WINLIN, LLC,  
(jointly and severally, the “Original Borrowers”)

and

TXCVA-O, LP,  
TXCVA-C, LP,  
TXENA, LP,  
TXGA, LP,  
TXHPA, LP,  
TXSFA, LP,  
TXLEA, LP,  
TXPAA, LP,  
TXRPA, LP,  
TXSVA, LP,  
TXSVA II, LP,  
TXSTA, LP,  
TXWLVA, LP,  
as the New Borrower

Dated as of July 1, 2023

Relating to

\$34,900,000  
Texas State Affordable Housing Corporation  
Multifamily Housing Revenue Bonds  
(Rainbow Apartment Projects)  
Series 2007

**SUPPLEMENTAL AGREEMENT TO ASSET OVERSIGHT AGREEMENT  
AND COMPLIANCE AND SECURITY AGREEMENT**

THIS SUPPLEMENT AGREEMENT TO ASSET OVERSIGHT AGREEMENT AND COMPLIANCE AND SECURITY AGREEMENT dated as of July 1, 2023 (this “Supplement”) is entered into by and among Texas State Affordable Housing Corporation, a Texas public nonprofit corporation (the “Issuer”); (i) RHAC - Chaparral, LLC, a Delaware limited liability company, (ii) RHAC - Cove, LLC, a Delaware limited liability company, (iii) RHAC - El Nido, LLC, a Delaware limited liability company, (iv) RHAC - Garden, LLC, a Delaware limited liability company, (v) RHAC - High Plains, LLC, a Delaware limited liability company, (vi) RHAC - JAE, LLC, a Delaware limited liability company, (vii) RHAC - Ebanos, LLC, a Delaware limited liability company, (viii) RHAC - Peppertree, LLC, a Delaware limited liability company (ix) RHAC - River Park, LLC, a Delaware limited liability company (x) RHAC - Salem, LLC, a Delaware limited liability company, (xi) RHAC - Sierra, LLC, a Delaware limited liability company, (xii) RHAC - Spring, LLC, a Delaware limited liability company and (xiii) RHAC - WinLin, LLC, a Delaware limited liability company (jointly and severally, the “Original Borrowers”); and TXCVA-O, LP; TXCVA-C, LP; TXENA, LP; TXGA, LP; TXHPA, LP; TXSFA, LP; TXLEA, LP; TXPAA, LP; TXRPA, LP; TXSVA, LP; TXSVA II, LP; TXSTA, LP; and TXWLVA, LP, each a Texas limited partnership (collectively, the “New Borrower”).

**W I T N E S S E T H :**

WHEREAS, the Issuer has previously issued its Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007 in the original aggregate principal amount of \$34,900,000 (the “Bonds”) pursuant to a Trust Indenture dated as of August 1, 2007, between Wells Fargo Bank, National Association, as trustee (the “Trustee”) and the Issuer;

WHEREAS, the proceeds of the Bonds were used by the Issuer to fund a loan to the Original Borrowers pursuant to a Loan Agreement between the Issuer and the Original Borrowers dated as of August 1, 2007 and a Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2007, by and among the Issuer, the Trustee and the Original Borrowers (the “Original Regulatory Agreement”);

WHEREAS, the Original Borrowers and the Issuer have entered into an Asset Oversight Agreement, dated as of August 1, 2007 (the “Asset Oversight Agreement”), relating to the Bonds;

WHEREAS, the Original Borrowers and the Issuer have entered into a Compliance and Security Agreement, dated as of August 1, 2007 (the “Compliance Agreement”), relating to the Bonds;

WHEREAS, the Original Borrowers intend to sell the projects financed with the Bonds (the “Projects”) to the New Borrower on a date to be mutually agreed upon by the Original Borrower and the New Borrower (such actual sale date referred to herein as the “Sale Date”);

WHEREAS, on the Sale Date, the Original Borrowers intend to make an irrevocable deposit of funds or securities with the Trustee in an amount sufficient to pay and discharge, without reinvestment, the entire outstanding indebtedness of the Bonds on April 1, 2024 (the “Redemption Date”);

WHEREAS, the Original Regulatory Agreement is being amended on a contemporaneous basis herewith (as amended, the “Amended Regulatory Agreement”) to require that such reports, certificates and other filings required to be made in accordance with that agreement should be filed with the Issuer from and after the Redemption Date until the end of the Qualified Project Period;

