



**February Board Meeting**

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

Tuesday, February 20, 2024  
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**

**February 20, 2024  
10:30 A.M.**

**CALL TO ORDER**

**ROLL CALL**

**Bill Dietz, Chair**

**CERTIFICATION OF QUORUM**

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

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

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

**PUBLIC COMMENT**

**PRESIDENT’S REPORT**

**Janie Taylor, Executive Vice President**

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 December 19, 2023.  |
| Tab 2 | Presentation and Discussion by Meeder Public Funds (formerly Patterson & Associates), Investment Advisors.   |
| Tab 3 | Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation’s 2024 Annual Action Plan.  |
| Tab 4 | Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund Draft 2024 Guidelines.  |
| Tab 5 | Presentation, Discussion, and Possible Approval of a Resolution approving a Texas Housing Impact Fund bridge loan to Anacua Village, Ltd. in an amount not to exceed \$2,000,000 for the Anacua Village project. |
| Tab 6 | Presentation, Discussion and Possible Approval of a Resolution appointing hearing officers.  |
| Tab 7 | Presentation, Discussion and Possible Approval of a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation and Restate the Signature and Approval Authority of Officers of the Corporation.   |

**CLOSED MEETING:**

Consultation with legal counsel on legal matters – Texas Government Code § 551.071

Deliberation regarding purchase, exchange, lease, or value of real property – Texas Government Code § 551.072

Deliberation regarding prospective gift or donation to the state or Texas State Affordable Housing Corporation – Texas Government Code § 551.073

Personnel Matters – Texas Government Code § 551.074

Implementation of security personnel or devices – Texas Government Code § 551.076

Other matters authorized under the Texas Government Code

**ACTION ITEMS IN OPEN MEETING:**

Action in Open Meeting on Items Discussed in Closed Executive Session

**ANNOUNCEMENTS AND CLOSING COMMENTS****ADJOURN**

*A Board member of the Corporation may participate in a Board meeting by video conference pursuant to Section 551.127 of the Texas Government Code. A quorum of the Board will meet at the Texas State Affordable Housing Corporation's headquarters located at 6701 Shirley Avenue., Austin Texas, 78752.*

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

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

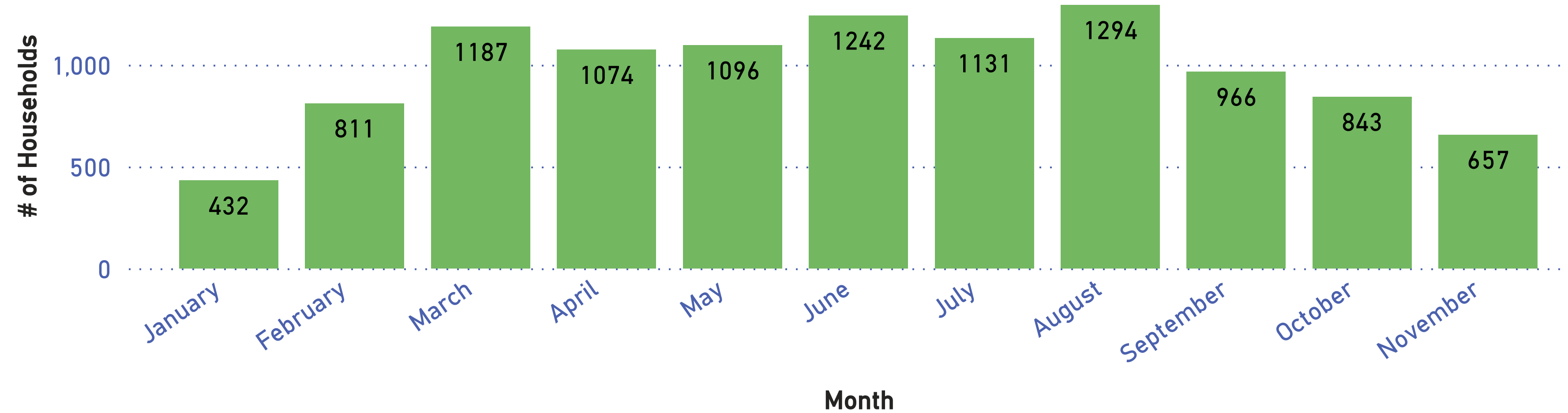
*Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will be held in the same location as this meeting. Texas State Affordable Housing Corporation also reserves the right to proceed into a closed meeting during the meeting in accordance with the Open Meetings Act, Chapter 551 of the Texas Government Code. If permitted by the Open Meetings Act, Chapter 551 of the Texas Government Code, any item on this Agenda to be discussed in open meeting may also be discussed by the Board (and any other authorized persons) in closed meeting.*

