

T E X A S
State Affordable Housing Corporation

September Board Meeting

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

Tuesday, September 19, 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**

**September 19, 2023
10:30 A.M.**

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

Bill Dietz, Chair

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

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

The Board of Directors of Texas State Affordable Housing Corporation will meet to consider and possibly act on the following:

PUBLIC COMMENT

PRESIDENT’S REPORT

David Long

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

ACTION ITEMS IN OPEN MEETING:

- | | |
|-------|--|
| Tab 1 | Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on August 22, 2023. |
| Tab 2 | Presentation, Discussion and Possible Approval of a Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2022 carryforward and 2023 annual and collapse allocation). |
| Tab 3 | Presentation, discussion and possible approval of a resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Habitat for Humanity of Denton County to construct new for-sale homes to low-income families at the Habitat Village subdivision in an amount not to exceed \$750,000. |
| Tab 4 | Presentation, Discussion, and Possible Approval of a Resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Legacy Community Development Corporation in an amount not to exceed \$600,000. |
| Tab 5 | Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) 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. |

- Tab 6 Presentation, Discussion and Possible Approval of the publication for public comment of amendments to TSAHC's Joint Venture Guidelines.
- Tab 7 Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund: FY2024 Disaster Recovery 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



Homeownership All Programs - 2023

January 1, 2023 to June 30, 2023

76.91K
Average Annual Income

242K
Average of Loan Amount

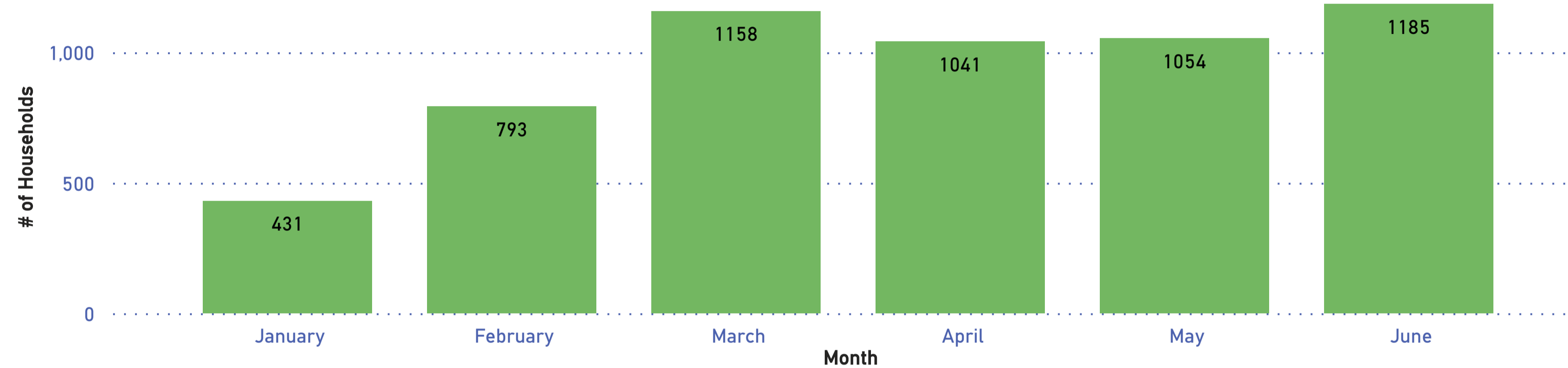
6.84%
Average Interest Rate

695
Average Credit Score

5662
Households Served

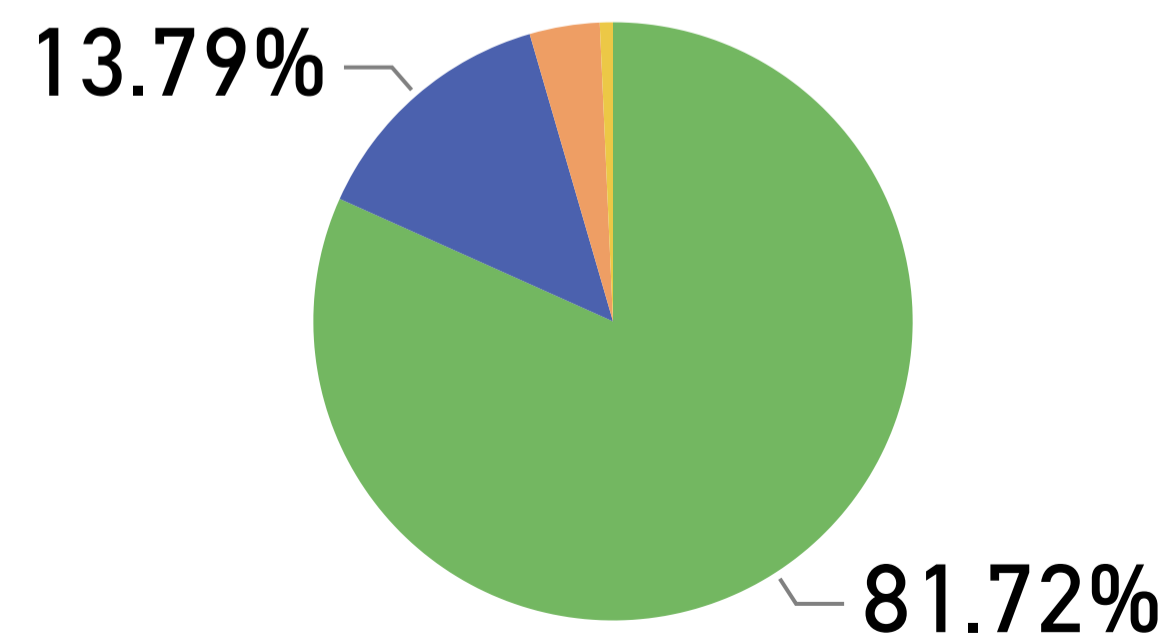
2
Average Household Size

of Households by Month

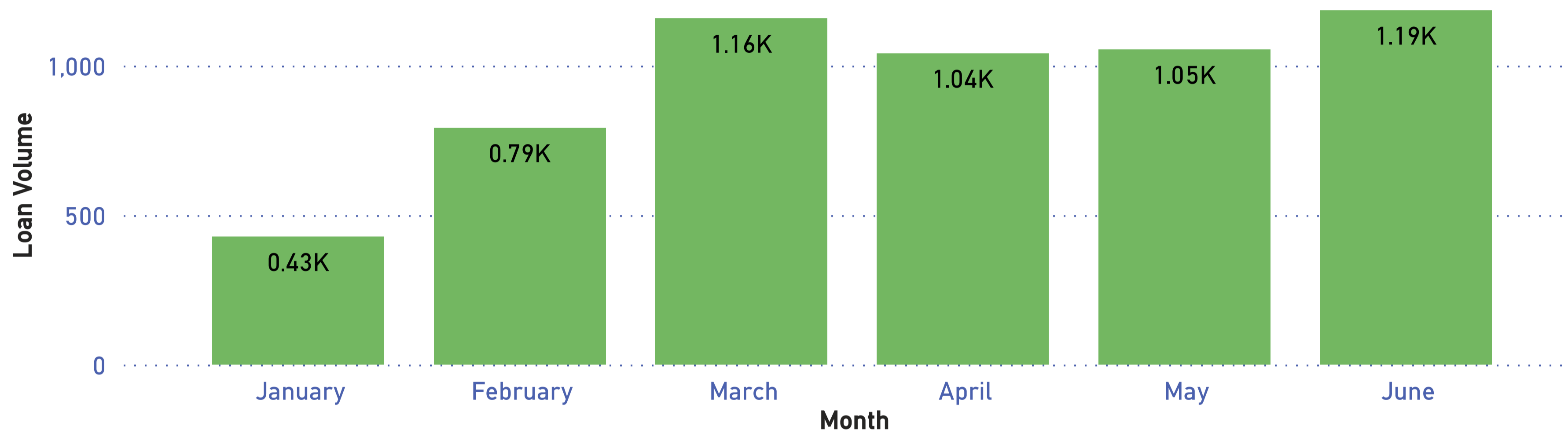


Loan Type

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

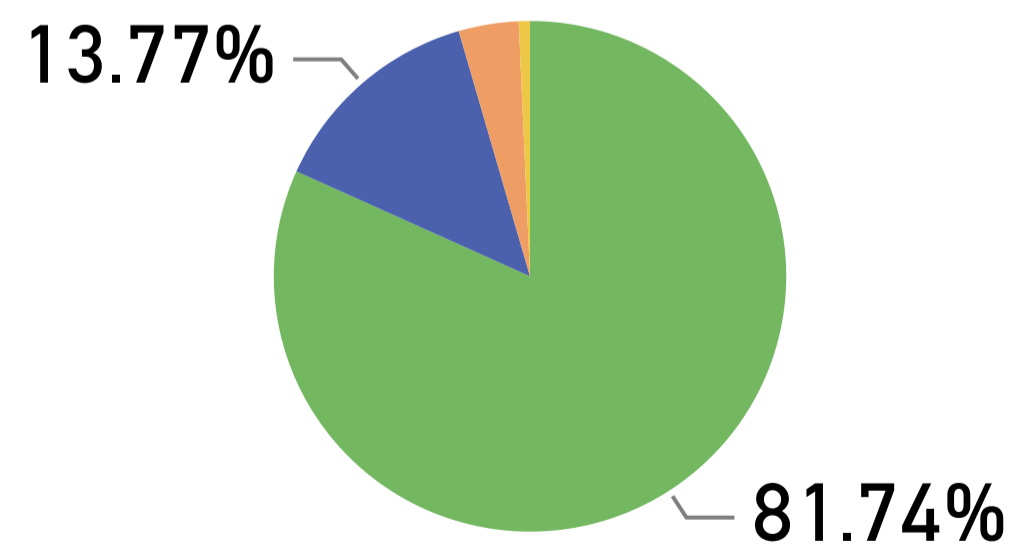


Loan Volume by Month



Loan Type

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



7,631.80

Average DPA Awarded

43180716

Total DPA Awarded

76.91K

Average Annual Income

242K

Average Loan Amount

1371M

Total Loan Volume

5658

Households Served

6.84%

Average Interest Rate

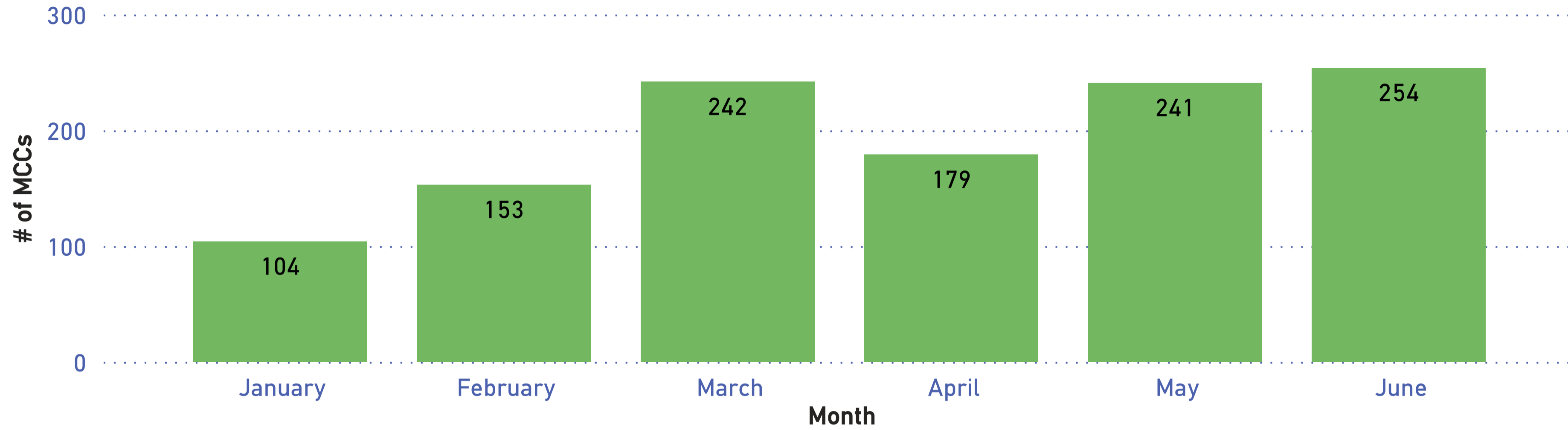
695

Average Credit Score

2

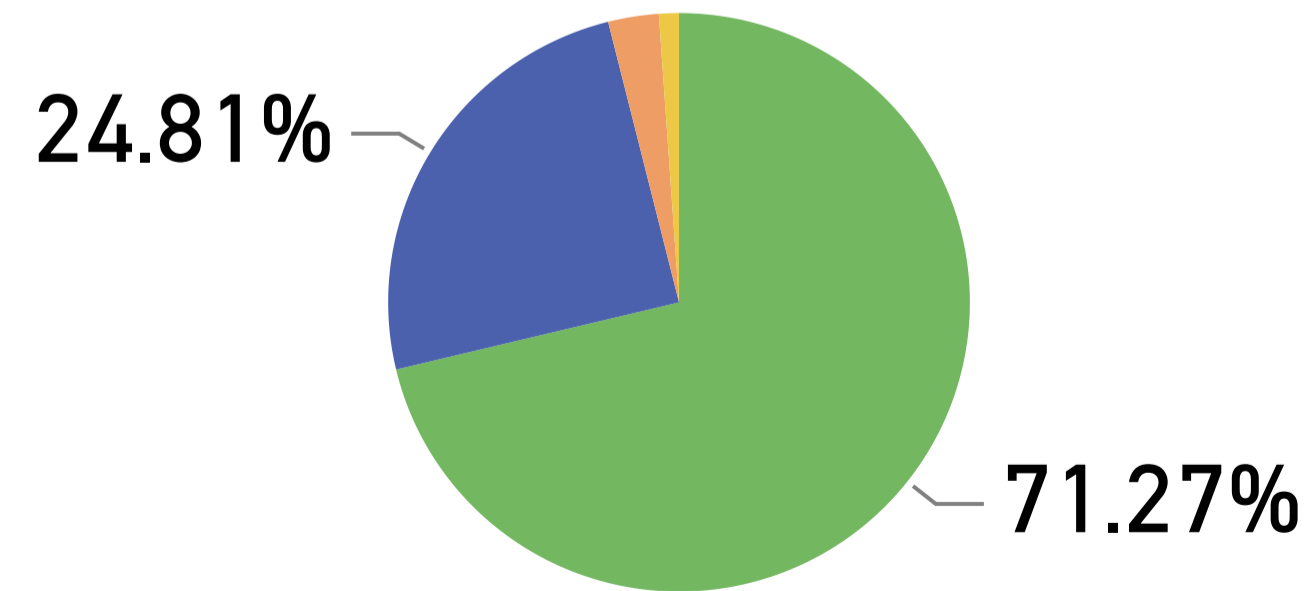
Average Household Size

of MCCs by Month



Loan Type

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



68.20K

Average Annual Income

240K

Average of Loan Amount

6.56%

Average Interest Rate

702

Average Credit Score

1173

Issued MCCs

2

Average Household Size

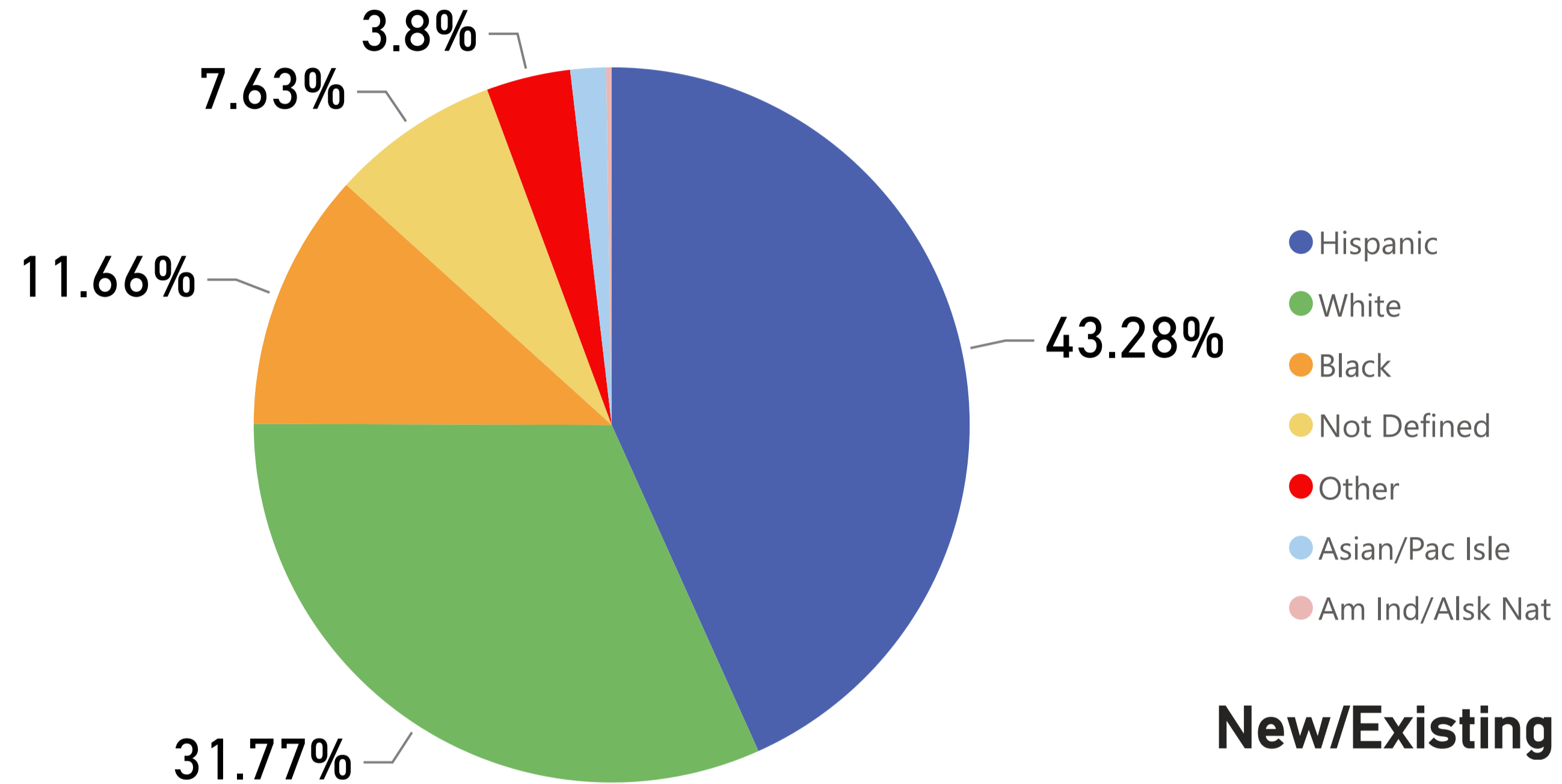
Professions

Occupation % of Total

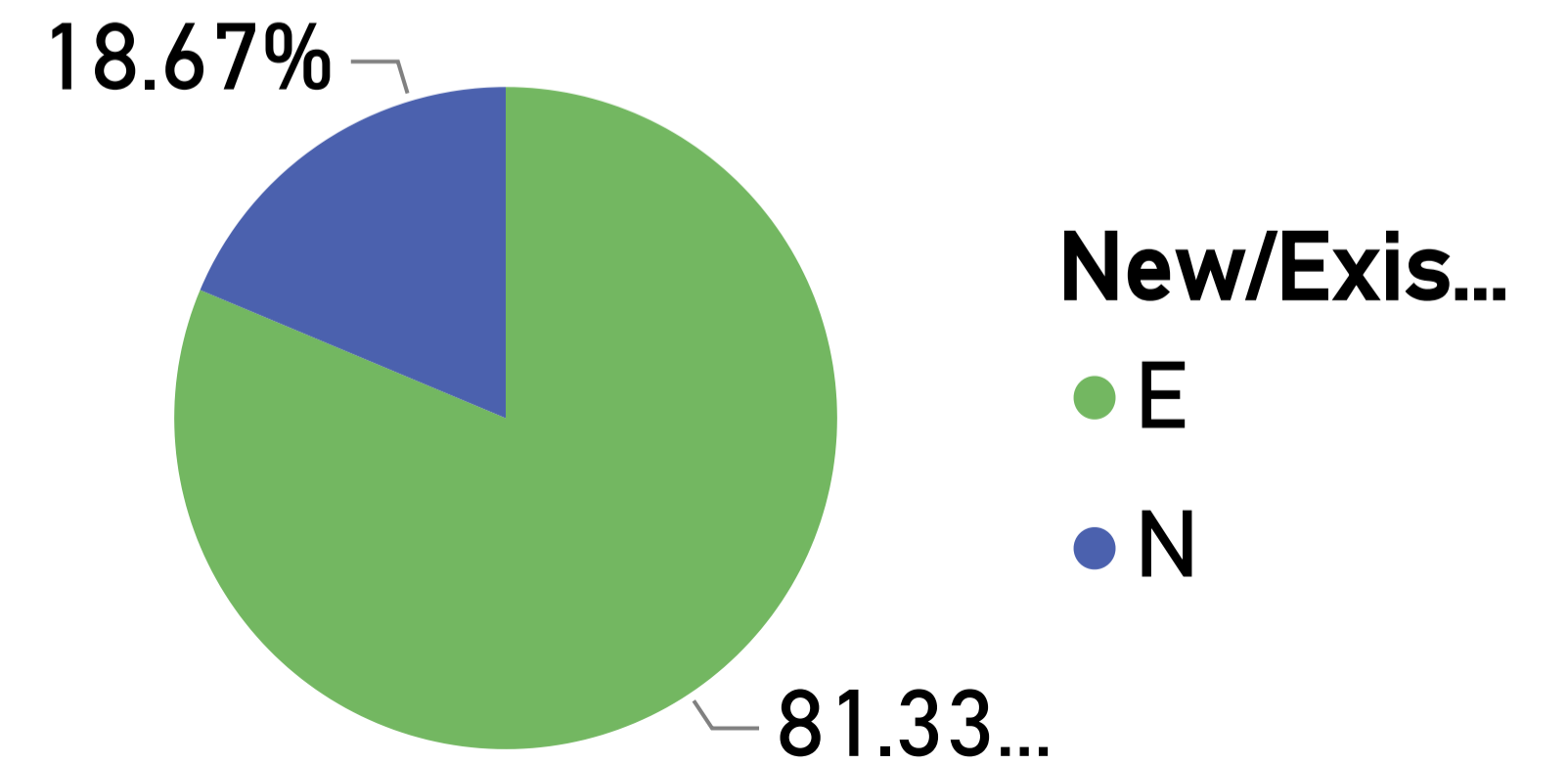
Other	86.98%
Teacher	5.61%
Veteran	2.04%
Prof Nurse Fac	1.54%
Peace Officer	0.88%
Active Military	0.79%
Fire Fighter	0.46%
Public Sec Off	0.41%
Corrections Off	0.38%
EMS Personnel	0.29%
Teacher Aide	0.19%
Sch Counselor	0.17%
Allied Hlth Fac	0.11%
County Jailer	0.07%
School Nurse	0.04%
Sch Librarian	0.02%