WHEREAS, the Bonds will no longer be outstanding on and after the Redemption Date, and the reports, certificates and other filings required by the Original Regulatory Agreement will continue to be made in accordance with the Amended Regulatory Agreement until the end of the Qualified Project Period;

WHEREAS, the services of the Issuer under the Compliance Agreement and the Asset Oversight Agreement will no longer be required with respect to the Projects after the Redemption Date;

NOW, THEREFORE, in consideration of the premises, and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## **AGREEMENT**

Section 1. Asset Oversight Agreement. The Asset Oversight Agreement shall terminate as of the Redemption Date. Subject to Section 3 hereof, the Issuer, the Original Borrowers and the New Borrower agree to abide by all the terms and provisions of the Asset Oversight Agreement through such termination date.

Section 2. Compliance Agreement. The Compliance Agreement shall terminate as of the Redemption Date. Subject to Section 3 hereof, the Issuer, the Original Borrowers and the New Borrower agree to abide by all the terms and provisions of the Compliance Agreement through such termination date.

Section 3. Issuer Fees.

(a) On the Sale Date and in lieu of any continuing fees due under the Compliance Agreement the New Borrower will pay or cause to be paid to the Issuer the lump sum of \$105,777.00, comprised of the Issuer Compliance Fee equal to \$92,736.00 calculated at \$23.00 x 1008 units x 4 years, plus \$5,796.00, representing the annual Issuer Compliance Fee of \$23.00 x 1008 units prorated for the first three (3) months of 2024, and plus \$7,245.00, representing the annual Asset Oversight Agent's Fee of \$28.75 x 1008 units prorated for the first three (3) months of 2024 as the fee due to the Issuer in connection with the transfer of ownership of the Projects and termination of the Compliance Agreement.

(b) No additional fees will be due to the Issuer in connection with the transfer of the Properties or termination of the Asset Oversight Agreement or the Compliance Agreement.

Section 4. Expenses. On the Sale Date, the New Borrower will pay or cause to be paid all legal and consultant costs and expenses of the Issuer related to the preparation and approval by the Issuer of this Supplement, the Amended Regulatory Agreement and the termination of any agreements of the Issuer or necessary filings associated with the payment in full of the Bonds or termination of the Asset Oversight Agreement or the Compliance Agreement.

Section 5. Amendments to Existing Agreements. To the extent the terms of this Supplement supersede the terms of the Asset Oversight Agreement and/or the Compliance Agreement, such agreements are hereby amended and modified. Otherwise, the terms of the Asset Oversight Agreement and the Compliance Agreement remain in full force and effect and the Issuer, the Original Borrowers and the New Borrower (as successor to the Original Borrowers) agree to abide by the respective terms of such agreements through the date of their respective terminations in accordance with Sections 1 and 2 hereof.

Section 6. Effective Date. This Supplement shall be effective as of the date of its execution set forth below.

Section 7. Effect of Headings. Section headings herein are for convenience only and shall not affect the construction hereof.

Section 8. Governing Law. This Supplement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 9. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings assigned to such terms in the Compliance Agreement.

Section 10. Counterparts. This Supplement may be executed in any number of counterparts, each of which shall be an original, and such counterparts shall together constitute one and the same instrument.

Section 11. Authorized Signatories. The persons signing this Supplement are duly authorized to execute it on behalf of the party they purport to represent, and each party warrants that it is authorized to execute this Supplement and to perform its duties hereunder.

Section 12. Successors and Assigns. All covenants and agreements in this Supplement of the Issuer and the Original Borrowers shall bind their respective successors and assigns, whether so expressed or not.

Section 13. Severability. In case any provision in this Supplement or any application hereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed by persons thereunto duly authorized and this Supplement is effective as of this \_\_\_\_ day of \_\_\_\_\_, 2023.

**Issuer:**

Texas State Affordable Housing Corporation

By: \_\_\_\_\_

Name:

Title:

**Original Borrowers:**

RHAC - Chaparral, LLC, a Delaware limited liability company  
RHAC - Cove, LLC, a Delaware limited liability company  
RHAC - El Nido, LLC, a Delaware limited liability company  
RHAC - Garden, LLC, a Delaware limited liability company  
RHAC - High Plains, LLC, a Delaware limited liability company  
RHAC - JAE, LLC, a Delaware limited liability company  
RHAC - Ebanos, LLC, a Delaware limited liability company  
RHAC - Peppertree, LLC, a Delaware limited liability company  
RHAC - River Park, LLC, a Delaware limited liability company  
RHAC - Salem, LLC, a Delaware limited liability company  
RHAC - Sierra, LLC, a Delaware limited liability company  
RHAC - Spring, LLC, a Delaware limited liability company  
RHAC - WinLin, LLC, a Delaware limited liability company