# President's Report

Tab A

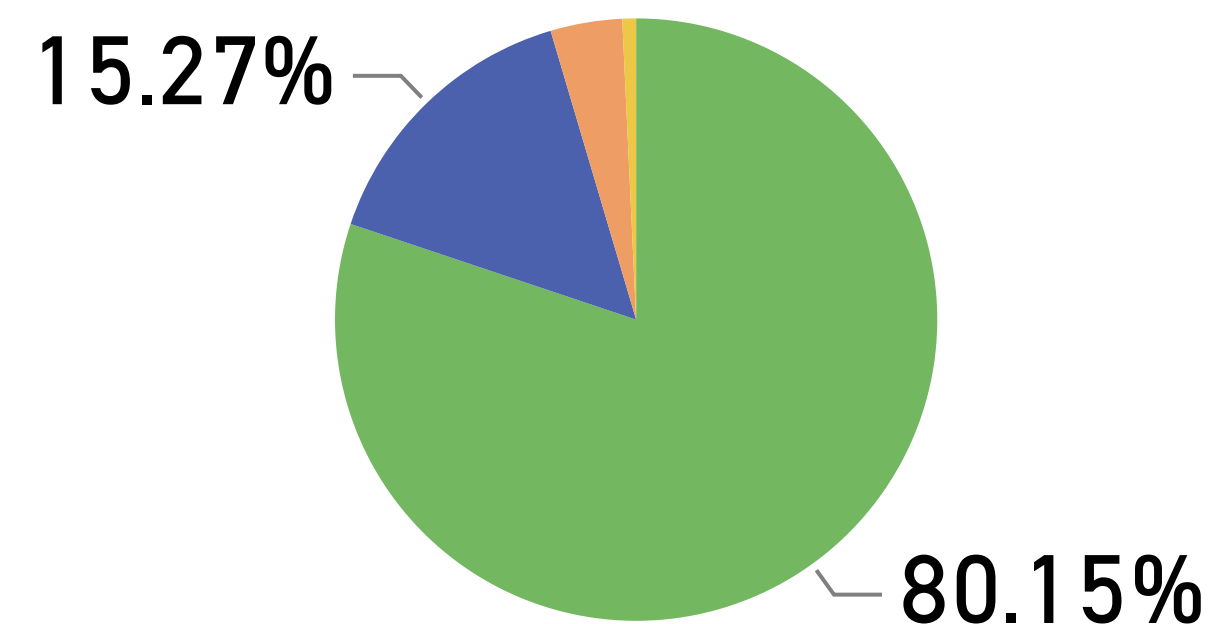
Homeownership Finance Report

## # of Households by Month



## Loan Type

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



**77.39K**

Average Annual Income

**244K**

Average of Loan Amount

**7.06%**

Average Interest Rate

**698**

Average Credit Score

**10.73K**

Households Served

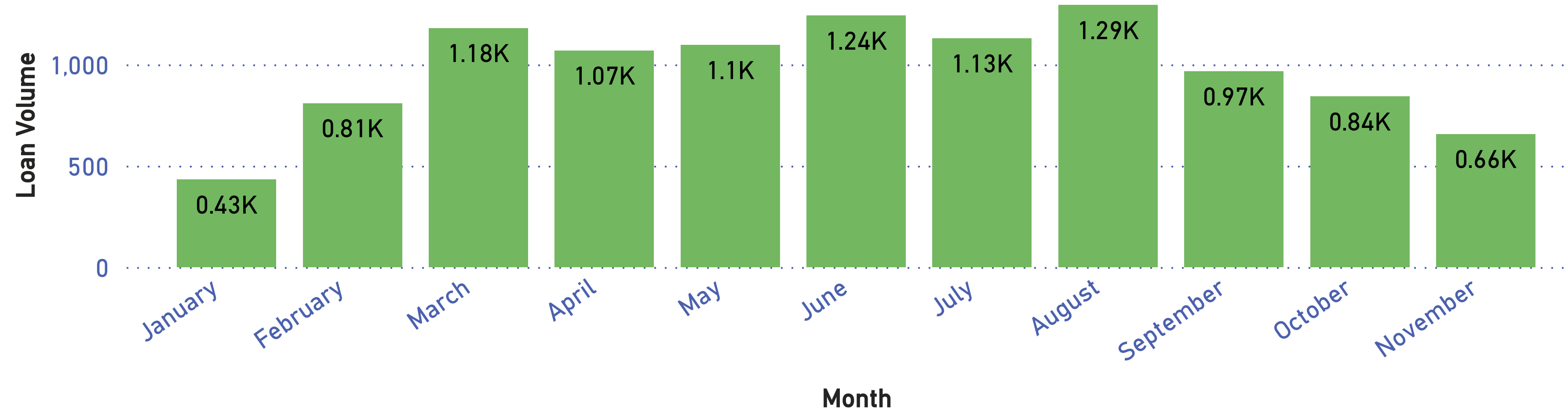
**2**

Average Household Size

# Homeownership DPA Snapshot

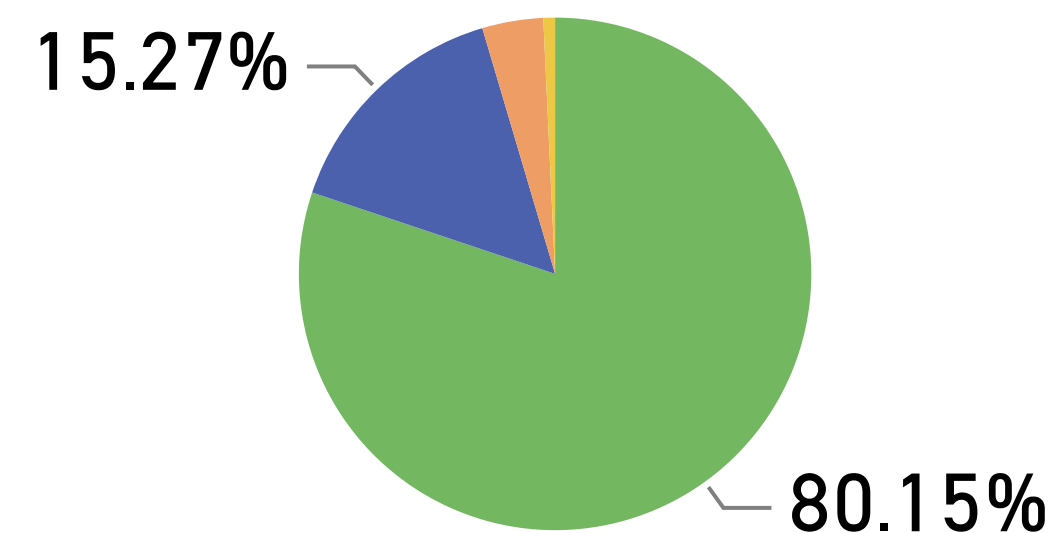
January 1, 2023 to November 30, 2023

## Loan Volume by Month



## Loan Type

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



**\$7,020.94**

Average DPA Awarded

**\$75,370,667**

Total DPA Awarded

**77.39K**

Average Annual Income

**244K**

Average Loan Amount

**2621M**

Total Loan Volume

**10.73K**

Households Served

**7.06%**

Average Interest Rate

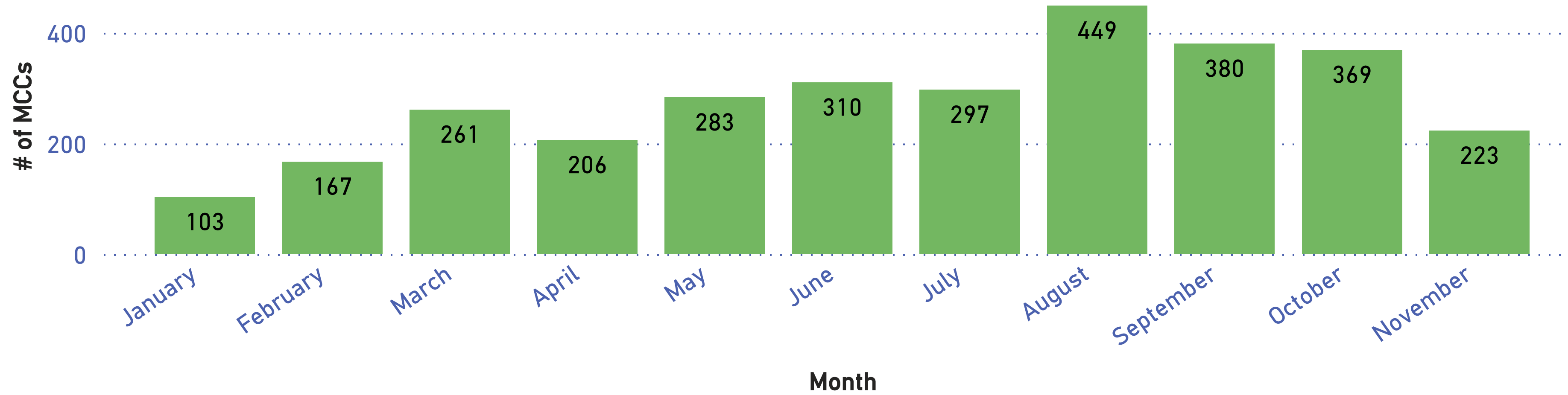
**698**

Average Credit Score

**2**

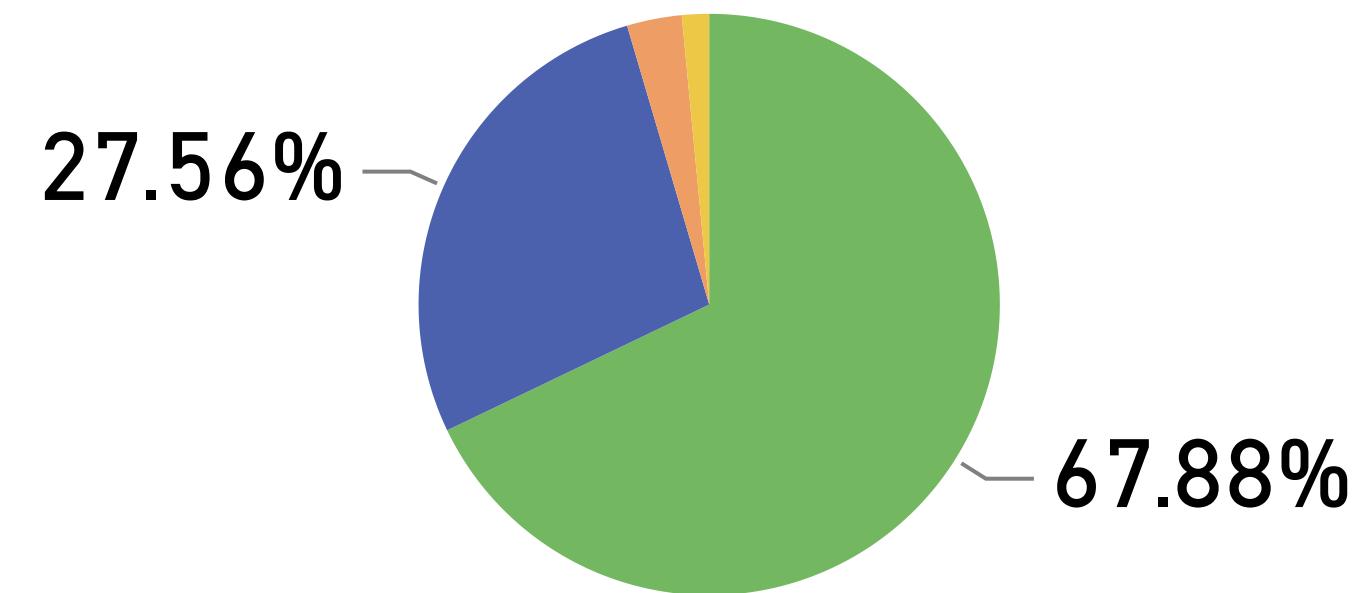
Average Household Size

## # of MCCs by Month



## Loan Type

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



**69.18K**

Average Annual Income

**247K**

Average of Loan Amount

**6.73%**

Average Interest Rate

**705**

Average Credit Score

**3048**

Issued MCCs

**2**

Average Household Size



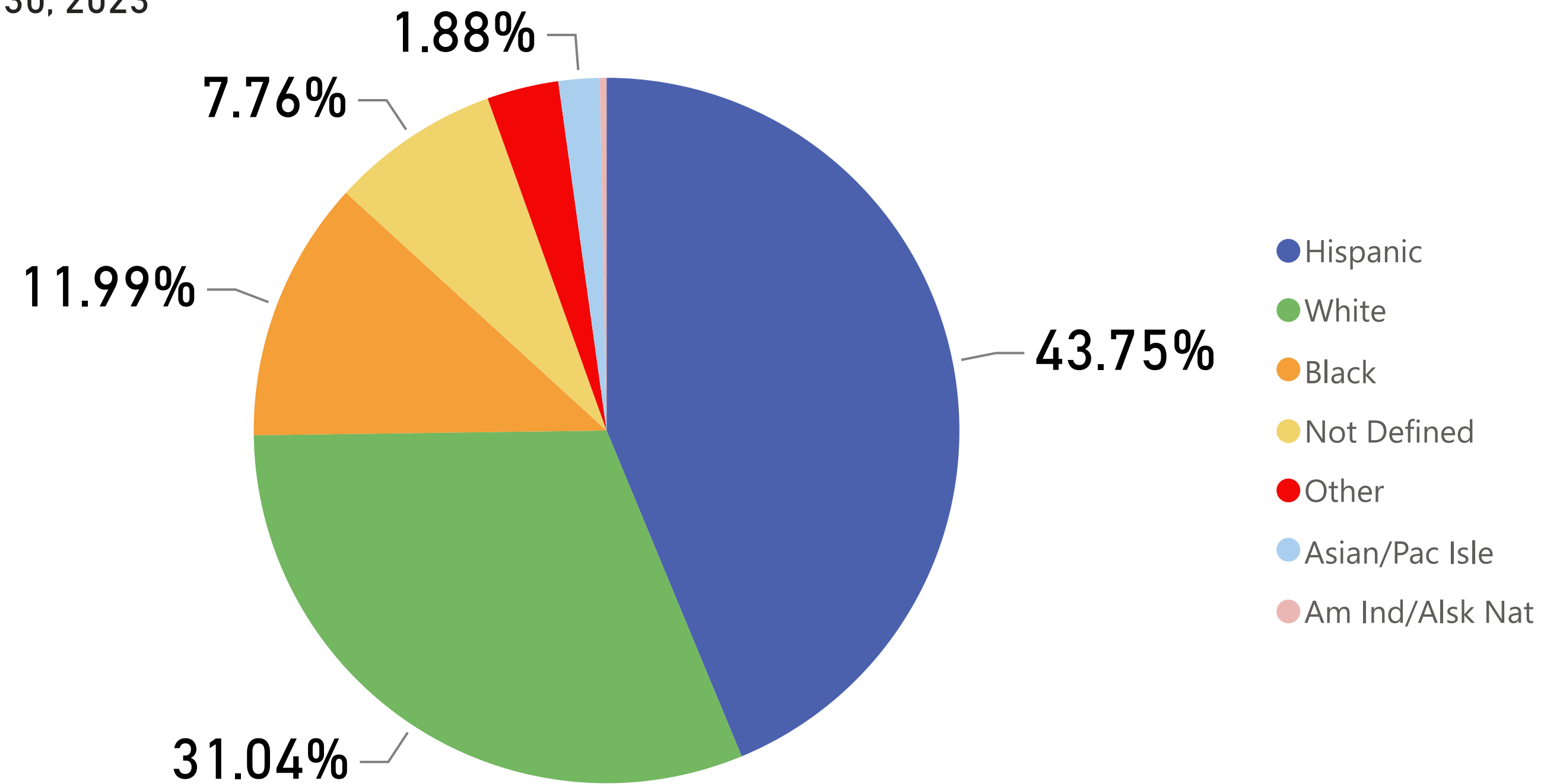
## Professions

Occupation % of Total

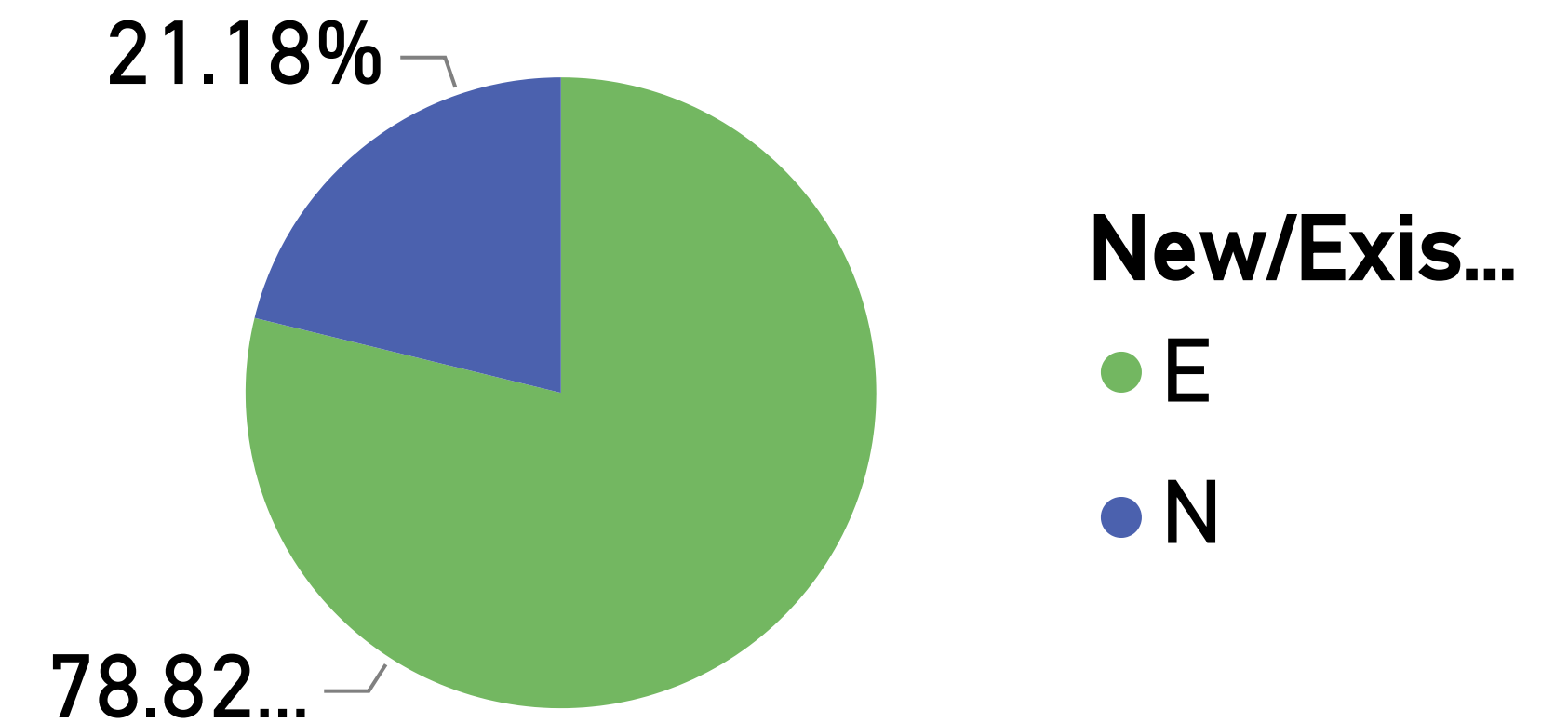
Other	86.86%
Teacher	5.53%
Veteran	2.19%
Prof Nurse Fac	1.67%
Active Military	0.77%
Peace Officer	0.76%
Fire Fighter	0.47%
Corrections Off	0.46%
Public Sec Off	0.34%
EMS Personnel	0.31%
Teacher Aide	0.21%
Allied Hlth Fac	0.17%
Sch Counselor	0.15%
County Jailer	0.05%
School Nurse	0.05%
Sch Librarian	0.03%

**Total 100.00%**

## Household Ethnicity



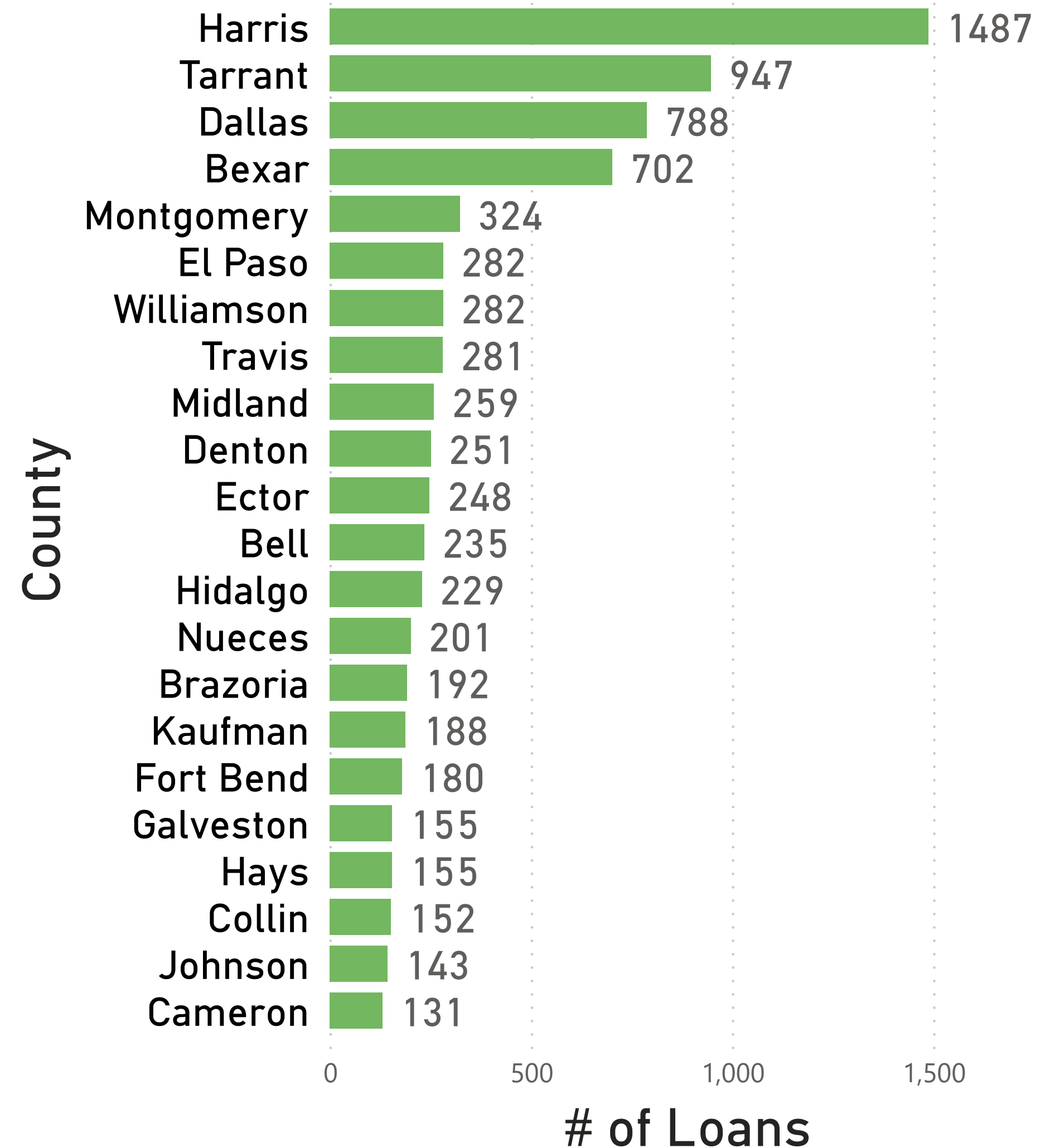
## New/Existing Home



## Top Lenders

Top Lenders	# of Loans
Everett Financial, dba Supreme Lending	762
Fairway Independent Mortgage Corporation	689
Cardinal Financial Company	451
CMG Mortgage, Inc. dba CMG Financial	409
Amcap Mortgage, LTD	375
Guaranteed Rate	363
Crosscountry Mortgage, LLC	329
Gateway Mortgage, a division of Gateway	311
PrimeLending	297
SFMC, LP dba Service First Mortgage Comp	273
Guild Mortgage Company LLC	262
Security National Mortgage Company	254
loanDepot.com LLC	231
Mortgage Financial Services, LLC	220
T2 Financial dba Revolution Mortgage	212
Cornerstone Home Lending	201
KBHS Home Loan, LLC	181
Nations Reliable Lending, LLC	178
DHI Mortgage Company, Ltd.	172
Town Square Mortgage & Investments, LLC	169
Highlands Residential Mortgage	165
Ark-La-Tex Financial (Benchmark Mtg.)	161
<b>Total</b>	<b>6948</b>

## Top Originating Counties



Tab B

Development Finance Report

# Texas State Affordable Housing Corporation

## Development Finance Programs Report February 2024

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

Three homes at the Mesquite Wood Subdivision (Harlingen) are nearing construction completion. Harlingen Community Development Corporation is now working to identify and qualify income eligible households.