Total 100.00%

Household Ethnicity



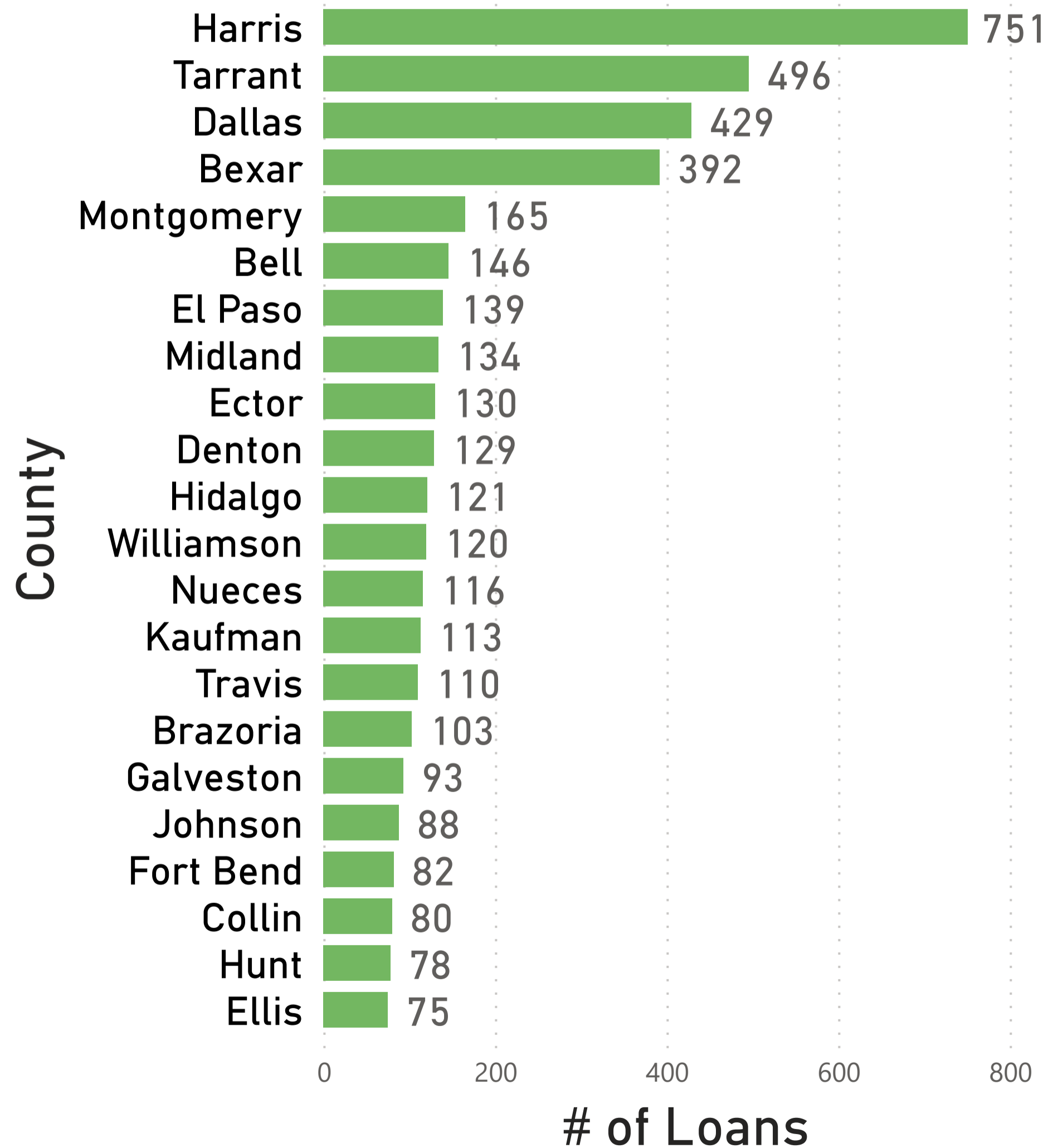
New/Existing Home



Top Lenders

Top Lenders	# of Loans
Everett Financial, dba Supreme Lending	448
Fairway Independent Mortgage Corporation	442
Cardinal Financial Company	257
Amcap Mortgage, LTD	199
CMG Mortgage, Inc. dba CMG Financial	199
Guaranteed Rate	197
Gateway Mortgage, a division of Gateway	173
PrimeLending	161
Crosscountry Mortgage, LLC	159
SFMC, LP dba Service First Mortgage Comp	158
Guild Mortgage Corporation	139
Security National Mortgage Company	134
Mortgage Financial Services, LLC	125
T2 Financial dba Revolution Mortgage	116
Cornerstone Home Lending	114
loanDepot.com LLC	107
Nations Reliable Lending, LLC	88
Highlands Residential Mortgage	78
Ark-La-Tex Financial (Benchmark Mtg.)	76
Town Square Mortgage & Investments, LLC	74
Academy Mortgage Corporation	66
DHI Mortgage Company, Ltd.	65
Willow Bend Mortgage Company, LLC	65
Interlinc Mortgage Services, LLC	62
Total	4300

Top Originating Counties



Tab B

Development Finance Report

Texas State Affordable Housing Corporation

Development Finance Programs Report
September 2023

Affordable Communities of Texas Program (ACT)

This month, TSAHC complete the acquisition of a single-family home in Nederland, Texas through the National Community Stabilization Trust (NCST). Longtime local partner, Legacy Community Development Corporation, will finance the purchase and rehabilitation with their THIF revolving line of credit. The renewal of their revolving line of credit is a September board agenda item.

In Harlingen, fixed price construction contracts and ground leases have been executed in order to begin construction on the initial three homes at the Mesquite Wood subdivision. TSAHC is partnering with Harlingen Community Development Corporation (Harlingen CDC) on the 22-unit single-family affordable home project.

Regarding the Park on 14th, September 26th is the scheduled closing date on the project's HUD 221(d)(4) loan. Building permit approvals continue to be processed and construction will begin immediately after closing.

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

Program	Portfolio as of August 1, 2023	Transferred	Sold	Portfolio as of September 1, 2023	Current Portfolio Value
ACT Land Bank	34			35	\$4,968,633.12
ACT Land Trust	1			1	\$650,000.00
Totals	35			36	\$5,618,633.12

Our current pipeline report:

- 3 properties listed for sale
- 5 homes under construction
- 0 properties leased to Local Partner
- 26 properties in predevelopment
- 3 properties searching for a Local Partner
- 1 multifamily property under construction
- 1 multifamily property in predevelopment

Texas Housing Impact Fund (THIF)

This month, staff will be presenting two loans for the Board's consideration and possible approval. One of the loans includes the renewal of a THIF revolving line of credit to Legacy CDC in an amount not to exceed \$600,000. As mentioned above, Legacy CDC is partnering with TSAHC on the acquisition of an NCST property in Nederland. Legacy intends to finance the acquisition with their THIF revolving line of credit, pending Board approval. Legacy CDC has been involved in TSAHC's ACT and THIF programs since 2013 and has utilized approximately \$3.9 million in loan capital for the construction/rehabilitation of 38 single-family homes primarily located in Jefferson County.

Texas State Affordable Housing Corporation

Development Finance Programs Report
September 2023

The second loan presentation is a THIF revolving line of credit for construction, in an amount not to exceed \$750,000, to Habitat for Humanity of Denton County. Habitat has already purchased the land and is seeking additional financing to begin infrastructure and construction on the first phase of a 35-home new construction subdivision to be called Habitat Village.

Both loans are also being reviewed for approval by the Loan Committee on September 12th. Final terms and conditions will be presented verbally to the Board.

Multifamily Bond Program

Eden Court Apartments in Seguin priced bonds on September 7th, with an all-in interest rate of 5% on approximately \$15 million in short-term bonds. The 110-unit acquisition and rehabilitation project is scheduled for closing on September 19th, with an immediate construction start.

Norman Commons Apartments in Austin will be presented to the Board for approval of the final Bond Resolution. TSAHC and our counsel have completed preparation of all bond documents and is simultaneously seeking approval from the Texas Bond Review Board, with a planned closing in early November. The 110-unit project is a joint venture with the Austin Housing Finance Corporation and will be located adjacent to a 40+ unit affordable condominium project.

Tab C
Monthly Financial Reports

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of July 31, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 3,477,636
Pooled investments	13,439,452
Restricted assets:	
Cash and cash equivalents	12,537,498
Accrued interest	104,081
Investments, at fair value	20,951,485
Accounts receivable and accrued revenue	118,425
Accrued interest receivable	269,370
Loans receivable, current portion	72,550
Notes receivable, current portion	28,808,953
Downpayment assistance, current portion	343,492
Prepaid expenses	393,863

Total current assets 80,516,805

Noncurrent assets:

Loans receivable, Net of uncollectible amounts of \$9,395	152,711
Notes receivable, net of allowance for loss \$416,220	239,587,076
Lease Receivable	120,524
Investments, at fair market value	18,950,049
Mortgage servicing rights, net of accumulated amortization of \$2,646,439	81,623
Capital assets, net of accumulated depreciation of \$1,044,532	5,651,731
Owned real estate, net of depreciation of \$2,201,240	14,582,089
Downpayment assistance	37,631
Restricted investments held by bond trustee, at fair market value	70,822,895

Total noncurrent assets 349,986,329

Total assets \$ 430,503,134

(continued)

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited) As of July 31, 2023

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$	436,051
Notes payable, current portion		64,620
Custodial reserve funds		158,341
Other current liabilities		379,625
Payable from restricted assets held by bond trustee:		
Revenue bonds payable, current portion		385,000
Accrued interest on revenue bonds		257,438

Total current liabilities 1,681,075

Noncurrent liabilities:

Notes payable		2,011,023
Revenue bonds payable		79,265,876
Unearned revenue		1,464,879

Total noncurrent liabilities 82,741,778

Total liabilities 84,422,853

Deferred Inflows of Resources

Deferred revenue 335,556

Total deferred inflows of resources 335,556

Net Position

Invested in capital assets		5,651,731
Restricted for:		
Other purposes		3,777,978
Unrestricted		336,315,016

Total net position 345,744,725

Total liabilities and net position \$ 430,503,134

Texas State Affordable Housing Corporation

Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 11 Months Ending July 31, 2023

Operating Revenues:	
Interest and investment income	\$ 2,968,690
Net increase (decrease) in fair value of investments	(1,661,131)
Single family income	67,793,035
Asset oversight and compliance fees	326,810
Rental program income	898,767
Multifamily income	616,249
Land bank income	197,868
Public support:	
Federal & state grants	413,790
Contributions	153,890
Other operating revenue	43,709
Total operating revenues	\$ <u>71,751,677</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 660,772
Program and loan administration	1,689,525
Texas Foundation Fund & Misc Grants	50,000
Down Payment Assistance Program	2,179,850
Salaries, wages and payroll related costs	4,170,792
Professional fees and services	440,685
Depreciation and amortization	19,461,698
Office expense and maintenance	136,643
Travel and meals	89,526
Other operating expenses	701,344
Total operating expenses	<u>29,580,835</u>
Net income	42,170,842
Total net position, beginning	<u>303,573,883</u>
Total net position, ending	\$ <u><u>345,744,725</u></u>

Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on August 22, 2023.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING**

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

**August 22, 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 10:40 a.m., on August 22, 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, Chair
Valerie Cardenas, Vice Chair
Andy Williams, Member
Lemuel Williams, Member

Guests Present:

Routt Thornhill, Coats Rose
Catarina Gonzalez, Office of the Governor

President’s Report

David Long

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on July 25, 2023.

Mr. Lemuel Williams made a motion to approve the minutes of the Board meeting held July 25, 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 15 in the official transcript.

Tab 2 Presentation, Discussion and Possible Approval of the Fiscal Year 2024 Annual Operating Budget.

Presented by Melinda Smith, Chief Financial Officer and Nick Lawrence, Controller

Ms. Cardenas made a motion to Approve the Fiscal Year 2024 Annual Operating Budget. 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 16 in the official transcript.

Tab 3 Presentation, Discussion and Possible Approval of the Fiscal Year 2024 Audit Committee Guidelines.

Presented by Melinda Smith, Chief Financial Officer and Nick Lawrence, Controller

Mr. Lemuel Williams made a motion to Approve the Fiscal Year 2024 Audit Committee Guidelines. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 21 in the official transcript.

Tab 4 Presentation, Discussion, and Possible Approval of a second loan commitment extension to Cady Lofts, LLC for a \$300,000 Affordable Housing Partnership deferred forgivable loan for the Cady Lofts Project.

Presented by Cassandra Ramirez, Development Finance Manager

Ms. Cardenas made a motion to Approve a second loan commitment extension to Cady Lofts, LLC for a \$300,000 Affordable Housing Partnership deferred forgivable loan for the Cady Lofts Project. 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 22 in the official transcript.

Tab 5 Presentation, Discussion and Possible Approval of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bonds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2024.

Presented by Dave Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to Approve the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bonds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2024. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 28 in the official transcript.

Announcements and Closing Comments

Mr. Long and Board Members tentatively scheduled the next Board Meeting for September 19, 2023, at 10:30am.

Adjournment

Mr. Dietz adjourned the meeting at 11:18 am.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

Presentation, Discussion and Possible Approval of a Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2022 carryforward and 2023 annual and collapse allocation).

MINUTES AND 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 (the "Board") of the Corporation convened on September 19, 2023 at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted members of the Board, to wit:

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

and all of said persons were present during the meeting except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "Resolution") bearing the following caption:

RESOLUTION NO. 23-_____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2022 carryforward and 2023 annual and collapse allocation)

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

_____ AYES _____ NOES _____ ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in the Board's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members 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 said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose.

SIGNED this September 19, 2023.