By: RHAC - Texas Portfolio, LP, a Delaware limited partnership, the sole member for each of the above-listed limited liability companies

By: RHAC - Texas, LLC, a Delaware limited liability company, its general partner

By: Texas Council of Foundation for Social Resources, Inc., a Texas nonprofit corporation, its sole member

By: \_\_\_\_\_

Name:

Title:



**New Borrowers:**

**TXCVA-O, LP,**  
a Texas limited partnership

By: TXCVA-O II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXCVA-C, LP,**  
a Texas limited partnership

By: TXCVA-C II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXENA, LP,**  
a Texas limited partnership

By: TXENA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXGA, LP,**  
a Texas limited partnership

By: TXGA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXHPA, LP,**  
a Texas limited partnership

By: TXHPA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSFA, LP,**  
a Texas limited partnership

By: TXSFA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXLEA, LP,**  
a Texas limited partnership

By: TXLEA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXPAA, LP,**  
a Texas limited partnership

By: TXPAA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXRPA, LP,**  
a Texas limited partnership

By: TXRPA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSVA, LP,**  
a Texas limited partnership

By: TXSVA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSVA II, LP,**  
a Texas limited partnership

By: TXSVA II SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXSTA, LP,**  
a Texas limited partnership

By: TXSTA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

**TXWLVA, LP,**  
a Texas limited partnership

By: TXWLVA SLP, LLC,  
a Texas limited liability company,  
its Special Limited Partner

By: \_\_\_\_\_  
Lee Zieben,  
Manager

## Texas State Affordable Housing Corporation

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### **Agenda:**

Presentation, Discussion and Possible Approval of a Resolution authorizing and approving an amendment to the Regulatory Agreement relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007; authorizing and approving a supplemental agreement to the Asset Oversight Agreement and Compliance and Security Agreement relating to such Bonds; authorizing the defeasance and redemption of the Bonds; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto.

### **Summary:**

In 2007, TSAHC issued tax-exempt private activity bonds for the acquisition and rehabilitation of the Rainbow Apartment Projects, a pooled transaction of 13 affordable communities throughout the State of Texas totaling 1008 affordable units. The current owner, Rainbow Housing Assistance Corporation is now selling the portfolio to TXCVA-O, LP; TXCVA-C, LP; TXENA, LP; TXGA, LP; TXHPA, LP; TXSFA, LP; TXLEA, LP; TXPAA, LP; TXRPA, LP; TXSVA, LP; TXSVA II, LP; TXSTA, LP; and TXWLVA, LP, each a Texas limited partnership (collectively, the “New Borrower”), and the properties will continue to provide affordable housing.

The closing of the sale is expected to be completed in July 2023. The bonds are not callable until April 2024, therefore the buyer will deposit funds sufficient to cover the repayment of the bonds, plus ongoing interest and other costs at the time of closing. This process is called a defeasance. Norton Rose Fulbright and PFM are representing TSAHC as bond counsel and municipal advisor, respectively. The bonds will be redeemed and bond holders paid in full in April 2024.

On the date the bonds are paid in full and no longer outstanding, the Original Indenture, Asset Oversight Agreement and the Compliance Agreement shall terminate. However, the Qualified Project Period, or affordability period, will continue after bond repayment due to the presence of Section 8 rental assistance contracts in each property. To ensure ongoing affordability requirements are met, TSAHC is amending the regulatory agreement. The amendment will require the New Borrower to submit compliance reports, certifications and other filings directly to TSAHC until the end of the Qualified Project Period. TSAHC’s fees for reviewing the filings will be capitalized and paid in full at the time of closing.

### **Recommendation:**

Staff recommends the approval of the Resolution authorizing and approving an amendment to the Regulatory Agreement relating to the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Rainbow Apartment Projects) Series 2007; authorizing and approving a supplemental agreement to the Asset Oversight Agreement and Compliance and Security Agreement relating to such Bonds; authorizing the defeasance and redemption of the Bonds; authorizing the execution of documents and instruments necessary or convenient in connection therewith; and other matters incident and related thereto.

## Tab 3

88th Texas Legislative Session Update.