Construction progresses at 631 Carolina (San Antonio) with four homes under construction including one home anticipated to be substantially complete by late March. The remaining homes have staggered construction completion dates through the summer. Pre-MLS marketing efforts are underway.

The Park on 14<sup>th</sup> (Plano) is approximately 16% construction complete with a target completion date of January 2025. The building foundation was poured, and the installation of site utilities is in progress.

Construction at Juniper Creek (Austin) is roughly 14% complete. Weather conditions have caused delays, but the project remains on schedule with underground plumbing and utility installations in progress.

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

Program	Portfolio as of January 1, 2024	Transferred	Sold	Portfolio as of February 1, 2024	Current Portfolio Value
ACT Land Bank	33			33	\$2,111,995.60
ACT Land Trust	2			2	\$3,400,000.00
Totals	35			35	\$5,511,995.60

Our current pipeline report:

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

### **Texas Housing Impact Fund (THIF)**

This month, staff will present a proposed loan for the Anacua Village in Mission. The loan request is for \$2,000,000 in construction bridge financing. The project is in partnership with the Housing Authority of the City of Mission and will include 100 multi-family rental units. Additional materials and a resolution are included in the board book.

TSAHC and the Texas Health and Human Services Commission have entered into a grant agreement for the issuance and administration of additional Affordable Housing Partnership (AHP) loan dollars (approximately \$1.1 million) for developments serving qualified individuals receiving or eligible for

# Texas State Affordable Housing Corporation

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## Development Finance Programs Report February 2024

Medicaid Long-Term Services and Supports (LTSS) in Bexar, Harris, Tarrant, Travis, and Dallas counties. TSAHC will provide capital subsidies in the form of no interest deferred forgivable loans to developers that build or rehabilitate housing units as affordable, accessible and integrated housing units for qualified LTSS individuals. The launch of this round of AHP funds, including the release of an updated program guideline and updated AHP loan application, is in process.

### **Multifamily Bond Program**

Developers for the three projects induced by the Board in December continue to finalize their financing structure and project plans. In the meantime, staff has been focused on market conditions and legislative changes.

Regarding market conditions, interest rates have lowered since the beginning of the new year with the ten-year treasury yield fluctuating within a .15% range. This provides some stability to underwriting projections.

Federal legislative action is anticipated since Congress passed bills to continue the fixed rate for the value of housing tax credits beyond 2025 and lowering the minimum bond allocation to access 4% housing tax credits from 50% to 30%, effective upon final approval of the law. Both actions would bolster continued construction of affordable housing.

Tab C

Monthly Financial Reports

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited) As of December 31, 2023

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### Assets

#### Current assets:

Cash and cash equivalents	\$ 8,521,730
Pooled investments	6,131,118
Restricted assets:	
Cash and cash equivalents	4,782,883
Accrued interest	43,820
Investments, at fair value	20,643,944
Accounts receivable and accrued revenue	25,182
Accrued interest receivable	199,087
Loans receivable, current portion	52,361
Notes receivable, current portion	101,161,392
Downpayment assistance, current portion	132,074
Prepaid expenses	<u>363,206</u>

Total current assets	<u>142,056,797</u>
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#### Noncurrent assets:

Loans receivable, net of uncollectible amounts of \$10,183	155,898
Notes receivable, net of allowance for loss \$548,365	163,199,435
Lease Receivable	115,682
Investments, at fair market value	18,726,956
Mortgage servicing rights, net of accumulated amortization of \$2,655,058	73,003
Capital assets, net of accumulated depreciation of \$1,146,062	5,618,025
Owned real estate, net of depreciation of \$2,415,592	19,745,728
Downpayment assistance	2,503,895
Restricted investments held by bond trustee, at fair market value	<u>76,373,546</u>

Total noncurrent assets	<u>286,512,168</u>
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Total assets	<u>\$ 428,568,965</u>
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(continued)

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited)

As of December 31, 2023

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### Liabilities

#### Current liabilities:

Accounts payable and accrued expenses	\$ 467,520
Notes payable, current portion	750,702
Custodial reserve funds	173,879
Other current liabilities	210,380
Payable from restricted assets held by bond trustee:	
Revenue bonds payable, current portion	375,000
Accrued interest on revenue bonds	1,163,677

Total current liabilities	<u>3,141,158</u>
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#### Noncurrent liabilities:

Notes payable	710,484
Revenue bonds payable	78,727,489
Unearned revenue	461,918

Total noncurrent liabilities	<u>79,899,891</u>
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Total liabilities	<u>83,041,049</u>
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### Deferred Inflows of Resources

Deferred revenue	<u>365,100</u>
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Total deferred inflows of resources	<u>365,100</u>
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### Net Position

Invested in capital assets	5,618,025
Restricted for:	
Debt service	817,096
Other purposes	2,577,391
Unrestricted	<u>336,150,304</u>

Total net position	<u>345,162,816</u>
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Total liabilities and net position	<u><u>\$ 428,568,965</u></u>
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## Texas State Affordable Housing Corporation

### Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 4 Months Ending December 31, 2023

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#### Operating Revenues:

Interest and investment income	\$ 1,726,638
Net increase (decrease) in fair value of investments	2,235,684
Single family income	17,868,940
Asset oversight and compliance fees	126,029
Rental program income	429,843
Multifamily income	154,908
Land bank income	40,151
Public support:	
Federal & state grants	10,505
Contributions	135,655
Other operating revenue	<u>65,682</u>
Total operating revenues	\$ <u>22,794,035</u>

#### Operating Expenses:

Interest expense on bonds and notes payable	\$ 1,197,691
Program and loan administration	974,017
Texas Foundation Fund & Misc. Grants	89,400
Salaries, wages and payroll related costs	1,555,279
Professional fees and services	227,131
Depreciation and amortization	28,316,618
Office expense and maintenance	59,063
Travel and meals	45,444
Other operating expenses	<u>357,245</u>
Total operating expenses	<u>32,821,888</u>
Net income	(10,027,853)
Total net position, beginning	<u>355,190,669</u>
Total net position, ending	\$ <u><u>345,162,816</u></u>

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

	<b>Annual Budget</b>	<b>Actual</b>	<b>Percent of Annual Budget</b>
<b>Revenue</b>			
Single Family Program Revenue	10,472,000	4,110,398	39.25%
Lending Program Revenue	2,762,000	411,463	14.90%
Multifamily Program Revenue	1,272,000	191,352	15.04%
Rental Program Revenue	1,364,000	462,908	33.94%
Federal & State Grants	198,000	8,983	4.54%
Grants, Donations & Other Awards	250,000	73,141	29.26%
Land Bank Revenue	4,893,000	188,258	3.85%
Servicing Revenue	72,000	18,735	26.02%
Investment Revenue	1,380,000	533,592	38.67%
<b>Total Revenue</b>	<b>22,663,000</b>	<b>5,998,830</b>	<b>26.47%</b>
<b>Expenditures</b>			
Texas Housing Impact Fund	9,221,000	2,737,104	29.68%
Affordable Communities of Texas	5,390,000	482,343	8.95%
Other Program Expenditures	553,000	333,104	60.24%
Salaries & Payroll Related Expenditures	4,500,000	1,555,279	34.56%
Grants	1,005,000	94,874	9.44%
Principal & Interest on Notes Payable	213,000	96,831	45.46%
Professional Services	791,000	246,371	31.15%
Marketing	169,000	41,230	24.40%
Insurance	310,000	106,410	34.33%
Travel & Meals	124,000	45,444	36.65%
Furniture, Equipment, & Software	54,000	8,131	15.06%
Building Maintenance	69,000	23,242	33.68%
Professional Dues, Conferences & Training	49,000	19,053	38.88%
Sponsorships	25,000	2,500	10.00%
Communication	21,000	8,245	39.26%
Publications, Subscriptions & Other Office Expenditures	25,000	8,382	33.53%
Freight, Delivery, Postage	12,000	3,660	30.50%
Printing & Office Supplies	5,000	1,966	39.32%
<b>Total Expenditures</b>	<b>22,536,000</b>	<b>5,814,169</b>	<b>25.80%</b>
<b>Excess Revenues Over Expenditures</b>	<b>127,000</b>	<b>184,661</b>	

**Average Expected Percent Received/Expended = 33.33%**

## Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on December 19, 2023.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
BOARD MEETING**

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

**December 19, 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 Valerie Cardenas, Vice Chairman, at 10:30 a.m., on December 19, 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:**

Valerie Cardenas, Vice Chair  
Lemuel Williams, Member  
David Rassin, Member

**Guests Present:**

Chris Spelbring, Raymond James  
David Jones, CSG Advisors  
Routt Thornhill, Coats Rose

**Public Comment:**

Katie Claflin, Senior Director of Communications & Development introduced Cary Mansfield and Ruben Montoya with Texas Community Bank (TCB). Cary Mansfield presented a \$10,000 donation check.

**President’s Report**

**David Long**

**Tab 1                    Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on November 14, 2023.**

Mr. Williams made a motion to approve the minutes of the Board meeting held November 14, 2023. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion was approved as presented.

See page 17 in the official transcript.

**Tab 2                    Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance, Sale and Delivery of Single Family Mortgage Revenue Bonds, Series 2024A (Non-AMT) and Single Family Mortgage Revenue Bonds, Series 2024B (Taxable); Authorizing a Trust**

**Indenture, Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Single Family Home Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto.**

Presented by Joniel LeVecque, Senior Director of Single Family Programs, David Jones, CSG Advisors and Chris Spelbring, Raymond James

Mr. Williams made a motion to Approve a Resolution Authorizing the Issuance, Sale and Delivery of Single Family Mortgage Revenue Bonds, Series 2024A (Non-AMT) and Single Family Mortgage Revenue Bonds, Series 2024B (Taxable); Authorizing a Trust Indenture, Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Single Family Home Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 18 in the official transcript.

**Tab 3                    Presentation, Discussion and Possible Approval of a Resolution Authorizing Request for Unencumbered State Ceiling; the Conversion to Mortgage Credit Certificates and Containing Other Provisions Relating to the Subject.**

Presented by Joniel LeVecque, Senior Director of Single Family Programs

Mr. Rassin made a motion to Approve a Resolution Authorizing Request for Unencumbered State Ceiling; the Conversion to Mortgage Credit Certificates and Containing Other Provisions Relating to the Subject.

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

See page 30 in the official transcript.

**Tab 4                    Presentation, Discussion and Possible approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Bluffs at Nelms.**

Presented by David Danenfelzer, Senior Director, Development Finance and Robbye Meyer, ARX Advantage

Mr. Williams made a motion to Approve a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Bluffs at Nelms. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 35 in the official transcript.

**Tab 5                    Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Bluffs at Nelms located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Williams made a motion to Approve a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Bluffs at Nelms located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 45 in the official transcript.

**Tab 6                    Presentation, Discussion and Possible Approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Cairn Point at Montopolis.**

Presented by David Danenfelzer, Senior Director, Development Finance and Valentin DeLeon, Vecino Bond Group

Mr. Williams made a motion to Approve a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Cairn Point at Montopolis and removed the “at” from the project name which now reads: Cairn Point Montopolis. Mr. Rassin seconded the motion as amended. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 47 in the official transcript.

**Tab 7                    Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Cairn Point at Montopolis located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.**

Presented by David Danenfelzer, Senior Director, Development Finance and Valentin DeLeon, Vecino Group

Mr. Rassin made a motion to Approve a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Cairn Point at Montopolis located in Austin, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project. Mr. Williams seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 54 in the official transcript.

**Tab 8                    Presentation, Discussion and Possible Approval of a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Burleson Studios.**

Presented by Cassandra Ramirez, Development Finance Manager and Sabrina Butler, Foundation Communities

Mr. Williams made a motion to Approve a Resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for Burleson Studios. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 59 in the official transcript.

**Tab 9                    Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Boulevard 61 located in Houston, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project.**

Presented by Cassandra Ramirez, Development Finance Manager and Janine Sisak, DMA Development Co, LLC

Mr. Williams made a motion to Approve a Resolution Authorizing the Texas State Affordable Housing Corporation to take preliminary action to carry out the financing of Boulevard 61 located in Houston, Texas, including creating entities, negotiating finance documents, and filing applications to obtain debt and grant financing for the Project. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 65 in the official transcript.

**Tab 10                  Presentation, Discussion and Possible Approval for Publication and Public Comment of the Draft of the Texas State Affordable Housing Corporation's 2024 Annual Action Plan.**

Presented by Michael Wilt, Senior Manager, External Relations

Mr. Williams made a motion to Approve a Publication and Public Comment of the Draft of the Texas State Affordable Housing Corporation's 2024 Annual Action Plan. Mr. Rassin seconded the motion. Ms. Cardenas asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 74 in the official transcript.

**Announcements**

Mr. Long and Board Members tentatively scheduled the next Board Meeting for January 16, 2024, at 10:30am.

**Adjournment**

Ms. Cardenas adjourned the meeting at 12:01 pm.

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



## Tab 2

Presentation and Discussion by Meeder Public Funds (formerly  
Patterson & Associates), Investment Advisors.

## Tab 3

Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's 2024 Annual Action Plan.



**TEXAS STATE AFFORDABLE HOUSING CORPORATION**  
**2024 ANNUAL ACTION PLAN**

# **TEXAS STATE AFFORDABLE HOUSING CORPORATION 2024 ANNUAL ACTION PLAN**

## **INTRODUCTION**

This plan is prepared in accordance with Texas Government Code, Section 2306.566, which requires the Texas State Affordable Housing Corporation (“TSAHC”) to develop a plan to address the state’s housing needs. Texas Government Code, Section 2306.0721(g) requires TSAHC’s Annual Action Plan to be included in the State Low Income Housing Plan (“SLIHP”) prepared by the Texas Department of Housing and Community Affairs (“TDHCA”).

## **TSAHC OVERVIEW**

The Texas State Affordable Housing Corporation, created in 1994 at the direction of the Texas State Legislature, is a self-sustaining nonprofit entity whose mission is to facilitate, preserve, and expand affordable housing opportunities for Texans. TSAHC’s enabling legislation can be found in Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq.

TSAHC’s office is located in Austin, Texas. A five-member volunteer Board of Directors, appointed by the Governor of Texas, oversees the policies and business of TSAHC. None of TSAHC’s programs or operations are funded through the State’s budget appropriations process.

TSAHC is statutorily authorized to issue mortgage revenue bonds and other tax-exempt bonds to finance the purchase and creation of affordable housing. TSAHC also has the authority to use loans from banks, private mortgage companies, nonprofit organizations and other financial institutions to assist primarily low, very low, and extremely low-income Texans. Over the course of its history, TSAHC has utilized approximately \$4 billion in single family bonding authority and approximately \$1.8 billion in multifamily private activity bonds.<sup>1</sup> Bond issuances are used to finance the creation and preservation of affordable multifamily housing and the following home buyer programs:

- Homes for Texas Heroes Home Loan Program
- Home Sweet Texas Home Loan Program
- Mortgage Credit Certificate Program

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<sup>1</sup> 2023 TSAHC bond activity includes the closing of \$60,000,000 in Mortgage Revenue Bonds and \$115,448,000 in Multifamily Private Activity Bonds.