President, Texas State Affordable Housing
Corporation

RESOLUTION NO. 23-_____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2022 carryforward and 2023 annual and collapse allocation)

WHEREAS, the Texas State Affordable Housing Corporation (the "Issuer") has heretofore received a certificate of reservation relating to 2022 volume allocation for qualified mortgage bonds totaling \$250,000,000 and the Issuer elected a carryforward of the aforesaid volume allocation (the "2022 Carryforward Allocation") in accordance with applicable federal and state law and \$62,854,526.95 of the 2022 Carryforward Allocation was used for qualified mortgage bonds that closed February 28, 2023 leaving \$187,145,473.05 of the 2022 Carryforward Allocation;

WHEREAS, the Issuer has heretofore received two 2023 certificates of reservation for qualified mortgage bonds in the total amount of \$336,425,155 (the "2023 Allocation"), consisting of (i) annual volume allocation in the amount of \$116,214,444 and (ii) collapse volume allocation in the amount of \$220,210,711;

WHEREAS, the remaining 2022 Carryforward Allocation may be used in connection with any of the qualified mortgage bond or mortgage credit certificate programs the Issuer is authorized to provide;

WHEREAS, the Board of Directors of the Issuer desires to submit an Application for Allocation of Private Activity Bonds (the "Application") to apply to the Texas Bond Review Board for a reservation of all of the remaining 2022 Carryforward Allocation and convert all of the remaining 2022 Carryforward Allocation and the 2023 Allocation to mortgage credit certificates;

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

Section 1. That any officer of the Corporation is authorized and directed to execute and deliver to the Texas Bond Review Board the Application and any related certificates or documents to apply for the remaining \$187,145,473.05 of 2022 Carryforward Allocation for qualified mortgage bonds to be converted to mortgage credit certificates.

Section 2. That the Corporation hereby elects to convert \$523,570,628.05 of allocation for qualified mortgage bonds (consisting of \$187,145,473.05 of 2022 Carryforward Allocation and \$336,425,155 of the 2023 Allocation) to volume allocation for mortgage credit certificates.

Section 3. That any officer of the Corporation is authorized and directed to execute and deliver any certificates and documents relating to the mortgage credit certificates and to take other actions deemed necessary or appropriate to implement a mortgage credit certificate program.

Section 4. That the publication of the notice required in connection with mortgage credit certificates is hereby in all things ratified and confirmed.

Section 5. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Issuer in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 6. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this September 19, 2023.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

Tab 3

Presentation, discussion and possible approval of a resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Habitat for Humanity of Denton County to construct new for-sale homes to low-income families at the Habitat Village subdivision in an amount not to exceed \$750,000.

CERTIFICATION

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

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

1. The Board of Directors of the Corporation (the “Board”) convened on September 19, 2023, 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 Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
David Rassin	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 were present at the meeting.

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

“RESOLUTION NO. 23-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND REVOLVING LINE OF CREDIT CONSTRUCTION LOAN TO HABITAT FOR HUMANITY OF DENTON COUNTY IN AN AMOUNT NOT TO EXCEED \$750,000

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 19th day of September, 2023.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 23-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND REVOLVING LINE OF CREDIT CONSTRUCTION LOAN TO HABITAT FOR HUMANITY OF DENTON COUNTY IN AN AMOUNT NOT TO EXCEED \$750,000

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 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 revolving line of credit construction loan to Habitat for Humanity of Denton County (“Habitat”) in the maximum principal amount of \$750,000 (the “Construction Loan”), with the loan proceeds to be used by Habitat, together with other available funds, to construct thirty-five or more homes, targeted to families earning 80% of the area median income; 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 Revolving Line of Credit Construction Loan by the Corporation to Habitat for Humanity of Denton County in the maximum principal amount of \$750,000, the proceeds of which are to be used by Habitat for Humanity of Denton County, together with other available funds to construct thirty-five or more homes.

The Board has determined that a construction loan for affordable 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 19th day of September, 2023.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

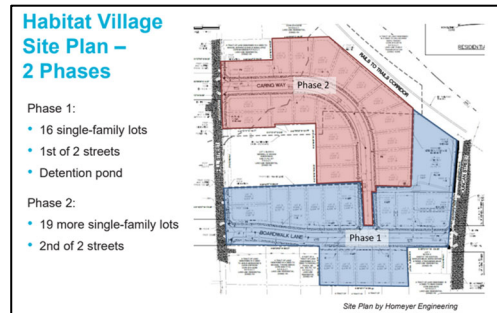
Texas State Affordable Housing Corporation

Texas Housing Impact Fund

Agenda Item: Presentation, discussion and possible approval of a resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Habitat for Humanity of Denton County to construct new for-sale homes to low-income families at the Habitat Village subdivision in an amount not to exceed \$750,000.

Summary:

TSAHC received an application from Habitat for Humanity of Denton County (“HHDC”) for a construction line of credit in the amount of \$ 2.75 million that was reduced to \$750,000 based on TSAHC loan funds available. The applicant has requested a loan term of two years at an interest rate of 5%. The loan would provide infrastructure and housing construction financing for 35 new homes to be constructed at the Habitat Village in Denton.



Public Benefit:

Habitat Village will include 35 new homes to be built in two phases. Phase 1 will include 16 single-family homes, along with water detention and infrastructure for the entire project. Phase 2 will include the construction of 19 additional single-family homes. Phase 1 infrastructure improvements are anticipated to be completed within a year and home construction will start in year two. Phase 2 is planned to begin in year three with total build-out to be completed in the next five to seven years.

Habitat Village has broad community support with letters of support from the Mayor and Denton County. The City of Denton has approved the necessary zoning change for this subdivision and has provided a \$580,000 HOME funds award dedicated to the housing construction of the first eight homes over the next two years.

HHDC is one of the few affordable housing providers in Denton County offering an affordable price point to low-income families. HHDC will serve households earning up to 80% of area median income for the Dallas Metro Area and is seeking partnerships with local banks to provide down payment assistance and financial education to further assist their buyers.

Financial Summary:

Total development cost for the entire subdivision, infrastructure and home construction, is estimated at \$9,757,300, or \$278,785 per home. Of this budget total, site acquisition, engineering, and rezoning accounts for \$791,500 in project costs. Phase I Infrastructure costs are \$2,262,000 to support 16 housing units and Phase II Infrastructure costs are \$953,800, to support the remaining 19 housing units. Housing construction costs are estimated at \$160,000,

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

per home, or \$5,600,000 for all 35 homes. Habitat has also included \$150,000 in interest carrying costs.

To date, HHDC has funded \$791,500 to acquire the land and prepare it for redevelopment. HHDC has an additional \$955,000 in cash-on-hand for infrastructure costs related to Phase I. HHDC has also been awarded \$580,000 in City HOME funds for housing construction and HHDC has received \$160,000 from the local realtor association for the construction of one home.

HHDC is in need of an additional \$1,296,000 to begin Phase I and has requested a \$750,000 revolving line of credit from TSAHC for both infrastructure and housing construction costs. The Texas Housing Impact Fund may be used for both infrastructure and housing construction. If TSAHC funding is awarded, the final amount of capital needed to begin Phase I would be \$546,000.

Home prices are targeted at \$285,000 and will include a mix of three-bedroom and four-bedroom units. HHDC will serve households earning up to 80% of area median income for the Dallas Metro Area and will provide 0% interest loans to homebuyers to meet the sales price.

TSAHC's loan will be secured through a revolving deed of trust and loan agreement. Based on the 24-month term of the proposed loan, the lock-out period when no new properties may be added to the line of credit will begin six months before the maturity date.

Market Conditions:

Located on the 1000 block of Hill Street, in the historically African American Southeast Denton Neighborhood, this 8.3-acre site is surrounded by a mix of older pre-1950's single-family residential homes, commercial businesses, and light industrial activity. The site is within close proximity to neighborhood schools located less than two miles away, has access to the Denton-Katy hike and bike trail and the Martin Luther King Jr. recreation center.

One of the biggest challenges for this area is land costs. In recent years, most buildable lots in Denton County cost \$65,000 to \$95,000 compared to \$5,000 to \$15,000 less than 20 years ago. A nearby vacant lot is currently listed at \$200,000. As a consequence, affordable homeownership in Denton is limited and the City would greatly benefit from the new homes provided by HHDC.

Borrower Summary:

HHDC's mission is to provide an affordable price point to low-income families, and they have built their program around a desire to empower families who might otherwise not have the opportunity to own a home and to give future generations roots in North Texas. Since its founding in 1994, HHDC has built 107 homes. The 8-acre Habitat Village represents the next five to seven years of construction pipeline for HHDC.

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

HHDC is part of the larger Habitat for Humanity network which operates in all 50 states in the U.S. and in more than 70 countries. Habitat for Humanity is dedicated to eliminating substandard housing locally and worldwide through constructing, rehabilitating, and preserving homes; through advocacy for fair and just housing policies; and by providing training and access to resources to help families improve their shelter conditions.

Recommendation:

Staff is recommending approval of a resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Habitat for Humanity of Denton County to construct new for-sale homes to low-income families at the Habitat Village subdivision in an amount not to exceed \$750,000. Additional terms and conditions, recommended by Loan Committee, will be provided by staff during their verbal presentation.

Texas State Affordable Housing Corporation

Applicant Summary

Applicant: Habitat for Humanity Denton County
 Contact Name, Title: Lora Blakeslee Atkinson
 Project Name: Habitat Village- Denton

Loan Summary:

Type of Loan: RLOC Interest Rate: 6.40%
 Loan Amount: \$ 750,000 Term of Loan (months): 24

Project Summary

Project City/Region: Denton # of Lots: 35
 Project County: Denton Avg. Lot Size: 0
 Project Type: New Const Property Size (if single site): 0

Area Median Income: \$ 89,339.00 Avg. Sales Price: \$ 285,000.00
 Statewide Median Income: \$ 80,498.00 Target Afford Price: \$ 285,000.00

Area Demographics

	Census Tract:	City/Region: Denton	County: Denton	Texas
Median Income (family of 4):	\$ 86,667	\$ 89,339	\$ 116,298	\$ 80,498
Population:	4,060	139,869	906,422	29,145,505
County Diversity Index:	69.08	59.55	61.7	NA
Average Household Size:	2.71	2.56	2.72	2.76

Housing Market Data:

Total Housing Units	1,350	58,085	348,275	11,589,324
Residential Vacancy Rate:	2%	4%	5%	4%
% of Homes Aff to Target Inc:	46%	n/a	16%	34%
Months Inventory:			2.3	3.3
Inventory Last Year:			2.1	2.6
# of Homes Sales (12 mo period):			1,742	367,899

Habitat Denton - RLOC Underwriting - Summary Sources and Uses

Summary of Sources and Uses

Applicant: Habitat for Humanity Denton County

Contact Name, Title: Habitat Village- Denton

Plan # of Units: 35

Phase I Units: 16

Phase 2 Units: 19

Sources

	Status	Phase I	Phase 2	Home Construction
TSAHC - RLOC	pending approval	\$ 750,000		
Habitat - land/engineering	spent	\$ 791,500	\$ -	\$ -
Habitat - Phase I Funding	In hand	\$ 955,000	\$ -	
Denton Real Estate Assoc	Committed			\$ 160,000
City HOME Funds	Committed		\$ -	\$ 580,000
Total		\$ 2,496,500	\$ -	\$ 740,000

Uses

	Phase 1	Phase 2	Home Construction
Acquisition/Predevelopment	\$ 791,500	\$ -	\$ -
Infrastructure	\$ 2,262,000	\$ 953,800	
Phase 1 Housing Construction	\$ -		\$ 2,560,000
Phase 2 Housing Construction	\$ -		\$ 3,040,000

Affordability and Market Analysis

Target Income Groups

Area Median Family Income (AMFI):	\$ 105,600	80% of MFI:	\$ 84,480
Statewide Median Family Income (SMFI):	\$ 90,100	Income for PITI (20% of Mo Income):	\$ 1,408
MFI used in Analysis:	\$ 105,600	Habitat Rate:	0.00%
Max Affordable Home Price (80% MFI):	\$ 506,880		
Applicant's Target Home Price:	\$ 285,000		

Market Comps

	Price	Square Footage	\$/sqft
Applicant's Home Price:	\$ 285,000	1,300	\$ 219.23

Address	Price	Square Footage	\$/sqft	Notes:
320 Mill Street	\$ 300,000	1,913	\$ 156.82	4 br 3 bath built 1940
708 Morse Street	\$ 200,000	896	\$ 223.21	2 bd 1 bath built 1955
733 Alexander Street	\$ 195,000	648	\$ 300.93	2 bd 1 bath built 1958
701 Bailey Street	\$ 200,000			Vacant Lot
Average:	\$ 223,750	1,152	\$ 226.99	

Tab 4

Presentation, Discussion, and Possible Approval of a Resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Legacy Community Development Corporation in an amount not to exceed \$600,000.