Using its statutory purpose and powers as guidance, TSAHC has developed the following additional programs, services, and initiatives to help meet the need for affordable housing in Texas:

- Home Buyer and Financial Education
- Texas Housing Impact Fund
- Affordable Communities of Texas
- Asset Oversight and Compliance
- Single Family Rental Program
- Multifamily Rental Program
- Texas Foundations Fund Including Grants for Disaster Recovery
- Texas Supportive Housing Institute and Permanent Supportive Housing Symposium

## **TSAHC MISSION AND OBJECTIVE**

TSAHC's mission is to facilitate, preserve, and expand affordable housing opportunities for Texans. TSAHC accomplishes this mission by helping developers build housing for working families, and helping Texans achieve and sustain the dream of homeownership and improve their financial situation. TSAHC's programs and initiatives reflect our core belief that every Texan deserves the opportunity to live in safe, decent and affordable housing.

As Texas' population grows and the housing industry changes, the programs and services TSAHC administers continue to evolve and expand to meet these changing dynamics. TSAHC remains committed to the populations it has historically served but is also active in responding to new challenges like creating supportive housing developments for Texas' most vulnerable residents, preserving housing in rural areas, expanding housing opportunities for Texans with complex health needs, helping Texans rebuild after natural disasters, and helping Texans remain stably housed during difficult times like the pandemic.

TSAHC's objective in 2024 is to serve the evolving housing needs of Texans by implementing innovative solutions through its current programs and adapting those programs where necessary to respond to changes in the housing market. TSAHC also remains committed to exploring opportunities to establish new programs and initiatives when appropriate to better achieve our mission.

## PROGRAM DESCRIPTIONS AND IMPLEMENTATION PLANS

### HOMEOWNERSHIP PROGRAMS

Over the last decade, research has consistently shown that homeownership has a positive impact on the socioeconomic status of a household and their community. The most recent data from the Federal Reserve highlights the economic benefits of homeownership as the average household wealth of a homeowner is \$255,000 while the average wealth of a renter is \$6,300.<sup>2</sup>

In addition to financial benefits, there are social benefits to homeownership. Stable housing created by homeownership can lead to better educational achievement, health benefits, reduced crime, and improved civic participation.<sup>3</sup>

TSAHC currently administers the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs, which provide 30-year fixed-rate mortgage loans, tax credits, and down payment assistance to low and moderate-income families and individuals.

The Homes for Texas Heroes Home Loan Program was established by the Legislature in 2003 for the purpose of making mortgage loans with down payment assistance to:

- Public School Classroom Teachers
- Public School Teacher's Aides
- Public School Librarians
- Public School Nurses
- Public School Counselors
- Faculty Members of an Allied Health or Professional Nursing Program
- Paid Firefighters
- Emergency Medical Services Personnel
- Peace Officers
- Corrections Officers
- Juvenile Corrections Officers
- County Jailers
- Veterans and Active-Duty Military Personnel
- Public Security Officers

In 2006, TSAHC created the Home Sweet Texas Home Loan Program to serve home buyers not eligible for the Homes for Texas Heroes Home Loan Program. The Home Sweet Texas Home Loan Program serves Texans of all professions.

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<sup>2</sup> Source: Brett Holzhauer, "Here's the average wealth of homeowners and renters," CNBC, August 24, 2021

<sup>3</sup> Source: "Social Benefits of Homeownership and Stable Housing," Richard J. Rosenthal Center for Real Estate Studies, October 2017

## *Down Payment Assistance Options*

TSAHC offers down payment assistance (DPA) through both the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs because a primary barrier for prospective buyers is accumulating sufficient funds for a down payment.<sup>4</sup>

This problem has worsened recently as increasing rents and inflation make it harder to save money and transition into homeownership. This is having a profound impact on middle-income households who are increasingly becoming rent cost-burdened and having a difficult time making the leap from renting to homeownership.<sup>5</sup>

Additionally, the median home price in Texas remains at very high levels at \$333,000 as of October 2023. That's down from the record high of \$360,000 set in June 2022 as high interest rates have brought home prices down slightly. For context, the median home price in Texas was \$330,490 at the end of 2022 and \$320,900 at the end of 2021.<sup>6</sup> On average, home values appreciate 4% annually. Therefore, home values continue to outpace national averages underscoring the need for home buying assistance across the state.

To ensure low and moderate-income Texans can continue to achieve the dream of homeownership, TSAHC increased the income limits for our Homes for Texas Heroes and Home Sweet Texas Home Loan Programs from 115% of the area median family income to 125% of the area median family income in October 2021.<sup>7</sup>

TSAHC's down payment assistance continues to be available on a first-come, first-served basis and is provided either in the form of a grant that does not require repayment or a three-year deferred forgivable second lien. The products TSAHC offers are always contingent on market conditions and interest rate trends, and TSAHC consistently explores opportunities to expand and improve the assistance options we offer. For example, in late 2022 we adjusted our lender compensation structure, which enabled us to offer more loan and down payment assistance options.

Home buyers must meet income and purchase price limits set by federal guidelines, while demonstrating creditworthiness and meeting standard mortgage underwriting requirements. Home buyers must also occupy the purchased home as their primary residence. The programs are accessible to eligible borrowers by directly contacting a participating mortgage lender.

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<sup>4</sup> Source: "Elevated Home Prices and Mortgage Rates, Limited Inventory are Home Buying Barriers, According to Realtors® and Prospective Home Buyers Across Races and Ethnicities," <https://www.nar.realtor/newsroom/elevated-home-prices-and-mortgage-rates-limited-inventory-are-home-buying-barriers>, September 14, 2023

<sup>5</sup> Source: "Soaring rental prices make it even more difficult to save for a house," <https://www.cnn.com/2022/02/09/soaring-rent-prices-make-it-even-more-difficult-to-save-for-a-house.html>, February 9, 2022

<sup>6</sup> Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed November 27, 2023.

<sup>7</sup> The income limits for the Mortgage Credit Certificate program continue to be set at 115% AMFI per federal guidelines.

## *Homeownership Programs Financing Mechanisms*

TSAHC funds its mortgage loans with down payment assistance in two ways: by issuing mortgage revenue bonds available under its statutory authority, and by pooling loans on a regular basis and selling the mortgage-backed securities (known in the industry as the TBA program). TSAHC both issued mortgage revenue bonds and funded mortgage loans with down payment assistance through the TBA program in 2023.

### *Mortgage Credit Certificate Program*

In 2008, TSAHC established the Mortgage Credit Certificate (MCC) Program as another way to assist first-time home buyers. The MCC Program is made possible under IRS rules that allow the conversion of single-family mortgage revenue bonds into MCCs. TSAHC's MCC Program serves the same populations eligible for the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs; however, the program is only available to first-time home buyers (defined as those who have not owned a home in three years).

Under the MCC Program, the home buyer can take a portion of the annual interest paid on the mortgage loan as a special federal income tax credit. An MCC has the potential of saving the home buyer thousands of dollars over the life of the loan. And although the MCC Program is not a home loan program, TSAHC requires the home buyer to obtain a fixed-rate mortgage loan. Home buyers can combine the MCC Program with down payment assistance provided under the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs.

The MCC option has been available either as a stand-alone MCC issuance or an issuance that is combined with DPA. On November 1, 2023, TSAHC temporarily suspended the MCC program in response to limited bond funding availability. TSAHC may continue to make adjustments to the MCC program depending on market conditions and future funding availability.

### *Home Buyer Education Requirement*

Every home buyer who utilizes one of TSAHC's homeownership programs must complete an approved home buyer education course offered by a provider listed on the Texas Financial Toolbox website.<sup>8</sup> The providers listed are generally nonprofit organizations or government entities who are either HUD-approved or certified to provide home buyer education.

TSAHC requires home buyer education to ensure households are well prepared for the responsibilities of owning a home. Research by the U.S. Department of Housing and Urban Development (HUD) revealed that home buyer education empowers individuals with the ability to make better financial decisions, understand their home buying options, improve their credit, save more money, and lower housing costs.<sup>9</sup>

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<sup>8</sup> Texas Financial Toolbox, <http://www.texasfinancialtoolbox.com/home-buyer-education>

<sup>9</sup> Source: Evidence Matters, "The Evidence on Homeownership Education and Counseling," Spring 2016



Moreover, according to that same HUD publication, home buyer education can help mortgage borrowers avoid delinquencies and defaults. The HUD paper references the 2014 National Foreclosure Mitigation Counseling program that analyzed 240,000 loans and found that borrowers that took home buyer education were three times more likely to get a loan modification to avoid default.

### *2023 Homeownership Programs Activity Synopsis*

In 2023, TSAHC’s home buyer programs helped 11,219 households with their home purchase through down payment assistance, an MCC, or both.<sup>10</sup>

In comparison, TSAHC assisted 10,420 households in 2022 and 22,726 households in 2021. To date, TSAHC has served nearly 112,000 households under our homeownership programs.

### *2024 Implementation Plan*

As the home buying market remains cool during a high interest rate environment, we continue to adjust internally to respond to the changing market conditions. For example, TSAHC has expanded our efforts to market and promote our programs in areas of the state where our volume isn’t as robust. We intend to carry out this marketing effort to recruit new lenders, establish new connections, and make inroads with home buyers in those regions.

In 2024, TSAHC will also continue offering “Overcoming the Down Payment Hurdle” courses throughout the state to share information about our programs in new and existing markets. These courses allow us to meet mortgage lenders, REALTORS®, and other industry professionals in the markets they work in and strengthen our existing connections or make new ones. We conducted approximately 60 of these classes in 2023.

In 2024, TSAHC will continue to engage the Lender Advisory Council on ways to improve our programs, stay abreast of any changes or developments in the mortgage industry, and adjust to meet the needs of Texas’ home buyers.

TSAHC continues to spread awareness about our programs and share knowledge about the industry through podcasts and monthly Facebook live events. Since our podcast launched in 2020, we’ve produced 31 episodes<sup>11</sup> dedicated to home buying issues, homeownership topics and other housing industry related content. In 2024, we will continue producing podcast segments and holding Facebook live events. We will also explore other ways to promote our programs through social media and other communications channels.

In 2024, TSAHC will also work alongside a network of partners as part of the Harris County Homeownership Collaborative (HCHC) to create new Black, Indigenous, and people of color

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<sup>10</sup> This marks activity from January 1, 2023 through December 31, 2023.

<sup>11</sup> <https://www.buzzsprout.com/1048519>

(BIPOC) homeowners in the greater Houston area. The initiative is part of the Wells Fargo BIPOC Wealth Opportunities Restored through Homeownership (WORTH) program, and the goal is to create 5,000 new BIPOC homeowners in Houston by 2025. HCHC's work is supported by a Wells Fargo grant that provides grant funding annually for four years.

TSAHC will also continue to explore changes to the MCC program depending upon bond funding availability and market conditions. We remain committed to offering a suite of home buying products even as interest rates continue to climb to the highest levels in years. We evaluate the market daily and respond accordingly with the best options possible to ensure Texans always have assistance available to fulfill their dream of homeownership.

## **HOME BUYER EDUCATION AND FINANCIAL EDUCATION**

### *Connecting Consumers with High Quality Housing and Financial Counselors*

In 2012, TSAHC created the Texas Financial Toolbox ([www.texasfinancialtoolbox.com](http://www.texasfinancialtoolbox.com)) to give consumers an easy way to find nonprofit organizations or government entities that can help them achieve their financial and homeownership goals through home buyer education, credit counseling, or financial education.

Whether consumers want to learn how to better manage their money, find out if they're ready for homeownership, understand the home buying process and the programs that are available to help them buy a home, or learn how to avoid foreclosure, the Texas Financial Toolbox is a great place to start. Information about home buyer programs, home buyer education classes, financial education, and foreclosure prevention is available, all searchable by city. This is a unique tool TSAHC believes is providing essential information to Texas consumers.

In 2018, TSAHC expanded the Toolbox resource by creating a Loan Comparison Calculator<sup>12</sup> to help potential home buyers compare the different loan types and down payment assistance options offered by TSAHC. This tool is also available on TSAHC's website [www.tsahc.org](http://www.tsahc.org).

The Toolbox also includes a step-by-step guide to help families and individuals gain a better understanding of the home buying process.

### *Housing Connection Training*

TSAHC has offered home buyer and financial education training to Texas housing nonprofits since 2012. From 2012-2017, TSAHC administered the Texas Statewide Homebuyer Education Program (TSHEP), a housing and financial counselor training program, on behalf of the Texas Department of Housing and Community Affairs. In 2017 TSAHC decided to expand the scope of the training provided and opted not to continue our role as administrator of TSHEP.

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<sup>12</sup> <http://www.texasfinancialtoolbox.com/mortgage-calculator>

In 2018, TSAHC introduced the Housing Connection training program. The Housing Connection training built upon the success of TSHEP by offering not only housing and financial counselor training but also training for nonprofits interested in affordable housing development. The program's goal is to help both affordable housing and counseling organizations access trainings, promote themselves, and build capacity for their organizations and programs.

Our training partner that offers and delivers the courses is NeighborWorks, a congressionally chartered nonprofit organization that supports community development across the country. In 2023, we offered the following courses: (1) Credit Counseling for Maximum Results, (2) Using the Low-Income Housing Tax Credit Program and (3) Real Estate Finance Nuts and Bolts.

In 2023, 47 housing professionals representing 21 organizations and 15 cities received training through Housing Connection. Thanks to philanthropic support from our network of financial institutions, mortgage lenders and REALTORS, TSAHC was able to offer the training courses free of charge and provide hotel scholarships to participants traveling from out of town.

To date, 831 individuals representing 361 organizations across Texas have attended trainings provided by TSAHC through either TSHEP (2012-2017) or Housing Connection (2018-2023). Additionally, TSAHC has provided more than \$150,000 in scholarships to participants.

#### *2024 Implementation Plan*

In 2024, TSAHC will once again provide a variety of courses for housing counselors and nonprofit housing professionals. The course selection and training location will be guided by feedback from past and prospective participants. TSAHC will continue to make the training as affordable as possible by raising public and private funds to subsidize the costs of attending.

### **TEXAS HOUSING IMPACT FUND**

The Texas Housing Impact Fund (THIF) helps provide safe, decent, and affordable housing with an emphasis on serving rural and underserved communities by providing flexible financing options to affordable housing developers.

Leveraging investments from multiple sources, TSAHC is able to provide flexible short-term and long-term affordable housing financing to developers through the THIF. This funding model has enabled TSAHC to steadily grow the fund over time, with applications for new loans accepted on an ongoing basis, provided there is funding available for the program.

To date, the THIF has financed the construction or rehabilitation of 293 single family homes and 3,775 rental units for low and moderate-income households. These numbers include units currently under construction.

TSAHC currently offers four types of loans:

- Permanent financing loans
- Revolving lines of credit
- Construction loans
- Deferred forgivable loans offered through the Affordable Housing Partnership (geographically limited to certain counties)

### *Single Family Construction/Rehabilitation*

Homeownership continues to be the primary means by which lower-income households create stability and build wealth for the future. As mentioned above, the average household wealth of a homeowner is \$255,000 while the average household wealth of a renter is \$6,300.

However, due to rising housing prices, many Texans cannot afford to purchase a home in their communities. For example, according to the Real Estate Center at Texas A&M University, as of October 2023, the median home price in Texas was \$333,000 with annual increases outpacing the national average.<sup>13</sup> Escalating home prices are especially problematic in urban areas like Austin (median home price of \$435,000), Dallas (\$420,000), and Houston (\$330,500).<sup>14</sup>

By financing the construction or rehabilitation of single-family homes that are affordable to well-qualified low and moderate-income home buyers, the THIF is helping families and individuals achieve the dream of homeownership and build household wealth.

In 2023, TSAHC approved a THIF line of credit to construct 4 homes for low- to moderate-income home buyers in Southeast Texas.

### *Multifamily Construction/Rehabilitation*

TSAHC also recognizes that not all families and individuals are ready to become homeowners. Access to affordable rental housing is what is most important to these households. By funding the construction of affordable rental units, the THIF helps households access affordable rental homes without having to sacrifice other basic needs, such as food, education, or medical care.

In 2023, TSAHC provided THIF financing to help rehabilitate or build 226 affordable rental units.

### *Affordable Housing Partnership*

TSAHC launched the Affordable Housing Partnership (AHP) program in 2020 as part of the THIF suite of loan products. Thanks to a partnership with the Texas Health and Human Services Commission, TSAHC offers deferred forgivable loans to developers in Dallas and Travis counties

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<sup>13</sup> Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed November 27, 2023.

<sup>14</sup> Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed November 27, 2023.

to subsidize the construction of affordable, accessible, and community-integrated units designated for residents with long-term health needs.

In 2023, TSAHC approved 3 loans to support the construction of 13 rental units in Travis County.

*Texas Housing Impact Fund Loan Production*

<b>Loan Production</b>	<b>2023</b>	<b>2003 - 2022</b>
Loans Approved	6	57
# of Single Family Homes Built or Under Construction	4	289
# of Rental Units	226	3,549
Amount of Loan Funds Approved	\$4,051,027 <sup>15</sup>	\$41,705,462

*2024 Implementation Plan*

TSAHC plans to continue to provide flexible lines of credit to developers that address our funding priorities. These loan products, leveraged with TSAHC's access to lower cost land through its Affordable Communities of Texas (ACT) land bank, will enable developers to continue to build homes that are affordable. TSAHC forecasts sustained demand for THIF loans into 2024 as staff is currently reviewing multiple applications for developments around Texas.

In 2024, TSAHC plans to continue to explore lending opportunities to address housing needs for underserved populations including disaster impacted areas, small urban and rural markets, and urban areas that are rapidly changing and risk losing affordable housing. In 2024, there will be an emphasis on deploying new acquired funds for the Affordable Housing Partnership and expanding the program into Bexar and Harris counties.

TSAHC will continue to grow the fund by pursuing grants, program related investments or equity equivalent investments from foundations, banks, and other lenders and investors.

TSAHC will also continue to publish an annual Texas Housing Impact Fund Investment Report to document the statewide impact of the program. This report enhances TSAHC's efforts to market the Texas Housing Impact Fund to developers and potential investors.

**AFFORDABLE COMMUNITIES OF TEXAS PROGRAM**

TSAHC created the Affordable Communities of Texas (ACT) Program, a land bank and land trust program, in 2008 to stabilize communities experiencing high rates of foreclosure. TSAHC works in partnership with 32 nonprofit organizations across the state to acquire and redevelop foreclosed homes, vacant land, and tax foreclosed properties to make these homes available for sale or rent to low-income families.

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<sup>15</sup> Texas Housing Impact Fund loans are a revolving line of credit for single-family construction awarded to Legacy CDC and for loans for the rehabilitation or creation of multifamily units for Jericho Village, Cady Lofts, Saison North, ManorTown, and La Vista de Lopez.

Over its history, TSAHC has acquired 604 properties through the ACT program and has created 301 homes for extremely low, very low, low, and moderate-income Texans. The ACT Program has a current portfolio of 36 lots and homes, and there are two active components of the program distinguished by source of funding and targeted use of properties<sup>16</sup>:

- ACT Land Banking – This is TSAHC’s general land banking program that includes properties that are either purchased by TSAHC or donated to TSAHC. Properties are redeveloped for affordable housing. If a property is not suitable for redevelopment (i.e., poor location, high cost of redevelopment, or other extenuating circumstances), the property is sold, and the funds are reinvested in the ACT Program.
- ACT Land Trust – Properties acquired are intended to be held in perpetuity by TSAHC. Homes built or redeveloped on land trust sites may be rented or sold to qualified low-income households.

*Affordable Communities of Texas Portfolio*

<b>Program/Initiative</b>	<b>Acquisitions 2023</b>	<b>Sales 2023</b>	<b>Current Portfolio</b>	<b>Current Asset Value</b>
ACT Land Banking / Land Trust	23	5	36	\$3,352,898

*2024 Implementation Plan*

The ACT Program will continue to play an integral role in TSAHC’s overall affordable housing strategy. TSAHC intends to increase efforts to expand our portfolio of ACT land bank properties by forming partnerships to acquire foreclosed and vacant properties and working directly with local and regional governments where possible. We are making an intentional effort to expand our ACT portfolio in South Texas and made great strides in accomplishing that in 2023.

For properties already in our land bank, we will continue working with our network of local partner developers to redevelop and sell those properties. TSAHC is exploring funding opportunities offered by federal, state and local resources to subsidize construction costs and ensure the sales prices remain affordable to low and moderate-income households.

We have also begun developing a parcel of land in Plano, Texas that is part of our land trust. TSAHC continues to explore the implementation of land trust mechanisms that allow TSAHC to deliver homeownership opportunities to low- to moderate-income home buyers and deeper levels of affordable rental housing.

## **MULTIFAMILY PRIVATE ACTIVITY BOND PROGRAM**

TSAHC uses its statutory authority to issue tax-exempt multifamily private activity bonds (PAB)

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<sup>16</sup> There are two dormant components of the ACT program – the ACT Veterans Initiative Program and the Neighborhood Stabilization Program. These programs ended because every property in these programs was either redeveloped and sold or sold outright.

to help affordable housing developers construct or preserve multifamily rental units. As a conduit issuer, TSAHC is allocated 10 percent of Texas’ multifamily PAB cap each year.

TSAHC makes available to developers its multifamily PAB allocation through an annual Request for Proposal application process. To be considered for multifamily PAB financing, multifamily developments must meet specific housing needs identified each year by TSAHC’s Board of Directors. In 2023, those housing needs were:

- At-Risk Preservation and Rehabilitation of Existing Affordable Units
- Housing in Rural and Smaller Urban Markets
- Senior and Service Enriched Housing Developments
- Housing in Areas with Disaster Declarations

In 2023, TSAHC closed on \$115,448,000 in multifamily PABs to construct or rehabilitate 637 affordable rental units across three municipalities.<sup>17</sup>

### *2024 Implementation Plan*

TSAHC anticipates continued interest and growth in our PAB program due to the high number of affordable housing units needed to meet the demand. For example, the most recent research conducted by the National Low Income Housing Coalition found that, in Texas, there are only 44 units that are affordable for every 100 households that earn 50% or less of the average median income.<sup>18</sup>

The demand is reflected in the number of TSAHC PAB projects that are either currently induced, pending closing or under review. We anticipate demand for PABs will remain high into 2024 and beyond.

TSAHC will also explore how to create more permanent supportive housing (PSH) units either through PABs or other financing structures. The creation of additional PSH housing is another priority for TSAHC, due in part to an ongoing collaboration with the Texas Health and Human Services Commission that will be covered in detail later in this plan.

## **ASSET OVERSIGHT AND COMPLIANCE**

Asset oversight and compliance monitoring of multifamily properties financed through multifamily private activity bonds is required by many bond issuers, including TSAHC. We also require asset oversight and compliance monitoring of multifamily properties financed through our THIF. TSAHC believes these reviews are one of the best ways to ensure properties are continuing to provide safe and decent affordable housing to their residents.

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<sup>17</sup> The developments are Bluff View Apartments in Boerne, Eden Court in Seguin, and La Vista de Lopez, Juniper Creek, and Norman Commons in Austin.

<sup>18</sup> Source: “The Gap: A Shortage of Affordable Homes,” The National Low Income Housing Coalition, April 2023

### *Asset Oversight*

As part of the asset oversight review process, staff performs an annual inspection of each property, monitors each property's financial and physical health, and provides suggestions for improvement to property owners and managers. Staff completes a report of each property and submits its reports to property owners, managers, and other stakeholders. The reports are also available on TSAHC's website.

These visits are typically on-site, physical inspections, but because of the COVID-19 pandemic and subsequent safety concerns, TSAHC has performed a hybrid of virtual and in-person visits for the past three years. For both types of reviews, TSAHC required property management agents to provide us with required property reports. For virtual reviews, we also required them to provide photos of the property.

In 2023, TSAHC performed asset oversight reviews for 39 properties, totaling 5,179 units.

### *Compliance*

As part of the compliance review process, staff reviews tenant files annually to ensure that property owners and managers are following the federal affordability requirements relating to the tax-exempt status of the bonds. Completed compliance reports are submitted to property owners, managers, and other stakeholders and are also available on TSAHC's website. In addition, TSAHC manages an online reporting system that allows property managers to complete their monthly compliance reporting online.

Each month, staff monitors whether property owners and managers are providing the required number of affordable units to income-eligible households and that high-quality resident services are being provided. Monthly compliance monitoring helps TSAHC ensure that property owners and managers are meeting all program requirements.

In 2023, TSAHC performed compliance reviews for 38 properties, totaling 5,243 units. These properties are financed either through PABs or THIF financing. TSAHC will continue to ensure that staff is well-equipped to handle the demands of adding a significant number of properties and units to the asset and compliance review portfolio over the past year and into 2024.

### *2024 Implementation Plan*

In 2024, TSAHC staff will continue to conduct site visits in a manner that best protects the health and safety of our staff, as well as staff and residents at properties in our asset and compliance portfolio.

TSAHC will also continue to review and update its policies and procedures as industry trends and changes in policy dictate. TSAHC will continue to closely monitor the financial health and



physical condition of properties in its portfolio and offer specific strategies for improvement.

### **SINGLE FAMILY RENTAL PROGRAM**

The cost of living in Austin and around Texas continued to rise in 2023, primarily due to inflation and high rental rates. The average monthly rent was \$1,806 as of July 2023,<sup>19</sup> which is simply unaffordable for many low- to moderate-income Austin families.

In May 2013, TSAHC created the Single Family Rental Program to provide eligible low-income families with affordable, below-market rental homes in high-opportunity neighborhoods in the Austin Metropolitan Statistical Area (MSA).

Homes available through the program are located in areas with higher than average median incomes, with access to good schools and other services nearby. The program has received an extraordinary number of applications from low-income families and individuals interested in renting a home available under the program.

The program offers individuals and families that earn at or below 80% of the area median family income the opportunity to rent a home at prices significantly less than market rate. TSAHC screens each applicant for rental, credit, and criminal history and to verify income eligibility.

Given the success of the program and ongoing need for affordable rental opportunities in other areas of the state, TSAHC expanded the program to San Antonio in 2019, the Dallas-Fort Worth metroplex in 2022, and Flint, Texas in 2023. Since the expansion, TSAHC has purchased eight single-family homes in the San Antonio MSA, nine homes in the DFW metroplex, and 22 in Flint, Texas. In 2023, TSAHC also purchased one home in the Austin MSA.

Combined, the Single-Family Rental Program now provides 78 rental homes across Flint and the Austin, San Antonio, and Dallas-Fort Worth MSAs.

#### *2024 Implementation Plan*

TSAHC does not intend to expand this program in 2024. We will instead focus our 2024 activities on maintaining our existing rental portfolio and exploring homeownership opportunities for residents of our rental homes in Flint.

### **MULTIFAMILY RENTAL PROGRAM**

In July 2015, TSAHC expanded its rental program by acquiring the Rollins Martin apartment complex in East Austin. Built in 1998, the Rollins Martin apartment complex was originally financed as part of the federal low-income housing tax credit (LIHTC) program. It consists of 15

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<sup>19</sup> Source: <https://www.rentcafe.com/average-rent-market-trends/us/tx/austin/>, accessed November 27, 2023

three-bedroom apartment units, all of which are affordable for families earning at or below 60% of the area median family income.

The apartment complex is located in a rapidly developing neighborhood of East Austin that is quickly becoming unaffordable to its long-time lower-income residents. In 2022, the average rent in the neighborhood was \$1,508, while nearly 15% of the neighborhood's residents live below the poverty level.<sup>20</sup> By maintaining affordability in the rapidly changing neighborhood, TSAHC is meeting a critical housing need for the community.

Beyond this, TSAHC has also made substantial improvements to the Rollins Martin apartment complex. Since 2015, TSAHC has completed the following repairs and improvements: installed new appliances, tankless water heaters, and HVAC for each unit; installed new roofing, new outdoor trash receptacles, a bike rack, surveillance system, and a fence for the property; expanded doors for the laundry area in each unit; replaced all staircases; added additional security features to the locks on each unit's door; upgraded the surveillance system; replaced all siding and windows; added new paint, lighting, doors, mailboxes and signage; and completely renovated all 15 units.

In 2021, TSAHC also reconstructed the dumpster enclosure area to create more recycling space and poured a semicircle driveway to make it easier for trash trucks to safely access and leave the dumpster area. In addition, TSAHC built an ADA accessible sidewalk and pad for the common area between buildings 3 and 4. In 2022, we completed renovations in seven units and performed extensive repairs on the roof.

## **TEXAS FOUNDATIONS FUND**

### *History of the Texas Foundations Fund*

TSAHC created the Texas Foundations Fund (TFF) to improve housing conditions for very low-income Texas households, with an emphasis on assisting underserved populations. TSAHC defines very low-income households as households earning at or below 50% of the area median family income.

Through TFF, TSAHC partners with nonprofit organizations across Texas to support quality programs that address the critical housing needs of very low-income families and individuals. Selected partners receive grants to support their housing services. Since 2008, TSAHC has awarded almost \$9,700,000 in grants.

The housing services listed below are eligible for support through TFF:

- Home repairs and accessibility modifications in owner-occupied homes.
- Services at supportive housing communities.