CERTIFICATION

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

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

1. The Board of Directors of the Corporation (the “Board”) convened on September 19, 2023, 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 Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
David Rassin	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 were present at the meeting.

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

“RESOLUTION NO. 23-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND REVOLVING LINE OF CREDIT CONSTRUCTION LOAN TO LEGACY COMMUNITY DEVELOPMENT CORPORATION IN AN AMOUNT NOT TO EXCEED \$600,000

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 19th day of September, 2023.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 23-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND REVOLVING LINE OF CREDIT CONSTRUCTION LOAN TO LEGACY COMMUNITY DEVELOPMENT CORPORATION IN AN AMOUNT NOT TO EXCEED \$600,000

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 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 revolving line of credit construction loan to Legacy Community Development Corporation (“Legacy”) in the maximum principal amount of \$600,000 (the “Construction Loan”), with the loan proceeds to be used by Legacy, together with other available funds, to construct or rehabilitate five or more homes, targeted to families earning 80% of the area median income; 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 Revolving Line of Credit Construction Loan by the Corporation to Legacy Community Development Corporation in the maximum principal amount of \$600,000, the proceeds of which are to be used by Legacy Community Development Corporation, together with other available funds to construct or rehabilitate five or more homes.

The Board has determined that a construction loan for affordable 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 19th day of September, 2023.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

Agenda: Presentation, Discussion and Possible Approval of a Resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Legacy Community Development Corporation in an amount not to exceed \$600,000.

Summary:

TSAHC received a request to renew the current \$600,000 revolving line of credit (RLOC) to Legacy Community Development Corporation (Legacy CDC) to continue their work constructing or renovating single-family homes for sale to low- and moderate-income households in the Beaumont and Port Arthur metro area.



Public Benefit:

Legacy CDC has been an active local partner and borrower under TSAHC’s Affordable Communities of Texas (ACT) and Texas Housing Impact Fund (THIF) programs since 2013. Through a revolving line of credit, Legacy CDC has utilized approximately \$3.9 million in TSAHC loan funds for the construction/rehabilitation of 38 single-family homes primarily located in Jefferson County. The majority of these homes have been sold to households at 80% or below the area median income.

The organization’s affordable housing productivity and success can be attributed to its strong ties to the communities where they work and partnerships with local government agencies that are often TSAHC’s take out financing source. For example, Legacy CDC assisted the City of Port Arthur with housing recovery efforts after Hurricane Delta, Hurricane Harvey, Tropical Storm Imelda, and Winter Storm Uri using both local funds and federal disaster recovery funds to facilitate the rehabilitation and new construction of housing. In addition, Legacy CDC was selected by the Port Arthur Economic Development Council to oversee the downtown revitalization housing program including the development of downtown housing and the administration of up to \$30,000 in down payment assistance to income eligible homebuyers.

Most recently, Legacy CDC has partnered with TSAHC to acquire early access foreclosure properties through the National Community Stabilization Trust’s Claims Without Conveyance of Title (NCST CWCOT) program. In November of 2022, TSAHC acquired 2620 Rose Avenue in Grove, Texas through NCST CWCOT program and re-sold the property to Legacy CDC for the purpose of affordable homeownership. Legacy CDC financed the sale and rehabilitation with their existing line of credit. An additional NCST CWCOT acquisition is underway, but Legacy CDC is within six months of the maturity date and cannot add additional properties to their existing RLOC without the loan renewal we are requesting today.

Financial Summary:

Legacy CDC has requested a renewal of their line of credit to acquire, construct and sell affordable housing in Jefferson County. The loan will have a term of 24-months.

Legacy CDC is ready to add two properties to their RLOC, including the NCST CWCOT acquisition described above. However, per their current loan terms, the six-month cut-off to add new property prior to their loan’s

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

maturity date (November 1, 2023) has expired and they cannot add additional properties to their RLOC at this time. They need a RLOC renewal to complete the acquisition, rehabilitation, and affordable home sale.

Legacy CDC currently has two properties collateralized on their existing RLOC as described below:

Project Address	Principal & Interest Balance (as of 7/31/23)	Property Status	Anticipated Sales Price
901 Stillwell St. Port Arthur	\$178,083.87	Under contract and scheduled to close September 2023	\$185,000
3474 Woodrow Dr. Port Arthur	\$76,622.78	Under Construction	TBD

Legacy CDC is building homes priced on average at \$175,000. This is higher than past home sales due to higher construction costs after recent storms and COVID-19. Homes will primarily be sold to families at or below 80% of the area median income. The Cities of Port Arthur and Beaumont have provided consistent access to down payment assistance for Legacy CDC's clients.

TSAHC's loan will be secured through a revolving deed of trust and loan agreement. Based on the 24-month term of the proposed loan, the lock-out period when no new properties may be added to the line of credit will begin six months before the maturity date.

Market Conditions:

Jefferson County is located in the southeast corner of Texas and is separated from Louisiana by Sabine Lake. The County's population is estimated at 256,526 for 2023. The local economy is driven by both shipping and petroleum refinement.



Interior of Legacy CDC Home at 1128 6th Street in Port Arthur

In recent years, the City of Port Arthur has made extensive efforts in the revitalization of its downtown with the support of major employers such as Motiva Refinery – one of the largest oil refineries in North America and headquartered in Port Arthur. Legacy CDC efforts were key in developing both affordable rental and homeownership housing in the downtown area as part of the City's downtown revitalization plan.

The region was hit hard by Hurricane Harvey in 2017 and Winter Storm Uri in 2021. COVID-19 led to a slowing in shipping traffic, labor shortages and residential construction cost increases, all of which have magnified the need for more affordable housing in Jefferson County. Recent sharp increases in conventional and FHA interest rates has also added to the affordable housing challenge.

Borrower Summary:

Legacy CDC is a nonprofit corporation, whose sole member and parent entity is Tender Loving Care Center for Children (TLCCC). TLCCC was founded in December 2006 to provide community educational programs and family support services to at-risk children and their families. In 2009 the board of directors voted to establish Legacy CDC, as a sole purpose subsidiary to develop and provide low to moderate income families with housing opportunities. Legacy CDC also operates a homeownership education program, including credit counseling,

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

homebuyer certification and financial education. Over 1000 families have completed Legacy's certification course.

Legacy CDC has been awarded several development contracts from the cities of Beaumont, Orange, and Port Arthur including partnership with the National Development Council for the development of a 108-unit multifamily community in downtown Port Arthur that's nearing construction completion. In 2022, Legacy CDC was awarded a \$1.4 million grant through TDHCA to administer rental assistance to citizens of Hardin, Jefferson, and Orange counties.

Lastly, they are a past recipient of TSAHC's Housing and Economic Assistance to Rebuild Texas (HEART) program and was provided grant funding to repair five homes damaged by Hurricane Harvey.

Recommendation:

Staff recommends that the Board approve the resolution authorizing a Texas Housing Impact Fund revolving line of credit for construction to Legacy CDC in an amount not to exceed \$600,000. Additional terms and conditions recommended by Loan Committee will be provided by staff during their verbal presentation.

Texas State Affordable Housing Corporation

Applicant Summary

Applicant: Legacy CDC
 Contact Name, Title: Vivian Ballou
 Project Name: Legacy CDC Home Ownership

Loan Summary:

Type of Loan: RLOC Interest Rate: 6.40%
 Loan Amount: \$ 600,000 Term of Loan (months): 24

Project Summary

Project City/Region: Beaumont/Port Arthur # of Lots: 5 to 10
 Project County: Jefferson Avg. Lot Size: N/A
 Project Type: Mixed Property Size (if single site): 0
 Area Median Income: 87800 Avg. Sales Price: 185000
 Statewide Median Income: 90100 Target Afford Price: 175000

Area Demographics

	Metro: Beaumont/Port Arthur	County: Jefferson	Texas
Median Income (family of 4):	\$ 74,166	\$ 66,223	\$ 80,498
Population:	397,565	256,526	29,145,505
County Diversity Index:	68.01	68.72	0
Average Household Size:	2.65	2.6	2.76

Housing Market Data:

Total Housing Units	169,646	108,330	11,589,324
Residential Vacancy Rate:	15%	14%	10%
% of Homes Aff to Target Inc:	0%	58%	34%
Median Home Price:	\$ 80,200	\$ 129,600	\$ 202,600
Months Inventory:	4.1	4.0	3.3
Inventory Last Year:	3.2	3.2	2.6
# of Homes Sales (12 mo period):	4,248	2,516	367,899

Affordability and Market Analysis

Target Income Groups

Area Median Family Income (AMFI):	\$ 87,800	80% of MFI:	\$ 72,080
Statewide Median Family Income (SMFI):	\$ 90,100	Income for PITI (20% of Mo Income):	\$ 1,201
MFI used in Analysis:	\$ 90,100	Current Market IR:	7.25%
Max Affordable Home Price (80% MFI):	\$ 176,103		
Applicant's Target Home Price:	\$ 180,000		

Market Comps

	Price	Square Footage	\$/sqft
Applicant's Home Price:	\$ 180,000	1,304	\$ 138.04

Address	Price	Square Footage	\$/sqft	Notes:
736 W 14th St Port Arthur	\$ 195,000	1,400	\$ 139.29	Built in 1962,substantial rehab
500 W 15th Street Port Arthur	\$ 175,000	2,103	\$ 83.21	Built in 1989,4 bedroom 2 bath
1169 Westmeadow Dr. Beaumont	\$ 249,000	1,780	\$ 139.89	3 bedroom 2 bath
7845 Buttercup Ln Beaumon	\$ 237,000	1,770	\$ 133.90	3 bedroom 2 bath
204 Bayou Drive Beaumont	\$ 170,000	1,478	\$ 115.02	Build 1988, 3 bedroom 2 bath
Average:	\$ 205,200	1,706	\$ 122.26	

Tab 5

Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) 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.

RESOLUTION NO. 23-___

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) 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

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 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 AHFC-FC Norman Housing, LP, a Texas limited partnership (the "Borrower"), for the purpose of acquiring, constructing and equipping a multifamily residential development located in the City of Austin, Texas and to be known as Norman Commons (the "Project") to be rented to persons of low 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 (Norman Commons) Series 2023" (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 Wells Fargo Bank, National Association (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 \$38,000,000, 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 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 September 19, 2023.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

President

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

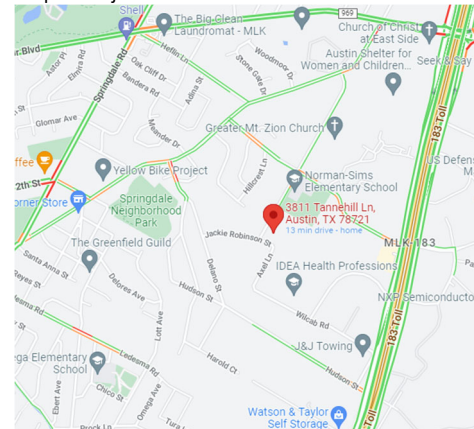
Agenda:

Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) 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.

Summary:

TSAHC received an application from Foundation Communities (FC) on October 3rd, 2022, proposing the construction of a 156-unit affordable apartment community located in Austin to be called Norman Commons. This application was the highest scoring to be submitted for TSAHC's 2023 application round with a final score of 80.

Map of Project Area



Public Benefit:

Norman Commons will create 156-units of affordable rental housing targeted for low-income households. Currently, 16 units will be reserved for households earning up to 30% of the area median income (AMI), 78 units for 50% AMI households, and 62 units for 60% AMI households. Due to the units serving those at 30% AMI and persons facing homelessness exceeds 10% of total project units this project qualifies under TSAHC's service-enriched targeted housing need.

Financial Summary:

Norman Commons has a total budget of approximately \$62.3 million. The proposed financing includes tax-exempt bonds, deferred forgivable loans and 4% housing tax credits. Property acquisition costs are very low at \$50,000 since the land is being donated by the City of Austin. Total construction costs are estimated at \$45.2 million or \$289,743 per unit. Financing costs and soft costs account for \$8.8 million, developer fees for \$7.6 million and reserve accounts for \$600,000 round out total costs.

The anticipated maximum par amount of the bonds is \$38 million. Wells Fargo will be the tax-exempt bond and tax credit purchaser for both construction and perm financing. The long-term financing will include \$15.9 in private activity bonds and \$28.9 million in housing tax credits. To reach extremely low-income households, other debt includes City of Austin a deferred repayable cash flow loan of \$8.9 million, a Capital Magnet Fund grant of \$2.5 million, a Developer sponsor loan of \$1.7 million and FHLB of Dallas grant of \$850,000. The financing also includes deferred developer fees of \$3.5 million.

Market Conditions:

Norman Commons will be in Central East Austin adjacent to the Boggy Creek neighborhood. The property sits between educational, commercial and single-family residential areas. Norman-Sims Elementary is directly north and IDEA Schools Health Professions campus is to the south. A commercial food distribution

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

warehouse is east of the project and residential uses are west. The project is within a quarter mile of both Boggy Creek Park and trailhead, and Springdale regional park.

As a family targeted project, staff looked at educational resources and found that local schools within walking distance of the site include a public elementary, a charter high school and two Christian prep schools. Norman Elementary received a Grade of B by the Texas Education Agency in 2021.

The demand for affordable housing through the Austin metro region continues to be very high. The area west of Norman Commons is dominated by single family housing units and only 45% of households in the census tract are renters. Although median home values in the census tract (\$287,000) are below the City of Austin's median (\$358,600), median monthly rents for the census tract are equal to the City's at \$1,332.

Developer Summary:

Foundation Communities (FC) is an Austin based nonprofit, developing affordable housing and providing community services for 30+ years. FC currently owns and manages 25 affordable housing communities in Central Texas serving over 7,000 residents. FC is known for serving the full spectrum of economic groups from providing rental housing for low- and moderate-income families and seniors, to owning and operating several single room occupancy apartments that target extremely low-income persons at risk of becoming or who are formerly homeless.

TSAHC is currently working with FC on the Juniper Creek apartments and FC has received several Texas Foundation Fund grant awards from TSAHC for the provision of service-enriched housing. In addition to housing, FC provides numerous services including afterschool care, educational programs, tax preparation workshops, community meeting space and much more. Their family self-sufficiency program has helped hundreds of families save for college, build small businesses, make down payments to purchase a home and improve family wealth through financial education and savings programs.

Recommendation:

Staff recommends approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) 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.

Project Summary

Applicant Foundation Communities
 Project Name Norman Commons

Location

Address 3811 Tannehill Ln. City Austin
 County: Travis State Texas 78721
 Census Tract: 48453002110

Bonds

Max. Par Amount: \$ 38,000,000 Bond Type: PAB
 Term of Bonds: 15 Allocation Year: 2023

Perm Funding Souces

	Amount	% of Total
TSAHC Short Term Bonds	\$ 38,000,000	61%
Wells Fargo - Bonds	\$ 15,944,366	25.61%
HTC Equity	\$ 28,873,266	46.37%
City of Austin (RHDA)	\$ 8,861,676	14.23%
Capital Magnet Fund	\$ 2,500,000	4.02%
FC Sponsor Loan	\$ 1,727,720	2.77%
FHLB Grant	\$ 850,000	1.37%
Deferred Developer Fee	\$ 3,505,559	5.63%
Totals	\$ 62,262,587	100%

* not included in total

Market Summary

	City	County	State	Census Tract
Population:	961,855	1,290,188	29,145,505	4,278
Median Age:	34	35	35	36
Diversity Index:	64	64	-	66
% Hispanic:	32%	33%	39%	42%
% Persons with Disability:	877%	8%	12%	n/a
% Households that Rent:	54%	47%	38%	45%
Median Rents:	1,335	1,348	1,082	1,332
% Renters Who are Cost Burdened:	44%	44%	45%	43%
Median Home Price:	\$ 358,600	\$ 347,700	\$ 187,200	\$ 287,600
Median Household Income:	\$ 75,752	\$ 80,668	\$ 63,826	\$ 54,477
Unemployment:	2.90%	3.00%	4.30%	n/a
Persons w/o Insurance:	13%	12%	17%	19%
Medically Underserved Area:	no	-	-	-
% Attending Public Schools:	89%	90%	93%	64%
Graduation Rate (Austin ISD)	72%			

CRA Eligible Census Tract: Yes - Low Income

Norman Commons - Underwriting.xlsx - Summary Sources and Uses

Summary of Sources and Uses

Applicant Foundation Communities

Project Name Norman Commons

Number of Units 156

Sources	Amount	Amount Per Unit	Percentage of Total
Wells Fargo - Bonds	\$ 15,944,366	\$ 102,207	26%
	\$ -	\$ -	0%
HTC Equity	\$ 28,873,266	\$ 185,085	46%
City of Austin (RHDA)	\$ 8,861,676	\$ 56,806	14%
Capital Magnet Fund	\$ 2,500,000	\$ 16,026	4%
FC Sponsor Loan	\$ 1,727,720	\$ 11,075	3%
FHLB Grant	\$ 850,000	\$ 5,449	1%
Deferred Developer Fee	\$ 3,505,559	\$ 22,472	6%
Total Sources	\$ 62,262,587	\$ 399,119	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 50,000	\$ 320.51	0%
Off-Site Construction	\$ -	\$ -	0%
On-Site Work	\$ 5,846,800	\$ 37,479.49	9%
Site Amenities	\$ 1,033,249	\$ 6,623.39	2%
Building Costs	\$ 31,467,745	\$ 201,716.31	51%
Other Const/Contingency	\$ 6,866,707	\$ 44,017.35	11%
Soft Costs	\$ 1,886,475	\$ 12,092.79	3%
Financing Costs	\$ 6,922,282	\$ 44,373.60	11%
Developer Fees	\$ 7,575,000	\$ 48,557.69	12%
Reserve Accounts	\$ 614,329	\$ 3,938.01	1%
Total Uses	\$ 62,262,587	\$ 399,119.15	100%

(Gap) / Reserve	\$ -
Percent of Developer Fee Deferred	11.22%

Norman Commons - Underwriting.xlsx - Operating Proforma

Operating Proforma

Applicant Foundation Communities
 Project Name Norman Commons

Total Units: 156 Min. Set Aside Election: 40% @ 60% AMI Rental Assist: No
 Min. Afford. Units: 63 % Affordable: 100%
 Afford. Units: 156 Accessible Unit Min. 8

Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter
1/1	750	3,000	4	\$ 593	\$ 2,372	1.02	30% AMI
1/1	750	13,500	18	\$ 1,031	\$ 18,558	1.02	50% AMI
1/1	750	11,250	15	\$ 1,250	\$ 18,750	1.02	60% AMI
2/2	1110	8,880	8	\$ 704	\$ 5,632	1.02	30% AMI
2/2	1110	43,290	39	\$ 1,230	\$ 47,970	1.02	50% AMI
2/2	1110	34,410	31	\$ 1,493	\$ 46,283	1.02	60% AMI
3/2	1290	3,870	3	\$ 810	\$ 2,430	1.02	30% AMI
3/2	1290	24,510	19	\$ 1,417	\$ 26,923	1.02	50% AMI
3/2	1290	19,350	15	\$ 1,721	\$ 25,815	1.02	60% AMI
4/2	1452	1,452	1	\$ 896	\$ 896	1.02	30% AMI
4/2	1452	2,904	2	\$ 1,574	\$ 3,148	1.02	50% AMI
4/2	1452	1,452	1	\$ 1,912	\$ 1,912	1.02	60% AMI
Subtotals:				167,868	156	\$ 200,689	

Other income:	\$ 12.82	\$ 2,000	1.02
Potential gross income			
Residential vacancy loss			7.50%
Effective Gross Residential Income			

Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$ 28,464	\$ 29,033	\$ 29,614	\$ 30,206	\$ 30,810	\$ 34,017	\$ 37,558
\$ 222,696	\$ 227,150	\$ 231,693	\$ 236,327	\$ 241,053	\$ 266,142	\$ 293,843
\$ 225,000	\$ 229,500	\$ 234,090	\$ 238,772	\$ 243,547	\$ 268,896	\$ 296,883
\$ 67,584	\$ 68,936	\$ 70,314	\$ 71,721	\$ 73,155	\$ 80,769	\$ 89,176
\$ 575,640	\$ 587,153	\$ 598,896	\$ 610,874	\$ 623,091	\$ 687,943	\$ 759,545
\$ 555,396	\$ 566,504	\$ 577,834	\$ 589,391	\$ 601,178	\$ 663,750	\$ 732,833
\$ 29,160	\$ 29,743	\$ 30,338	\$ 30,945	\$ 31,564	\$ 34,849	\$ 38,476
\$ 323,076	\$ 329,538	\$ 336,128	\$ 342,851	\$ 349,708	\$ 386,106	\$ 426,292
\$ 309,780	\$ 315,976	\$ 322,295	\$ 328,741	\$ 335,316	\$ 370,216	\$ 408,748
\$ 10,752	\$ 10,967	\$ 11,186	\$ 11,410	\$ 11,638	\$ 12,850	\$ 14,187
\$ 37,776	\$ 38,532	\$ 39,302	\$ 40,088	\$ 40,890	\$ 45,146	\$ 49,845
\$ 22,944	\$ 23,403	\$ 23,871	\$ 24,348	\$ 24,835	\$ 27,420	\$ 30,274
\$ 23,999.04	\$ 24,479	\$ 24,969	\$ 25,468	\$ 25,977	\$ 28,681	\$ 31,666
\$ 2,432,267	\$ 2,480,912	\$ 2,530,531	\$ 2,581,141	\$ 2,632,764	\$ 2,906,784	\$ 3,209,325
\$ (182,420)	\$ (186,068)	\$ (189,790)	\$ (193,586)	\$ (197,457)	\$ (218,009)	\$ (240,699)
\$ 2,249,847	\$ 2,294,844	\$ 2,340,741	\$ 2,387,556	\$ 2,435,307	\$ 2,688,775	\$ 2,968,625

Operating Expenses

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator
General & Administrative	\$ 79,560	\$ 63,670	2.83	-20%	\$ 408	1.03
Management Fee	\$ 73,008	\$ 134,991	6.00	85%	\$ 865	1.03
Payroll and Related	\$ 209,664	\$ 324,960	14.44	55%	\$ 2,083	1.03
Maintenance & Repair	\$ 110,760	\$ 145,814	6.48	32%	\$ 935	1.03
Utilities	\$ 154,440	\$ 155,643	6.92	1%	\$ 998	1.03
Insurance	\$ 62,400	\$ 62,471	2.78	0%	\$ 400	1.03
Tax Exempt			0.00	#DIV/0!	\$ -	1.03
Operating Debt Service Reserves			0.00	#DIV/0!	\$ -	1.03
Replacement reserves	\$ 39,000	\$ 39,000	1.73	0%	\$ 250	1.03
HTC/HOMC Compliance Fees	\$ 6,250	\$ 6,784	0.30	9%	\$ 40	1.03
Bond Compliance Fees	\$ 7,020	\$ 7,020	0.31	0%	\$ 45	1.03
Other (specify): Security/Cable	\$ 79,871	\$ 22,573	1.00	-72%	\$ 145	1.03
Total Operating Expenses	\$ 821,973	\$ 962,926		17%	\$ 6,169.12	
					state avg	\$ 6,026.00 per unit