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<sup>20</sup> Source: [https://housingworksAustin.org/wp-content/uploads/2023/06/District01\\_2022\\_v04\\_062723.pdf](https://housingworksAustin.org/wp-content/uploads/2023/06/District01_2022_v04_062723.pdf), accessed November 27, 2023

- In 2022, we added housing and financial counseling services as an eligible activity.

TSAHC selected these services by conducting a survey asking its partner housing organizations to identify the greatest housing needs of the very low-income Texans they serve. TSAHC also conducts follow up surveys every few years to confirm that the services funded by the Texas Foundations Fund are still critically needed by very low-income Texans.

TSAHC funds TFF awards primarily with earned revenue from its other housing programs. TSAHC's Board of Directors determines the amount available for each funding round. Prior to each application cycle, TSAHC publishes TFF Guidelines for public comment, giving stakeholders the opportunity to provide feedback prior to submitting a funding proposal.

Prior to 2016, the Foundations Fund was a competitive grant process. For the three award cycles that followed (2016 – 2021), it was a non-competitive application process. Nonprofits that met eligibility criteria partnered with TSAHC for a two-year term in a matching grant structure.

### *2022 Funding Cycle*

In late 2021, TSAHC surveyed TFF stakeholders to see if any changes should be made to the program. After compiling survey results, TSAHC made its draft 2022 Texas Foundations Fund guidelines available for public comment. Based on comments received, TSAHC staff decided to make five significant changes: (1) grantees were no longer required to provide proof of a matching grant; (2) the audit requirement was waived for organizations with a budget of less than \$2 million and replaced with a requirement that a financial review or reference letter from a funder be provided instead; (3) the definition of underserved populations was expanded; (4) housing and financial counseling services were added as an eligible activity to be funded; and (5) for funding purposes, applicants were separated into small, mid-sized, or large based on budget size.

In 2022, 54 of the 55 applicants that applied met the eligibility requirements. We provided grants ranging from \$15,000 - \$35,000 to all 54 of those organizations based on budget size. It was the most organizations we had provided awards to until the 2023 cycle.

### *2023 Funding Cycle*

The 2023 TFF program ran very similar to 2022 in terms of eligibility as only minor modifications were made to the guidelines. In 2023, 67 organizations applied for funding, and staff determined that 66 were eligible for funding. TSAHC awarded \$1,002,000 in grant funding to those 66 organizations. Grant awards ranged in size from \$10,000 to \$25,000 based on the organization's budget size.

## *2024 Implementation Plan*

In early 2024, we will once again survey partners and other stakeholders to help inform our decision making about how TFF should best operate.

### **GRANTS FOR DISASTER RECOVERY**

#### *Housing and Economic Assistance to Rebuild Texas (HEART)*

On August 23, 2017, Hurricane Harvey made landfall along the Texas coast, inflicting catastrophic damage to Southeast Texas, the Gulf Coast region, the greater Houston area, and the Coastal Bend area. In response to this catastrophic event, TSAHC partnered with Enterprise Community Partners to create a grant program to provide critical home repair funding, programmatic support, and technical assistance for nonprofits providing ongoing relief efforts to the impacted areas with an emphasis on providing relief outside of the Harris County area.

The program, entitled Housing and Economic Assistance to Rebuild Texas (HEART), launched in April 2018 thanks to a generous financial commitment from the Rebuild Texas Fund, a joint initiative of the OneStar Foundation and the Michael & Susan Dell Foundation. Other funding was provided by the Meadows Foundation, the Center for Disaster Philanthropy, BBVA and a commitment from TSAHC's Board.

The program awarded \$2,555,000 to 39 nonprofits providing housing-related assistance to low-income households directly affected by Hurricane Harvey. Among those nonprofits, 19 provided critical home repair services, repairing 174 homes.<sup>21</sup> The HEART program also provided webinars (11 total with more than 200 attendees) as well as individual technical assistance opportunities. TSAHC and Enterprise Community Partners concluded administering the HEART program in early 2021.

#### *Winter Storm Uri Response*

In February 2021, Winter Storm Uri ravaged Texas, bringing prolonged below freezing temperatures and record snowfall to many parts of the state. In addition, millions of Texans were without electricity compounding the devastating impacts of this unprecedented disaster. The Federal Emergency Management Agency declared a disaster for every county in Texas and provided a combination of public and individual assistance depending on the severity of the disaster in those respective communities.

In March 2021, the TSAHC Board of Directors approved a special funding round of the Texas Foundations Fund program to respond to this event and made \$300,000 available to organizations providing home repairs for affected households in the most severely impacted areas. TSAHC provided grant funding to 15 organizations that provided home repairs to 236 households between April and August 2021 through this special funding round.

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<sup>21</sup> These numbers reflect grantee reports received through December 31, 2021.

### *Texas Foundations Fund – Disaster Recovery*

These twin natural disaster catastrophes motivated us to create a new program within TFF that was earmarked specifically for disaster recovery activities. That way funds could be made available in the immediate aftermath of a disaster, allowing organizations to more swiftly respond to disasters in their communities.

In September 2022, we took draft guidelines for the FY2023 Texas Foundations Fund – Disaster Recovery program to TSAHC’s Board of Directors and made them available for public comment. The guidelines define disasters that qualify for grant funding as well as organizational and household eligibility. The allotted funding was \$250,000. Thankfully, there were no major natural disasters that elicited applicants for the disaster recovery set-aside grant funding, and the funding allotted for natural disasters was re-allocated to the annual grants provided through the general TFF program.

### *2024 Implementation Plan*

TSAHC’s Board of Directors approved the FY2024 Disaster Recovery Guidelines in October 2023. There were some minor modifications to the guidelines, but it essentially will operate as it did in its first year. Total grant funding available for the program is \$250,000, and the maximum award for an organization is \$30,000. Any unutilized funding will roll over to the general TFF program in summer 2024.

## **SUPPORTIVE HOUSING INITIATIVES**

### *Partnership with Texas Health and Human Services Commission (HHSC)*

In 2016, TSAHC expanded its efforts to address supportive housing needs beyond grant funding provided through the Texas Foundations Fund. We accomplished this by partnering with the Texas Health and Human Services Commission (HHSC) in a Center for Medicaid Services Innovation Accelerator Program (IAP).

The IAP launched in August 2017 and concluded in April 2018 with two outcomes. First, public and private partnerships developed between the Medicaid and housing systems to better address the housing and supportive services needs of the Medicaid recipient population. Second, HHSC and TSAHC created a state action plan that seeks to foster additional community living opportunities for Texans with ongoing health needs.

As part of executing the state action plan, TSAHC conducted a series of permanent supportive housing (PSH) workshops in 2019 for nonprofits and other interested parties who wish to create or preserve PSH units. These one-day workshops provided an overview of the financing of PSH developments and the implementation of supportive services at those developments.

### *Texas Supportive Housing Institute*

Building upon the success of the PSH workshops, TSAHC launched the Texas Supportive Housing

Institute in September 2020, which provides technical assistance to nonprofits, developers, service providers and property managers interested in creating and operating supportive housing in their communities. The training is conducted by the Corporation for Supportive Housing (CSH).

Five teams successfully completed the first institute in 2020 representing Dallas (two teams), Fort Worth (two teams), and Brownsville. They attended monthly, multi-part sessions held virtually over the course of September to December 2020. An added component of the institute is one-on-one technical assistance with CSH. TSAHC also made follow up grants available to participating development teams through a partnership with JPMorgan Chase.

In 2021, TSAHC offered the Institute again with the following enhancements: reduced the number of participating teams from six to four to expand/improve the individual instruction and attention provided to each; solicited teams in relatively similar project stages to improve cross collaboration; provided training that looks at issues through a racial equity lens and incorporates feedback from those with lived experience; increased technical assistance from 14 hours per team 25 hours per team; and provided development teams with the opportunity to obtain Quality Endorsement reviews from CSH.

For the 2021 Institute, TSAHC selected four development teams in El Paso, Houston, San Antonio, and Waco. Three of these teams successfully concluded the Institute in January 2022.

In 2022, we decided to geographically limit the Institute to Austin-area teams to align the Institute curriculum and participants with local City of Austin and Travis County initiatives to create 2,100 supportive housing units by 2024. TSAHC selected six teams to participate in the 2022 Institute. We also elected to host the training in-person for the first time.

The in-person sessions hosted at TSAHC's offices allowed for more robust participation, increased peer learning, and promoted cross-collaboration among participants. The 2022 Institute concluded in February 2023 with final presentations from the five teams that completed the Institute.

### *Permanent Supportive Housing Symposium*

In 2023, TSAHC took a brief pause on providing the Institute and instead launched a Permanent Supportive Housing Symposium for two primary reasons. First, opportunities to share best practices and how to apply lessons learned in the supportive housing space are lacking in Texas. And second, due to past iterations of the Institute, we have a pipeline of new developers, service providers, and property managers operating in supportive housing who need further education and training beyond what the Institute provides.

Based upon that, we began planning a Permanent Supportive Housing Symposium in early 2023 and held it November 6-8, 2023 in Austin. The Symposium offered three tracks: housing development, operations and supportive services, and health outcomes. There were two Symposium add-ons that bookended the programming: a tour of supportive housing developments in Austin and a Permanent Supportive Housing Academy. Nearly 200 individuals

attended the Symposium representing developers, property managers, service providers, health professionals, homelessness response organizations, and other health and housing organizations.

#### *2024 Implementation Plan*

TSAHC intends to resume the next iteration of the Permanent Supportive Housing Institute in 2024 and will decide in early 2024 if there will be a focus on any markets or populations. TSAHC also intends to make decisions regarding the frequency of future Symposiums.

#### *General Homelessness Activities*

TSAHC continues to support other efforts addressing homelessness. This includes Advisory Member representation on the Texas Interagency Council for the Homeless (TICH) and serving as liaison between the TICH and United States Interagency Council on Homelessness. In addition, TSAHC sponsors the annual Texas Conference on Ending Homelessness hosted by the Texas Homeless Network. In 2022, TSAHC also awarded THN with a two-year grant to support a data collection system to better connect Texans experiencing homelessness to necessary services. We plan to continue to support THN's data collection efforts in 2024.

### **OTHER INITIATIVES**

#### *Partnership with TxDOT*

In summer 2020, TSAHC was approached by the Texas Department of Transportation (TxDOT) to administer a minimum of \$27 million in grant funding to support affordable housing initiatives in communities affected by TxDOT's North Houston Highway Improvement Project (NHHIP).

The NHHIP is a multi-billion dollar transportation project that will expand and realign sections of Interstate I-45 in North Houston, impacting several communities (known as super-neighborhoods). These super-neighborhoods are comprised primarily of low-income and minority residents. TxDOT is providing \$30 million to support affordable housing initiatives in these communities in addition to the individual compensation provided to homeowners, renters and businesses that are displaced by the project.

TxDOT approached TSAHC due to our prior experience providing grant funding through the Texas Foundations Fund and HEART programs, both of which have supported nonprofits serving the communities affected by the NHHIP.

TSAHC received initial approval from our Board of Directors in October 2020 to move forward with discussions with TxDOT and draft an agreement outlining the use of the funds. Those discussions were paused in early 2021 due to legal proceedings that put the NHHIP on hold. The legal proceedings concluded in early 2023 allowing TSAHC to resume those contract discussions with TxDOT which will extend into 2024.

## Tab 4

Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund Draft 2024 Guidelines.





## DRAFT Texas Foundations Fund 2024 Guidelines

### *Texas Foundations Fund Overview*

Through its Texas Foundations Fund (TFF) program, the Texas State Affordable Housing Corporation (TSAHC) works with nonprofit organizations across Texas to support housing services that meet critical housing needs of very low-income households in Texas. In 2024, all applicants that meet the **Eligibility Requirements** and **Program Evaluation Criteria** set forth below will be eligible for a grant award. To ensure sufficient funding to each awardee, TSAHC reserves the right to place a limit on the number of organizations awarded. In that circumstance, TSAHC will consider applications in the order in which they were received.

### *2024 Grantee Application Process*

Grantees eligible for grant awards will be selected through an online application process. The online application will be available on TSAHC's website at [www.tsahc.org](http://www.tsahc.org) in **April 2024**. Interested applicants must first complete an eligibility quiz to determine if they may qualify as a potential grantee.

Only organizations that pass the eligibility quiz will be instructed to complete the online application. Applications must be submitted online no later than **5:00 pm on Friday, May 31, 2024**.

After submitting an application, applicants may not contact members of TSAHC's Board of Directors regarding their application. Failure to comply will result in the disqualification of the application. All questions about the application process should be submitted in writing to Anna Orendain by email at [aorendain@tsahc.org](mailto:aorendain@tsahc.org).

If an application contains deficiencies that require clarification or correction, TSAHC staff will contact the applicant directly to request clarification or correction of such deficiencies. Failure to respond to follow up requests for information may result in the disqualification of an application.

### *Eligibility Requirements*

To qualify as a Grantee eligible for a grant award, applicants must meet the following eligibility requirements:

1. **Organization Type:** Applicant must be a nonprofit organization with a 501(c)(3) designation from the Internal Revenue Service.
2. **Organization Experience:** Applicant must have at least **three** years of experience operating housing programs in Texas.
3. **Program Experience:** Applicant must have at least **two** years of experience operating the program for which a grant award will be requested (see section below for additional program eligibility information).
4. **Government Grant Performance:** Applicant must certify that it has not defaulted on or been required to repay any federal, state or local government grants within the past two years. Applicants do not need to have prior experience with government grants to be eligible for a grant award.

## 5. Financial Requirements:

- a. Applicants with a budget size **above \$2 million** must be able to provide annual financial audits for its two most recent fiscal years and must be prepared to submit its audits, as well as other financial documents, when requested.
- b. For organizations with budget sizes **below \$2 million**, TSAHC will waive the requirement for an external audit and accept either a financial review or a reference letter of support from another funder who has supported the program for which a grant award will be requested.

## 6. Household Requirements: To ensure TFF grants are disbursed in a manner that promotes equity and reaches those who are most in need, each applicant must utilize grant funds to serve only:

- a. Households at or below 50% of the area median family income (very low-income)<sup>1</sup>, and
- b. Households that include someone who is part of an underserved population as demonstrated with documentation provided by the Grantee.

### ***Eligible Programs***

Programs that provide the following housing services are eligible for a TFF grant:

#### **1. The rehabilitation and/or critical repair of single-family homes<sup>2</sup> to remedy unsafe living conditions.**

- Critical repairs may also include accessibility modifications for homes with a household member with a disability.
- Homes receiving repairs must be owner-occupied.
- TSAHC will support the critical repair of single-family rental homes owned and operated by the organization applying only if the repairs enhance accessibility for a renting household with an individual with a disability<sup>3</sup>
- All rehabilitation and/or critical repairs funded through the Texas Foundations Fund must be provided free of charge.