Operating Expenses as a percentage of Effective Gross Income

\$ 63,670	\$ 65,580	\$ 67,548	\$ 69,574	\$ 71,661	\$ 83,075	\$ 96,307
\$ 134,991	\$ 139,041	\$ 143,212	\$ 147,508	\$ 151,934	\$ 176,133	\$ 204,186
\$ 324,960	\$ 334,709	\$ 344,750	\$ 355,093	\$ 365,745	\$ 423,999	\$ 491,531
\$ 145,814	\$ 150,188	\$ 154,694	\$ 159,335	\$ 164,115	\$ 190,254	\$ 220,557
\$ 155,643	\$ 160,312	\$ 165,122	\$ 170,075	\$ 175,178	\$ 203,079	\$ 235,424
\$ 62,471	\$ 64,345	\$ 66,275	\$ 68,264	\$ 70,312	\$ 81,510	\$ 94,493
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 39,000	\$ 40,170	\$ 41,375	\$ -	\$ -	\$ -	\$ -
\$ 6,784	\$ 6,988	\$ 7,197	\$ 7,413	\$ 7,635	\$ 8,852	\$ 10,261
\$ 7,020	\$ 7,231	\$ 7,448	\$ 7,671	\$ 7,901	\$ 9,160	\$ 10,618
\$ 22,573	\$ 23,250	\$ 23,948	\$ 24,666	\$ 25,406	\$ 29,453	\$ 34,144
\$ 962,926	\$ 991,814	\$ 1,021,568	\$ 1,009,599	\$ 1,039,887	\$ 1,205,514	\$ 1,397,521
\$ 6,173	\$ 6,358	\$ 6,549	\$ 6,722	\$ 6,666	\$ 7,728	\$ 8,958
42.8%	43.2%	43.6%	42.3%	42.7%	44.8%	47.1%

NET OPERATING INCOME

\$ 1,286,921	\$ 1,303,030	\$ 1,319,173	\$ 1,377,957	\$ 1,395,420	\$ 1,483,262	\$ 1,571,104
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Norman Commons - Underwriting.xlsx - Operating Proforma

NET OPERATING INCOME

\$	1,286,921	\$	1,303,030	\$	1,319,173	\$	1,377,957	\$	1,395,420	\$	1,483,262	\$	1,571,104
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
Wells Fargo - Bonds	\$ 15,944,366	6.10%	40	18
Total Primary Debt	\$ 15,944,366			

TSAHC Issuer Fee	\$ 15,944		
Net Cashflow After Primary Debt			
DSCR Primary Debt			

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$	1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105
\$	1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105	\$ 1,066,105

\$	15,944	\$ 15,944	\$ 15,944	\$ 15,944	\$ 15,944	\$ 15,944	\$ 15,944
\$	204,872	\$ 220,581	\$ 237,123	\$ 295,907	\$ 313,370	\$ 401,212	\$ 489,055
	1.19	1.20	1.22	1.27	1.29	1.37	1.45

SOFT SUBORDINATE DEBT & EQUITY

HTC Equity	\$ 28,873,266			
City of Austin (RHDA)	\$ 8,861,676	0.00%	35	35
Capital Magnet Fund	\$ 2,500,000			
FC Sponsor Loan	\$ 1,727,720			
FHLB Grant	\$ 850,000			
Deferred Developer Fee	\$ 3,505,559			
Total Secondary Debt	\$ 46,318,221			

Cash Flow Only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow Only							
Priority to Cash Flow Notes							
Net Cash Flow of Secondary Debts	\$ 204,872	\$ 220,581	\$ 237,123	\$ 295,907	\$ 313,370	\$ 401,212	\$ 489,055

Tab 6

Presentation, Discussion and Possible Approval of the publication for public comment of amendments to TSAHC's Joint Venture Guidelines.



Development Finance Programs

Agenda Item

Presentation, Discussion and Possible Approval of the publication for public comment of amendments to TSAHC's Joint Venture Guidelines.

Background

In December 2017, TSAHC's Board approved a resolution and guidelines that would guide our participation in partnerships with Developers to create affordable rental housing. The guidelines were amended in July 2020 and since then, we have closed on the Juniper Creek apartments in Austin and are nearing closing on the Park on 14th apartments in Plano.

With these recent experiences in mind, staff is proposing changes to the guidelines for joint venture developments. Below is a summary of the changes being proposed.

- Eligible development types, Section 1, are being narrowed to ensure that the projects not only fulfill TSAHC's targeted housing need criteria, but also to ensure that our property tax exemption is used for Developments that provide deeper affordability than developments that do not typically need a property tax exemption.
- Additional details are being added to required application materials, Section 2, to ensure that TSAHC and our counsel can more effectively assess proposed deal structures prior to finalizing memorandums of understanding with potential partners.
- Changes to proposed ownership structures, Section 3, have been made to provide clarity on TSAHC's role and responsibilities in affiliate or subordinate entities needed to carry out the development effectively.
- The timing, amount of fees, and percentages of revenues have been updated in Section 4, Fees.
- Finally, Section 5, Community Outreach, has been amended to match the support letter requirements that TSAHC uses in our Multifamily Private Activity Bond and Affordable Communities of Texas programs.

The proposed changes will be posted on TSAHC's website for public comment and staff will return to the Board for final approval at the next available meeting.

Staff Recommendation:

Staff recommends that the Board approve the publication for public comment of the amended Joint Venture Development Guidelines.

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

The Texas State Affordable Housing Corporation (~~Corporation~~TSAHC) has adopted these guidelines to direct staff in the creation of joint ventures, limited liability companies or partnerships (hereinafter Joint Ventures) for the purpose of acquiring, constructing, rehabilitating or equipping affordable multifamily properties (Development). These guidelines set forth the circumstances under which ~~the Corporation~~TSAHC will consider undertaking a Joint Venture, the process for reviewing such requests, organizing the Joint Venture and expectations for the operation and management of the Development.

1. Eligible Developments:

In order to ensure that ~~the Corporation~~TSAHC adheres to its legislative mandate, only Developments that meet at least one of the following ~~criteria~~housing needs may be considered:

~~Developments that meet at least one of the Corporation's Multifamily Tax-Exempt Bond Programs Targeted Housing Needs as defined by the Policies in effect at the time of the Corporation's approval of the Development, including Developments that are not financed with tax exempt bonds; or~~

- ~~a.~~ Small scale developments (less than 50 units or less) located in urban areas that will reserve at least 50 percent of the units for individuals and families with incomes at or below 60 percent of the median family income, adjusted for family size;
- ~~b.~~ Developments serving extremely low-income households, with at 10% or more of total units reserved for households earning 30% or less than median income and that provides onsite, or free access to off sight, supportive services;
- ~~c.~~ Developments located in rural or smaller urban areas. Rural rental housing Developments must be located within an area that is: (a) outside the boundaries of a primary metropolitan statistical area (PMSA) or metropolitan statistical area (MSA); or (b) within the boundaries of a PMSA or MSA, if the area has a population of 20,000 or less and does not share a boundary with an urban area. Smaller Urban Markets rental housing Developments must be located within a city of less than 150,000 persons; but not within or adjacent to a PMSA or MSA of more than 500,000 persons; and
- ~~a.d.~~ Developments that are intended for individuals 62 years of age or older or intended and operated for occupancy by at least one individual 55 years of age or older; and at least 20% of total units are affordable and reserved for households earning 50% or less than the area median income.
- ~~b.~~ Developments that reserve the greater of 10% or five housing units for persons with disabilities, Permanent Supportive Housing or persons earning up to 30% of the Area Median Income; or

2. Application and Approval Process:

~~The Corporation~~TSAHC will post to its website will make available an application for potential Joint Venture partners to complete ~~for the Corporation to determine assess~~ if the Development will meet ~~its~~TSAHC's underwriting and program requirements. ~~The Corporation's~~TSAHC's application will include, but is not limited to:

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

- Financial proformas and summary of sources and uses to assess the financial feasibility of the project, including projected gaps in financing sources and proposed solutions and proposed fee splitting;
- Summary of the Applicant's previous experience with affordable housing development;
- Summary of property tax implications (i.e. the anticipated savings ~~the Corporation's~~ TSAHC's involvement creates and implications to the local property tax base);
- Summary of proposed ownership structure in the form of an organization chart (with owner entity preferably to be organized as a limited liability company) identifying owner entities, developer entities and guarantors;
- List of all parties involved as financial sources (i.e. lenders, foundation, etc.) and development team members (i.e. architects, property managers, etc.), disclosing any affiliations with applicant;-;
- Term sheets for all development sources of funds and/or descriptions and applications for any pending sources;
- Whether a sales tax exemption will be sought through TSAHC serving as general contractor and, if so, the identity of the master contractor (if known) and bonding capacity;
- Summary of developer's proposed long-term, a timeline for development, including securing of financial resource, closing date of acquisitions and occupancy by qualified low-income households.

Once ~~the Corporation~~ TSAHC has ~~in its own determination,~~ based on its own assessment, that the proposed Joint Venture meets these Guidelines, a project summary, along with initial underwriting will be presented to ~~the Corporation's~~ TSAHC's board of Directors for Approval. If approved, ~~the Corporation~~ TSAHC will then negotiate and enter into a Memorandum of Understanding ("MOU") with the Applicant, or Applicant's affiliates.

Prior to the closing any Development, TSAHC will be required to obtain approval, in the form of a resolution, of the final financing structure and ratifying the creation of subordinate entities from its Board of Directors.

If the Development includes the issuance of Private Activity Bonds, with ~~the Corporation~~ TSAHC, or any other entity, as Issuer, ~~the Corporation~~ TSAHC will not permit the submission of a reservation for bond allocation to the Texas Bond Review Board until such time as ~~the Corporation~~ TSAHC has agreed to and executed the MOU.

3. Ownership Structure:

The owner entity should in almost all cases be a limited liability company. ~~The Corporation~~ TSAHC may create one or more affiliated entities in connection with the undertaking of its duties in connection with the Development. In addition, ~~the Corporation~~ TSAHC will require the formation of a development member (or similar entity) to act in conjunction with the TSAHC-affiliated Managing Member (or General Partner) in connection with the development and management of the Development in such a manner so as to preserve eligibility for a property tax exemption as TSAHC's attorneys may determine.- ~~The~~

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

~~Corporation~~TSAHC may create one or more of the following entities, in its sole discretion, to manage specific functions of the Development and ownership of the property.

- a. Managing Member (or General Partner) Entity. A separate entity, established and wholly controlled by ~~the Corporation~~TSAHC, may be established by ~~the Corporation~~TSAHC to serve as Managing Member (or General Partner). The Managing Member or General Partner Entity will be the de factor managing entity of the Development in cooperation with any development members (or limited partners or similar entities). The Managing Member (or General Partner) must have authority to review and approve all financing terms and commitment letters, as well as contracts with the owner including without limitation development team members and will have authority to approve engineering and architectural plans for the Development. The Managing Member (or General Partner) may also receive a percentage of any typical or customary developer fees due from development proceeds, an asset oversight fee from rental revenues of the Development and a percentage of ongoing net revenues or cash flow after the payment of all debts and obligations of the Development. The Managing Member (or General Partner) will also be entitled to sales proceeds and will have an option and/or right of first refusal to purchase ~~either~~ the development and/or the other members' (or partners') interests in the owner entity upon disposition on or before year 15 of operations and thereafter. TSAHC and its affiliates will not be required to provide any guaranties or indemnities and will be fully indemnified by the Owner and the developer and such other joint venture entities for their participation in the Development except to the extent of TSAHC's gross negligence or willful misconduct.
- b. General Contractor Entity. A separate entity, established and wholly controlled by ~~the Corporation~~TSAHC, may be used by ~~the Corporation~~TSAHC to serve as General Contractor. The General Contractor will be used to administer all construction contracts, oversee the approval of draws, and conduct other customary due diligence needed to complete the Development. ~~The Corporation~~TSAHC may utilize a pre-existing General Contractor entity that has been used in previous developments. TSAHC's affiliate will earn a fee equal to a percentage of the sales tax savings.
- c. Land Ownership Entity. ~~TSAHC or a~~ separate entity, established and wholly controlled by ~~the Corporation~~TSAHC, may be used by ~~the Corporation~~TSAHC to serve as owner of the land for the Development. In general, (1) the land will be leased to the limited partnership (or limited liability company) for a term not to exceed 99 years, and (2) the Development owner will own the Development structures, including existing structures, improvements, equipment and new construction. TSAHC, as ground lessor, will have a continuing option to buy the improvements and leasehold estate from the Owner entity so as to qualify for the property tax exemption. TSAHC will earn a fee in exchange for providing the property tax-exempt structure.
- d. Developer Entity. A separate entity, established and wholly controlled by ~~the Corporation~~TSAHC, may be used by ~~the Corporation~~TSAHC as a development-related entity, to manage development activities related to the Development and earn TSAHC's share of the developer fee.

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

Note: Each of the foregoing affiliated entities, together with ~~the Corporation~~TSAHC, are required to be indemnified by the Developer (and/or other entity specified by ~~the Corporation~~TSAHC) for such affiliated entity's actions or omissions that do not constitute willful misconduct.

4. Fees:

- a. Application Fee: \$500 (this fee is in addition to ~~the Corporation's~~TSAHC's standard multifamily bond application fee, if applicable, or any other fees associated ~~with the issuance of tax exempt bonds~~ an application for financing to TSAHC).
- b. Start-Up Fee: Applicants will be required to fund ~~the Corporation's~~TSAHC's organization and legal costs of establishing ~~the Corporation's~~TSAHC's subordinate entities through the Start-Up Fee. A deposit of \$15,000 towards the Start-Up fee will be due and payable to ~~the Corporation~~TSAHC upon the approval of the Joint Venture by ~~the Corporation's~~TSAHC's Board of Directors.
- c. Asset Management Fee: As part of ~~the Corporation's~~TSAHC's Joint Venture responsibilities, the Development's annual operating budget must include an Asset Management Fee of \$10,000, with an annual increase during Development operations of 3%. fee of \$45 per door, with an annual minimum fee of \$2,250, to cover annual inspections, compliance reviews and other asset management responsibilities. The Corporation will be paid the fee out of rental revenues. If also acting as the bond issuer, the Corporation will not collect its customary Asset Oversight and Compliance fees associated with the bonds.
- ~~d. Annual Audit and Accounting Fee: The Corporation shall be paid from the operating fund of the Development an Annual Audit and Accounting Fee of \$10,000.~~
- d. Developer Fee and General Contractor Fee: For participating in a Joint Venture, the CorporationTSAHC will receive a portion (minimum of ~~20~~25% ~~to a maximum of 35%~~) of the Developer Fee paid from the Development's financing sources and revenues. ~~The Corporation~~TSAHC will be paid proportionally with the Developer for any deferred payments of the Developer Fee (regardless of source). TSAHC will consider lowering the minimum developer fee to 20% for projects considered to be Permanent Supportive Housing.
- e. General Contractor Fee: If the CorporationTSAHC or its affiliates serves as the general contractor of record, it will be entitled to a fee equal to 25% of the sales tax savings (that will be no less than \$20,000) and must be fully indemnified. The closing documents, including the master subcontract, must include specific indemnification language provided by the Corporation in the MOU.
- f. Cash Flow and Revenue Sharing: Following the repayment of all amounts owed to the Developer and ~~Corporation~~TSAHC for the Developer Fee, cash flow from the Development may be (1) used to fund supportive services in addition to any services required by the Development's compliance or regulatory agreements; (2) escrowed by ~~the Corporation~~TSAHC in a fund (the "Local Services Fund") to support local educational, health and welfare service providers or agencies that benefit residents of the Development; and/or (3) shared by the Developer member and Corporation affiliated managing member (or general partner). ~~TSAHC and developer split of cash flow and capital event proceeds? Suggest 30-70~~At a minimum, TSAHC's share of net cash flow and capital event proceeds shall be 30%.

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

- g. Professional Fees: ~~The Corporation's~~ TSAHC's Joint Venture Counsel will provide services related to the creation of affiliated entities and ~~the Corporation's~~ TSAHC's duties in ~~the its~~ its related roles, the terms of the limited partnership or limited liability company documents, the terms of applicable indemnifications, and other ancillary matters. The Joint Venture Counsel shall charge a fixed fee (or an hourly based fee) to be established based on the facts of the financing structure to be used and approved by ~~the Corporation~~ TSAHC.

Issuer Fees Not Included. For the avoidance of doubt, TSAHC's fees as bond issuer (if applicable) will be provided under separate cover.

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~~The Corporation~~ TSAHC is intent on ensuring that local support is in place prior to approving its participation in a Joint Venture. In order to identify such support, Applicants shall be required to submit the following documentation (part a and b) with their ~~inducement~~ application:

- a. AA letter of support for the proposed development that clearly states the project will be exempt from property taxes from either;
- i. The city or county housing department; or
 - ii. The city of county housing finance agency; or
 - iii. The office of the Mayor or County Judge
- b. A letter of support for the proposed development that clearly states the project will be exempt from property taxes from;
- i. A member of the City Council or County Commissioner's Court; or
 - ii. The Superintendent of Public Schools serving the project site; or
 - iii. The Director of the local housing finance corporation; or
 - iv. The Director of the City or County Housing department.
- a. A-Projects utilizing housing tax credits will also be required to obtain a resolution from the city or county government where the development is located, ~~stating support for the proposed development, including resolutions that~~ meetmeets the standards for low income housing tax credits program pursuant to section 2306.67021 of the Texas Government Code. The submission of this resolution may be done after application, but must be received prior to the reservation of private activity bonds, if included in the financing ~~structure;~~structure.
- ~~b.~~ ~~A letter of support from the local housing finance corporation stating support for the proposed development, unless no local housing finance corporation or other similar entity is available; and~~
- ~~c.~~ ~~At least two additional letters of support fulfilling the Corporation's Community Support Threshold as defined by the most recent Multifamily Tax Exempt Bond Program Policies and Request for Proposals.~~

Texas State Affordable Housing Corporation

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- ~~a.d.~~ Developments that are intended for individuals 62 years of age or older or intended and operated for occupancy by at least one individual 55 years of age or older; and at least 20% of total units are affordable and reserved for households earning 50% or less than the area median income.
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Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

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Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

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- b. Start-Up Fee: Applicants will be required to fund ~~the Corporation's~~TSAHC's organization and legal costs of establishing ~~the Corporation's~~TSAHC's subordinate entities through the Start-Up Fee. A deposit of \$15,000 towards the Start-Up fee will be due and payable to ~~the Corporation~~TSAHC upon the approval of the Joint Venture by ~~the Corporation's~~TSAHC's Board of Directors.
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- ~~d. Annual Audit and Accounting Fee: The Corporation shall be paid from the operating fund of the Development an Annual Audit and Accounting Fee of \$10,000.~~
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- e. General Contractor Fee: If the CorporationTSAHC or its affiliates serves as the general contractor of record, it will be entitled to a fee equal to 25% of the sales tax savings (that will be no less than \$20,000) and must be fully indemnified. The closing documents, including the master subcontract, must include specific indemnification language provided by the Corporation in the MOU.
- f. Cash Flow and Revenue Sharing: Following the repayment of all amounts owed to the Developer and ~~Corporation~~TSAHC for the Developer Fee, cash flow from the Development may be (1) used to fund supportive services in addition to any services required by the Development's compliance or regulatory agreements; (2) escrowed by ~~the Corporation~~TSAHC in a fund (the "Local Services Fund") to support local educational, health and welfare service providers or agencies that benefit residents of the Development; and/or (3) shared by the Developer member and Corporation affiliated managing member (or general partner). ~~TSAHC and developer split of cash flow and capital event proceeds? Suggest 30-70~~At a minimum, TSAHC's share of net cash flow and capital event proceeds shall be 30%.

Texas State Affordable Housing Corporation

Joint Venture Development Guidelines

- g. Professional Fees: ~~The Corporation's~~TSAHC's Joint Venture Counsel will provide services related to the creation of affiliated entities and ~~the Corporation's~~TSAHC's duties in ~~the its~~its related roles, the terms of the limited partnership or limited liability company documents, the terms of applicable indemnifications, and other ancillary matters. The Joint Venture Counsel shall charge a fixed fee (or an hourly based fee) to be established based on the facts of the financing structure to be used and approved by ~~the Corporation~~TSAHC.

Issuer Fees Not Included. For the avoidance of doubt, TSAHC's fees as bond issuer (if applicable) will be provided under separate cover.

5. Community Outreach:

~~The Corporation~~TSAHC is intent on ensuring that local support is in place prior to approving its participation in a Joint Venture. In order to identify such support, Applicants shall be required to submit the following documentation (part a and b) with their ~~inducement~~ application:

- a. AA letter of support for the proposed development that clearly states the project will be exempt from property taxes from either;
- i. The city or county housing department; or
 - ii. The city of county housing finance agency; or
 - iii. The office of the Mayor or County Judge
- b. A letter of support for the proposed development that clearly states the project will be exempt from property taxes from;
- i. A member of the City Council or County Commissioner's Court; or
 - ii. The Superintendent of Public Schools serving the project site; or
 - iii. The Director of the local housing finance corporation; or
 - iv. The Director of the City or County Housing department.
- ~~a. A-Projects utilizing housing tax credits will also be required to obtain a resolution from the city or county government where the development is located, stating support for the proposed development, including resolutions that meet~~meets the standards for low income housing tax credits program pursuant to section 2306.67021 of the Texas Government Code. The submission of this resolution may be done after application, but must be received prior to the reservation of private activity bonds, if included in the financing ~~structure;~~structure.
- ~~b. A letter of support from the local housing finance corporation stating support for the proposed development, unless no local housing finance corporation or other similar entity is available; and~~
- ~~c. At least two additional letters of support fulfilling the Corporation's Community Support Threshold as defined by the most recent Multifamily Tax Exempt Bond Program Policies and Request for Proposals.~~

Tab 7

Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund: FY2024 Disaster Recovery Guidelines.



Texas Foundations Fund: FY2024 Disaster Recovery Guidelines

Funding Overview

Through its Texas Foundations Fund (TFF) program, the Texas State Affordable Housing Corporation (TSAHC) is offering grants to eligible organizations providing housing assistance activities in response to disasters. The total available funding will be determined on an annual basis at the discretion of the TSAHC Board of Directors.

Grant awards will be made for the critical repair of single-family homes located in any one or more counties affected by weather-related natural disasters. The disaster must be declared as such on or after **June 1, 2023** by a Federal Emergency Management Agency disaster declaration, a Texas Disaster Declaration, and/or a local city or county disaster declaration.

The total available for TSAHC's fiscal year 2024 is \$250,000. Any disaster recovery funding not requested by **June 1, 2024** will be added to the Texas Foundations Fund's annual funding cycle.

Eligibility Requirements

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

1. **Organization Type:** Applicant must be a current or former TFF nonprofit partner or have received funding through the Housing and Economic Assistance to Rebuild Texas (HEART) Program. Applicants must be current on all reporting requirements for existing grants to be eligible for this funding opportunity.
2. **Household Requirements:** To ensure the funding reaches those who are most in need, each organization must use critical repair funds only for critical home repairs¹ of single-family homes² to households at or below 80% of the area median family income³.
3. **Program Requirements:** Homes receiving repairs must be owner-occupied or single-family rental homes owned and operated by the applicant. All repairs funded by the grant must be provided free of charge and directly related to damage inflicted by the declared disaster.
4. **Geographic Requirements:** Applicant must provide critical repairs to disaster-damaged homes located in counties included as part of the Federal Emergency Management

¹ TSAHC defines critical repairs as repairs to a failed or inefficient system, including electrical, roofing repairs/replacements, structural damage, plumbing, mechanical systems, and heating and air conditioning. Critical repairs must be vital to the health and safety of the occupants and meet state and local building codes.

² TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot; or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex; or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

³ TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility. To review the current income limits, visit: www.huduser.org/portal/datasets/il.html

Agency's federal disaster declaration, Texas Disaster Declaration and/or local city or county disaster declaration.

Administration

1. Eligible organizations may complete an online application at any time after there has been a disaster declaration for any county or counties in the organization's service area. Organizations are limited to submitting one application per declared disaster.
2. Awards will be made on a rolling basis as long as funding is available.
3. The maximum grant per application is \$30,000, and the maximum amount that can be used to assist an individual household is \$5,000. An organization may submit an application for a grant each time there is a declared disaster in their service area. If there are multiple applications in response to a single disaster, TSAHC may reduce the amount of funding available to each applicant.
4. Grantees will receive funding as a lump sum award.
5. Grant terms will begin on the date of the federal or state disaster declaration, whichever is earlier.
6. Grantees must spend 100% of their award and complete all activities proposed in their application within six months of signing their grant agreement.
7. Grantees will be required to submit a final report at the completion of their grant term documenting their utilization of the grant funds.

Grant Agreement

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

- a description of how the grant will be used,
- eligible expenditures⁴,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

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

Questions

Questions regarding these guidelines, funding eligibility or grant administration should be submitted in writing to Michael Wilt by email at mwilt@tsahc.org.

⁴ Grantees may use up to 10% of their award for administrative expenses. The remaining funds must be used for direct costs for critical home repairs. These costs may include, but are not limited to, contractor fees, materials, salaries for staff performing critical repair work, and building permits and inspection fees for homes to be repaired.