#### **2. The provision of the following supportive services or housing counseling services that help individuals and families maintain housing stability.**

- a. Services provided to residents of permanent supportive housing including but not limited to:
  - Case management,
  - Physical and mental health care services,
  - Substance use disorder counseling and services,

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<sup>1</sup> While an applicant's program may serve households above this income level with other funding sources, a grant from the Texas Foundations Fund may only be used to serve households meeting this income requirement. TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility for the Texas Foundations Fund program. To review the current income limits, visit: [www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)

<sup>2</sup> 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.

<sup>3</sup> In exceptional circumstances, TSAHC may allow a Grantee to perform critical repairs on a rental home owned by a private landlord and occupied by a very low-income household. Grantees must notify TSAHC in advance if they wish to use a portion of their Texas Foundation Fund grant for this purpose. Additional information, including documentation that the landlord is financially unable to perform the repairs, will be required.

- Employment services, or
- Food insecurity services.

b. Housing counseling services including but not limited to:

- Homebuyer education (pre-purchase or post-purchase),
- Credit counseling,
- Financial counseling or coaching,
- Foreclosure prevention counseling, or
- Eviction prevention counseling.

All housing services funded through TFF must be provided free of charge. Organizations that solely provide services without a housing focus are not eligible to apply for a grant. TSAHC will only consider organizations whose mission and programs demonstrate a clear housing focus.

### ***2024 Funding Availability, Timeline and Disbursement***

TSAHC provides TFF grant funding by blending private donations with earned revenue from its affordable housing programs. TSAHC's Board of Directors approves the funding available each year under the TFF program. The funding available to each Grantee will depend on the number of Grantees that are eligible to receive an award.

Grantees will be selected for a one-year term ("Grantee Term"). It is anticipated that Grantees will be announced in July 2024 and grant funds will become available in August 2024. A Grantee must spend 100% of its grant and submit a report documenting use of the grant and updated financial information by the end of the Grantee Term. Grants will be disbursed in one installment immediately upon execution of a Grant Agreement.

### ***Grant Agreement***

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

- A description of the program for which the grant award will be used,
- Eligible expenditures<sup>4</sup>,
- The process to request grant funds,
- Reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

### ***Administrative Allowance***

A Grantee may use five percent (5%) of the awarded funds for administrative or technical assistance costs to carry out the programs funded by their Texas Foundations Fund award. In certain circumstances, TSAHC will allow Grantees to use up to 10% of the awarded funds for administrative or technical assistance costs. However, Grantees requesting more than 5% must justify and explain the need for additional administrative or technical assistance funds.

### ***Program Evaluation Criteria***

In order to promote an equitable distribution of awards, Grantees will be grouped into the following three tiers based on budget size: Tier 1: Small Organizations, Tier 2: Mid-Size Organizations, and Tier 3: Large

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<sup>4</sup> Grantees must use 100% of their grant for direct costs to provide the program for which the grant is requested. These costs may include but are not limited to administrative costs as described in the "Administrative Allowance" section, contractor fees, materials, salaries for staff performing critical repair work, salaries for staff providing supportive housing services, salaries for staff directly coordinating and supporting the program, travel expenses for staff directly coordinating and supporting the program, and building permits and inspection fees for homes to be repaired. The grantee agreement will include a full list of expenses eligible for a grant.

Organizations. An equal amount of funding will be available to Grantees within each tier, and there will be an additional amount of funding available across all tiers that is flexible depending on the volume of applicants within one or more tiers.

Grantees must satisfactorily respond to each of the following criteria in their application to be eligible for an award:

- Organization has a mission and defined scope of work,
- Organization operates an eligible program that meets a demonstrated community need,
- Organization describes how the program meets the demonstrated community need,
- Organization has community partnerships to help execute its scope of work,
- Organization operates in a defined geographic area in one or multiple counties,<sup>5</sup>
- Organization provides demographic data on households served and demonstrates it will meet **Household Requirements** above,
- Organization collects feedback from households it serves to improve its programs, and
- For returning Grantees, organization is in good standing by meeting past requirements of the Texas Foundations Fund program. As an example, applicants that were selected as 2022 nonprofit partners must have submitted their final report to be eligible for a grant.

### ***Reporting Requirements***

At the end of the Grantee Term, all Grantees will be required to submit documentation that details how the Grantee has spent the TFF grant award. Documentation may include:

- Number of households and individuals affected by the grant funding,
- Description of program funded by Texas Foundations Fund,
- Description of services provided by the program which received grant funds,
- One or more success stories from households affected by the Grantee's program,
- Program budget,
- Photos of services, repairs, or households served, and/or
- Description of grant and program impact.

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

### ***Questions***

Questions should be submitted in writing to Anna Orendain by email at [aorendain@tsahc.org](mailto:aorendain@tsahc.org). Applicants are highly encouraged to review the Texas Foundations Fund's Question and Answer section of TSAHC's website at [www.tsahc.org](http://www.tsahc.org) for pertinent application information.

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<sup>5</sup> In an effort to achieve broad geographic distribution of Texas Foundations Fund awards, TSAHC has designated eight geographic regions comprising the entire State of Texas and will make an effort to award at least one qualified applicant in each region. As part of the online application, applicants will need to select the geographic region they plan to serve with the award.

## Tab 5

Presentation, Discussion, and Possible Approval of a Resolution approving a Texas Housing Impact Fund bridge loan to Anacua Village, Ltd. in an amount not to exceed \$2,000,000 for the Anacua Village project.

## 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 February 20, 2024, 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 A. 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. 24-\_\_**

#### **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND BRIDGE  
LOAN TO ANACUA VILLAGE, LTD. IN AN AMOUNT NOT TO EXCEED  
\$2,000,000 FOR THE ANACUA VILLAGE PROJECT**

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 20<sup>th</sup> day of February, 2024.

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Rebecca DeLeon, Secretary  
Texas State Affordable Housing Corporation

## **RESOLUTION NO. 24-\_\_**

### **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

#### **RESOLUTION APPROVING A TEXAS HOUSING IMPACT FUND BRIDGE LOAN TO ANACUA VILLAGE, LTD. IN AN AMOUNT NOT TO EXCEED \$2,000,000 FOR THE ANACUA VILLAGE PROJECT**

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 bridge loans for affordable multifamily rental housing satisfying the requirements of the Corporation’s THIF Policy and Guidelines; and

WHEREAS, the Board of Directors has reviewed and discussed a staff proposal (approved by the Loan Committee of the Corporation) to make THIF funds available as a third lien bridge loan to Anacua Village, Ltd. (“Anacua Village”) in the maximum principal amount of \$2,000,000 (the “Bridge Loan”), with the loan proceeds to be used by Anacua Village, together with other available funds, to finance the development and construction of a 100-unit mixed-income multifamily project in Mission, Texas as set forth in the project summary attached to the Board’s January agenda targeted as follows: 59 units will be set-aside for households earning 60% or less than the area median income (AMI), 17 units will be set-aside for households earning 50% or less than AMI, 9 units will be set-aside for households earning less than 30% AMI, and 15 units will be market rate; and

WHEREAS, after due discussion and consideration, the Board of Directors of the Corporation has determined to approve the Bridge 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 Bridge Loan and Related Matters. The Board of Directors approves the Bridge Loan by the Corporation to Anacua Village, Ltd. in the maximum principal amount of \$2,000,000, the proceeds of which are to be used by Anacua Village, Ltd., together with other available funds, to finance the development and construction of a 100-unit mixed-income multifamily project in Mission, Texas.



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

The Board authorizes the President and the Executive Vice President to approve, in consultation with counsel, the form and substance of all necessary documents relating to the Bridge 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 20<sup>th</sup> day of February, 2024.

TEXAS STATE AFFORDABLE HOUSING  
CORPORATION

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William H. Dietz, Chairperson

ATTEST:

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Rebecca DeLeon, Secretary  
Texas State Affordable Housing Corporation

# Texas State Affordable Housing Corporation

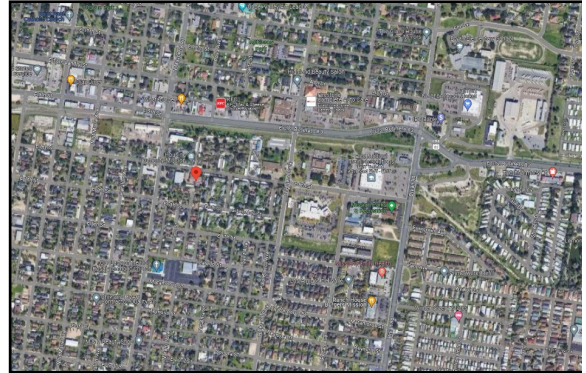
## Texas Housing Impact Fund Loan Recommendation

### **Agenda:**

Presentation, discussion, and possible approval of a resolution approving a Texas Housing Impact Fund bridge loan to Anacua Village, Ltd. in an amount not to exceed \$2,000,000 for the Anacua Village project.

### **Summary:**

Staff received an application from Anacua Village, Ltd. (Borrower) in December of 2023 requesting up to \$2,000,000 in construction financing for the Anacua Village - a proposed 100-unit multifamily project in Mission.



906 E 8<sup>th</sup> Street Mission, Texas

### **Public Benefit:**

TSAHC's loan will help finance the development of a 100-unit mixed-income multifamily community in south Texas with primary financing through the 9% LIHTC program. The proposed development will consist of a mix of one-, two-, and three-bedroom units serving families. Of the 100 units, 59 units will be set-aside for households earning 60% or less than the area median income (AMI), 17 units will be set-aside for households earning 50% or less than AMI, nine units will be set-aside for households earning 30% or less than AMI, and 15 units will be market rate units. The project is in partnership with the Housing Authority of the City of Mission.

### **Financial Summary:**

The total projected development budget for Anacua Village is \$22.1 million, or approximately \$221,000, per unit. This includes \$350,000 for demolition costs, \$16 million for construction, \$2.5 million in financing and soft costs, \$2.7 million in developer fees, and \$500,000 for marketing and reserves. Property costs are minimal since the land is being leased from the Housing Authority and the project benefits from a 100% property tax exemption.

The project financing includes \$16.4 million in equity from 9% housing tax credits, \$4.4 million in permanent debt through Regions Bank and approximately \$1.4 million in deferred developer fee.

TSAHC's loan will be used for construction, excluding demolition costs. The loan is anticipated to be in third lien position behind the primary permanent lender and the primary construction lender - second lien position. The borrower requests a two- and half-year term with interest only payments. TSAHC will be repaid at the permanent loan closing after construction completion. The project loan is eligible for Capital Magnet Funds based on site location and because it is reserving more than 20% of total units for households earning less than 50% AMI.

### **Market Conditions:**

Anacua Village is located near downtown Mission and is less than two miles from Pearson Elementary School, several retail and grocery store options, the Mission Food Pantry, Mayberry Pool and Catholic Veterans Park. Currently, this site consists of eighty units of public housing originally constructed in the 1950s. The underground infrastructure needs replacement and the buildings are in poor repair. The existing housing will be demolished and reconstructed on a portion of the original site as a new construction LIHTC development. Twenty-five of the public housing units will be transferred to the new site, as a condition of the 9% LIHTC award under the at-risk set-aside.

# Texas State Affordable Housing Corporation

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## Texas Housing Impact Fund Loan Recommendation

Anacua Village has the full support of the City of Mission and the community at large. In fact, the City Council passed a resolution of support as part of the project's Housing Tax Credit application. City Council also passed a resolution formalizing their downtown improvement area into a Concerted Revitalization Plan (CRP) area, such that the Development would qualify for CRP points as part of the Housing Tax Credit application.

### **Borrower Summary:**

The ownership entity is Anacua Village, Ltd of which the Brownstone Group is part of the general partnership and is Co-developer and Co-guarantor in partnership with the Housing Authority of the City of Mission.

The Brownstone Group is a leading multi-family construction, development, and property management company headquartered in Houston with offices in San Antonio; Laredo; Monroe, Louisiana; and Melbourne, Florida. Since 2005, the Company has contracted and developed over \$2.25 billion in residential developments throughout Texas and the Southeast, consisting of over 18,530 units in 115 properties. They have developed 14 properties (1,532 units) in partnership with housing authorities, including properties in Laredo and the Rio Grande Valley. Brownstone's most recent TDHCA Previous Participation report was provided to staff and referenced a favorable compliance review including a Category 1 designation.

Established in 1942, the Housing Authority's mission is to provide subsidized rental housing for low-income families and provide assistance programs including City and School pilot initiatives and housing repair services. Specific to its housing portfolio, the Housing Authority maintains a Low-Rent Housing Program that includes 270 units and a Section 8-Voucher Housing Program serving 749 households. The average family housing expenditure (per month) is less than \$300.

### **Recommendation:**

Staff recommends that the Board approve the resolution authorizing a Texas Housing Impact Fund bridge loan to Anacua, Ltd in an amount not to exceed \$2,000,000 for the Anacua Village project. Additional terms and conditions, recommended by Loan Committee, will be provided by staff during their presentation.

*Recommendations:*

Loan Committee is recommending the approval of a bridge loan in an amount not to exceed \$2,000,000 for the Anacua Village, a 100-unit affordable new construction rental project to be located in Mission Texas, subject to the following conditions:

- Interest rate of 4.25% per annum for a 30-month term;
- Monthly payments of interest only to be made during the term of the loan;
- TSAHC will collect a commitment fee of \$20,000 on the date of closing;
- Loan closing will be conditioned upon receipt of final financing commitment letters/term sheets from other construction and perm lenders referenced in the loan application;
- Closing of the TSAHC loan must occur simultaneously with other construction and permanent financing sources noted in the loan application. TSAHC must approve of any subordination or parity agreements;
- TSAHC loan funds cannot be applied to demolition costs, per CMF requirements; and
- Approval and funding are conditioned on a satisfactory financial review.

## Anacua Village - MF Underwriting - Project Summary

### Project Summary

Applicant Anacua Village, Ltd.  
 Project Name Anacua Village

### Location

Address 906 E 8th Street City Mission  
 County: Hidalgo State Texas 78572  
 Census Tract: 48215020403

### Loan Request

Loan Amount: \$ 2,000,000.00 Loan Type: Construction  
 Loan Term: 2.5 years Amort: 0

### Perm Funding Sources

	Amount	% of Total
Perm Loan	\$ 4,350,000	19.64%
HTC Equity	\$ 16,398,360	74.05%
Deferred Dev Fee	\$ 1,397,620	6.31%
0	\$ -	0.00%
0	\$ -	0.00%
0	\$ -	0.00%
0	\$ -	0.00%
<b>Totals</b>	<b>\$ 22,145,980</b>	<b>100%</b>

\* not included in total

### Market Summary

	City	County	State	Census Tract
Population:	85,778	870,781	29,145,505	4,712
Median Age:	33	30	35	36
Diversity Index:	20	14	-	13
% Hispanic:	89%	92%	39%	94%
% Persons with Disability:	14%	13%	11%	26%
% Households that Rent:	29%	32%	38%	46%
Median Rents:	831	799	1,146	632
% Renters Who are Cost Burdened:	44%	45%	45%	56%
Median Home Price:	\$ 127,300	\$ 94,600	\$ 202,600	\$ 63,600
Median Household Income:	\$ 53,067	\$ 44,666	\$ 67,321	\$ 31,623
Unemployment:	5.98%	6.50%	3.90%	0.00%
Persons w/o Insurance:	30%	31%	18%	33%
Medically Underserved Area:	-	-	-	NA
% Attending Public Schools:	98%	98%	92%	100%
Graduation Rate (Missoin CISD):	90%			
CRA Eligible Census Tract:	N/A			
# of LI Projects and Units:	6	218		

## Anacua Village - MF Underwriting - Summary Sources and Uses

### Summary of Sources and Uses

Applicant Anacua Village, Ltd.  
 Project Name Anacua Village  
 Number of Units 100

Sources	Amount	Amount Per Unit	Percentage of Total
Perm Loan	\$ 4,350,000	\$ 43,500	20%
HTC Equity	\$ 16,398,360	\$ 163,984	74%
Deferred Dev Fee	\$ 1,397,620	\$ 13,976	6%
<b>Total Sources</b>	<b>\$ 22,145,980</b>	<b>\$ 221,459.80</b>	<b>100%</b>

Uses			
Acquisition		\$ -	0%
Off-Site Construction/Demolition	\$ 350,000	\$ 3,500.00	2%
On-Site Work	\$ 1,645,000	\$ 16,450.00	7%
Site Amenities	\$ -	\$ -	0%
Building Costs	\$ 11,687,927	\$ 116,879.27	53%
Other Const/Contingency/Contractor Fees	\$ 2,730,538	\$ 27,305.38	12%
Soft Costs	\$ 1,014,604	\$ 10,146.04	5%
Financing Costs	\$ 1,485,830	\$ 14,858.30	7%
Developer Fees	\$ 2,659,551	\$ 26,595.51	12%
Marketing & Reserve Accounts	\$ 572,531	\$ 5,725.31	3%
<b>Total Uses</b>	<b>\$ 22,145,981</b>	<b>\$ 221,459.81</b>	<b>100%</b>

(Gap) / Reserve	\$ (1)
Percent of Developer Fee Deferred	52.55%

# Anacua Village - MF Underwriting - Operating Proforma

## Operating Proforma

Applicant Anacua Village, Ltd.  
Project Name Anacua Village

Total Units: 100 Min. Set Aside Election: 20% @ 50% AMI  
Min. Afford. Units: 40 % Affordable: 85%  
Afford. Units: 85 Accessible Unit Min. 5

### Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter
30% -1br	671	2,013	3	\$ 140	\$ 420	1.02	30% AMI PH
50% -1br	671	2,013	3	\$ 140	\$ 420	1.02	50% AMI PH
50% -1br	671	671	1	\$ 601	\$ 601	1.02	50% AMI
60% -1br	671	8,723	13	\$ 736	\$ 9,568	1.02	60% AMI
MKT -1br	671	2,013	3	\$ 945	\$ 2,835	1.02	MKT
30% -2br	975	4,875	5	\$ 165	\$ 825	1.02	30% AMI PH
50% -2br	975	8,775	9	\$ 165	\$ 1,485	1.02	50% AMI PH
60% -2br	975	30,225	31	\$ 875	\$ 27,125	1.02	60% AMI
MKT -2br	975	7,800	8	\$ 1,045	\$ 8,360	1.02	MKT
30% -3br	1247	1,247	1	\$ 190	\$ 190	1.02	30% AMI PH
50% -3br	1247	4,988	4	\$ 190	\$ 760	1.02	50% AMI PH
60% -3br	1247	18,705	15	\$ 1,005	\$ 15,075	1.02	60% AMI
MKT -3br	1247	4,988	4	\$ 1,145	\$ 4,580	1.02	MKT
Subtotals:				97,036	100	\$ 72,244	

Other income:	Late Fees	\$ 12.88	\$ 1,288	1.02
	Op Sub for 25 PH	\$ 195.97	\$ 4,899	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
\$ 5,040	\$ 5,141	\$ 5,244	\$ 5,348	\$ 5,455	\$ 6,023	\$ 6,650
\$ 5,040	\$ 5,141	\$ 5,244	\$ 5,348	\$ 5,455	\$ 6,023	\$ 6,650
\$ 7,212	\$ 7,356	\$ 7,503	\$ 7,653	\$ 7,807	\$ 8,619	\$ 9,516
\$ 114,816	\$ 117,112	\$ 119,455	\$ 121,844	\$ 124,281	\$ 137,216	\$ 151,497
\$ 34,020	\$ 34,700	\$ 35,394	\$ 36,102	\$ 36,824	\$ 40,657	\$ 44,889
\$ 9,900	\$ 10,098	\$ 10,300	\$ 10,506	\$ 10,716	\$ 11,831	\$ 13,063
\$ 17,820	\$ 18,176	\$ 18,540	\$ 18,911	\$ 19,289	\$ 21,297	\$ 23,513
\$ 325,500	\$ 332,010	\$ 338,650	\$ 345,423	\$ 352,332	\$ 389,003	\$ 429,490
\$ 100,320	\$ 102,326	\$ 104,373	\$ 106,460	\$ 108,590	\$ 119,892	\$ 132,370
\$ 2,280	\$ 2,326	\$ 2,372	\$ 2,420	\$ 2,468	\$ 2,725	\$ 3,008
\$ 9,120	\$ 9,302	\$ 9,488	\$ 9,678	\$ 9,872	\$ 10,899	\$ 12,034
\$ 180,900	\$ 184,518	\$ 188,208	\$ 191,973	\$ 195,812	\$ 216,192	\$ 238,694
\$ 54,960	\$ 56,059	\$ 57,180	\$ 58,324	\$ 59,490	\$ 65,682	\$ 72,519
\$ 866,928.00	\$ 884,266.56	\$ 901,951.89	\$ 919,990.93	\$ 938,390.75	\$ 1,036,059.21	\$ 1,143,893.09
\$ 15,456.00	\$ 15,765	\$ 16,080	\$ 16,402	\$ 16,730	\$ 18,471	\$ 20,394
\$ 58,791.00	\$ 59,966.82	\$ 61,166.16	\$ 62,389.48	\$ 63,637.27	\$ 64,910.01	\$ 66,208.21
\$ 941,175	\$ 959,999	\$ 979,198	\$ 998,782	\$ 1,018,758	\$ 1,119,441	\$ 1,230,495
\$ (65,020)	\$ (66,320)	\$ (67,646)	\$ (68,999)	\$ (70,379)	\$ (77,704)	\$ (85,792)
\$ 876,155	\$ 893,679	\$ 911,552	\$ 929,783	\$ 948,379	\$ 1,041,736	\$ 1,144,703

### Operating Expenses

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator
General & Administrative	\$ 40,700	\$ 44,050	5.03	8%	\$ 441	1.03
Management Fee	\$ 35,400	\$ 44,025	5.02	24%	\$ 440	1.03
Payroll and Related	\$ 120,500	\$ 123,812	14.13	3%	\$ 1,238	1.03
Maintenance & Repair	\$ 54,100	\$ 59,000	6.73	9%	\$ 590	1.03
Utilities	\$ 77,600	\$ 47,760	5.45	-38%	\$ 478	1.03
Insurance	\$ 63,600	\$ 85,000	9.70	34%	\$ 850	1.03
Tax Exempt	\$ -	\$ -	0.00	#DIV/0!	\$ -	1.03
Operating Debt Service Reserves			0.00	#DIV/0!	\$ -	1.03
Replacement reserves	\$ 25,000	\$ 30,000	3.42	20%	\$ 300	1.03
HTC/HOME Compliance Fees	\$ 7,500	\$ 7,500	0.86	n/a	\$ 40	1.03
TSAHC Compliance Fees			0.00	#DIV/0!	\$ 45	1.03
Other (specify):	Ground Lease	\$ 100	\$ 100	0.01	0	1.03
<b>Total Operating Expenses</b>	\$ 424,500	\$ 441,247		4%	\$ 4,422.47	
			state avg		\$ 4,672.00	per unit

\$ 44,050	\$ 45,372	\$ 46,733	\$ 48,135	\$ 49,579	\$ 57,475	\$ 66,630
\$ 44,025	\$ 45,346	\$ 46,706	\$ 48,107	\$ 49,551	\$ 57,443	\$ 66,592
\$ 123,812	\$ 127,526	\$ 131,352	\$ 135,293	\$ 139,351	\$ 161,547	\$ 187,277
\$ 59,000	\$ 60,770	\$ 62,593	\$ 64,471	\$ 66,405	\$ 76,982	\$ 89,243
\$ 47,760	\$ 49,193	\$ 50,669	\$ 52,189	\$ 53,754	\$ 62,316	\$ 72,241
\$ 85,000	\$ 87,550	\$ 90,177	\$ 92,882	\$ 95,668	\$ 110,906	\$ 128,570
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 39,143	\$ 45,378
\$ 7,500	\$ 7,725	\$ 7,957	\$ 8,195	\$ 8,441	\$ 9,786	\$ 11,344
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 100	\$ 103	\$ 106	\$ 109	\$ 113	\$ 130	\$ 151
\$ 441,247	\$ 454,484	\$ 468,119	\$ 482,163	\$ 496,627	\$ 575,727	\$ 667,426
\$ 4,412	\$ 4,545	\$ 4,681	\$ 4,822	\$ 4,966	\$ 5,757	\$ 6,674



Anacua Village - MF Underwriting - Operating Proforma

Operating Expenses as a percentage of Effective Gross Income

50.4%	50.9%	51.4%	51.9%	52.4%	55.3%	58.3%
\$ 434,908	\$ 439,194	\$ 443,433	\$ 447,621	\$ 451,751	\$ 466,009	\$ 477,278

NET OPERATING INCOME

## Anacua Village - MF Underwriting - Operating Proforma

### NET OPERATING INCOME

\$	434,908	\$	439,194	\$	443,433	\$	447,621	\$	451,751	\$	466,009	\$	477,278
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### PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
Perm Loan	\$ 4,350,000	7.75%	35	18
Total Primary Debt	\$ 4,350,000			

Net Cashflow After Primary Debt

DSCR Primary Debt

Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316	\$ 361,316

\$ 73,593	\$ 77,878	\$ 82,117	\$ 86,305	\$ 90,436	\$ 104,693	\$ 115,962
1.20	1.22	1.23	1.24	1.25	1.29	1.32

### SOFT SUBORDINATE DEBT & EQUITY

HTC Equity	\$ 16,398,360	0.00%		
Deferred Dev Fee	\$ 1,397,620	0.00%		
Total Secondary Debt	\$ 17,795,980			

Net Cash Flow of Secondary Debts

\$ 73,593	\$ 77,878	\$ 82,117	\$ 86,305	\$ 90,436	\$ 104,693	\$ 115,962

## Tab 6

Presentation, Discussion and Possible Approval of a Resolution appointing hearing officers.

**RESOLUTION NO. 24-\_\_\_\_\_**

**RESOLUTION APPOINTING HEARING OFFICERS**

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

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

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

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

Section 3. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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

PASSED, APPROVED AND EFFECTIVE this February 20, 2024.

TEXAS STATE AFFORDABLE  
HOUSING CORPORATION

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

## Tab 7

Presentation, Discussion and Possible Approval of a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation and Restate the Signature and Approval Authority of Officers of the Corporation.

## 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 February 20, 2024, at the Corporation’s offices in Austin, Texas, and the roll was called of the duly constituted members of said Board, who are as follows:

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Valerie Vargas Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
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 except \_\_\_\_\_ were present at the meeting.

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

**“RESOLUTION NO. 24-\_\_**

### **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**RESOLUTION TO RESTATE, RATIFY AND AFFIRM THE OFFICERS OF  
THE CORPORATION AND RESTATE THE SIGNATURE AND APPROVAL  
AUTHORITY OF OFFICERS OF THE CORPORATION”**

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 20<sup>th</sup> day of February, 2024.

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Rebecca DeLeon, Secretary  
Texas State Affordable Housing Corporation

**RESOLUTION NO. 24-\_\_**

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**A RESOLUTION TO RESTATE, RATIFY AND AFFIRM THE  
OFFICERS OF THE CORPORATION AND DESIGNATE AND  
RESTATE THE SIGNATURE AND APPROVAL  
AUTHORITY OF OFFICERS OF THE CORPORATION**

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") has been duly created and organized under the authority of Texas Government Code, Title 10, Chapter 2306, Subchapter Y, as amended, and pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., now codified as the Texas Business Organizations Code, including Chapter 22 thereof, as amended (the "Act"); and

WHEREAS, effective implementation and execution of the Corporation's programs, operations and various task forces require that persons employed by the Corporation as Officers be empowered to approve and execute documents pursuant to the authority given such Officers as provided in the relevant resolutions passed or to be passed by the Board with respect to the Corporation's programs, operations and various task forces;

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

RESOLVED, the Board hereby ratifies, affirms, appoints, and restates, the following persons as the officers of the Corporation:

President	David Long
Executive Vice President	Janie Taylor
Chief Financial Officer and Treasurer	Melinda Smith
Secretary	Rebecca DeLeon
Assistant Secretary	Cynthia Gonzales

RESOLVED, that the Board hereby authorizes David Long, as President of the Corporation, to execute and deliver on behalf of the Corporation, any and all documents or instruments necessary to carry out his functions as President, including without limitation, any and all documents and instruments relating to the Corporation's programs (including bond administration), operations and task forces.

RESOLVED, that the Board hereby authorizes Janie Taylor, as Executive Vice President of the Corporation, to execute and deliver on behalf of the Corporation, any and all documents or instruments necessary to carry out her functions as Executive Vice President.

RESOLVED, that the Board hereby authorizes Melinda Smith, as Chief Financial Officer and Treasurer of the Corporation, to execute and deliver on behalf of the Corporation, any and all documents or instruments necessary to carry out her functions as Chief Financial Officer and Treasurer.

RESOLVED, that the Board hereby authorizes Rebecca DeLeon, as Secretary of the



Corporation, and Cynthia Gonzales as Assistant Secretary of the Corporation, to execute and deliver on behalf of the Corporation, any and all documents or instruments necessary to carry out their respective functions as Secretary and Assistant Secretary of the Corporation.

Effective Date. This Resolution shall be in full force and effect from and after the date of its adoption.

ALL MATTERS ABOVE ARE APPROVED AND EFFECTIVE this 20<sup>th</sup> day of February, 2024.

TEXAS STATE AFFORDABLE HOUSING  
CORPORATION

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William Dietz, Jr., Chairperson

ATTEST:

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Rebecca DeLeon, Secretary  
Texas State Affordable Housing Corporation