



March Board Meeting

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

Tuesday, March 19, 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**

**March 19, 2024
10:30 A.M.**

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

Bill Dietz, Chair

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

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

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

PUBLIC COMMENT

PRESIDENT’S REPORT

David Long, 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 February 20, 2024. |
| Tab 2 | Update and Discussion of the Sandpiper Cove Apartments. |
| Tab 3 | Presentation, Discussion and Possible Approval of loan commitment extensions to Agape Resource and Assistance Center, Inc., or an affiliate, for both a \$2,000,000 construction loan and \$750,000 permanent loan related to Jericho Village - a 38-unit supportive multi-family rental community in Wylie, Texas. |
| Tab 4 | Presentation, Discussion and Possible Approval of a Resolution to Approve the Eleventh Amended and Restated Bylaws of the Corporation. |
| Tab 5 | Presentation, Discussion and Possible Approval of a Resolution to Approve Certificate of Amendment for 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.

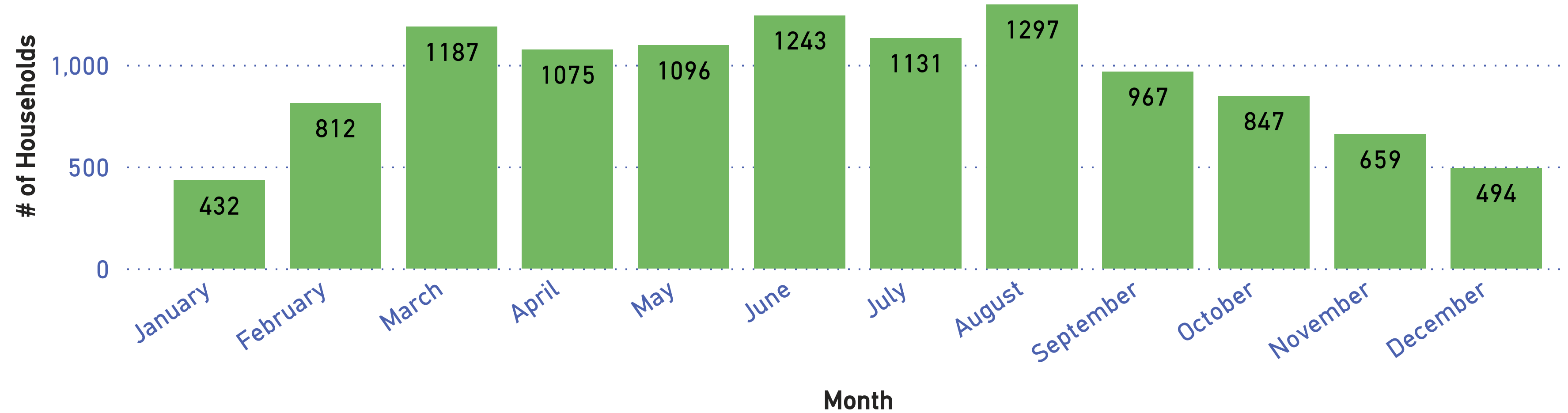
Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will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

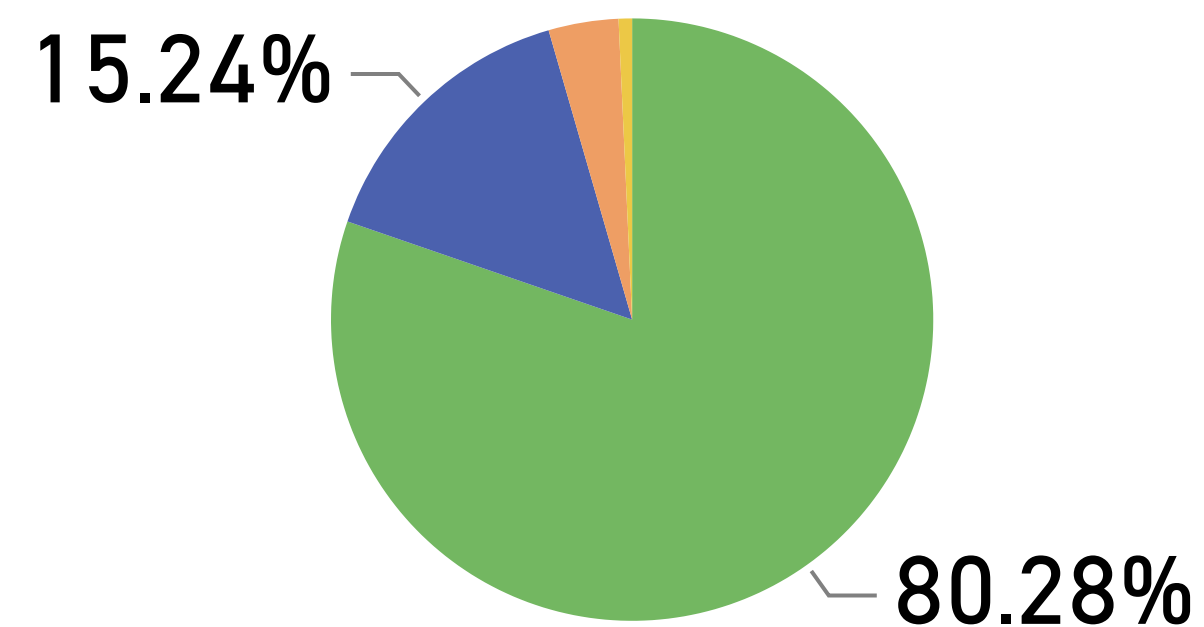
Homeownership Finance Report

of Households by Month



Loan Type

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



77.57K

Average Annual Income

244K

Average of Loan Amount

7.10%

Average Interest Rate

698

Average Credit Score

11.24K

Households Served

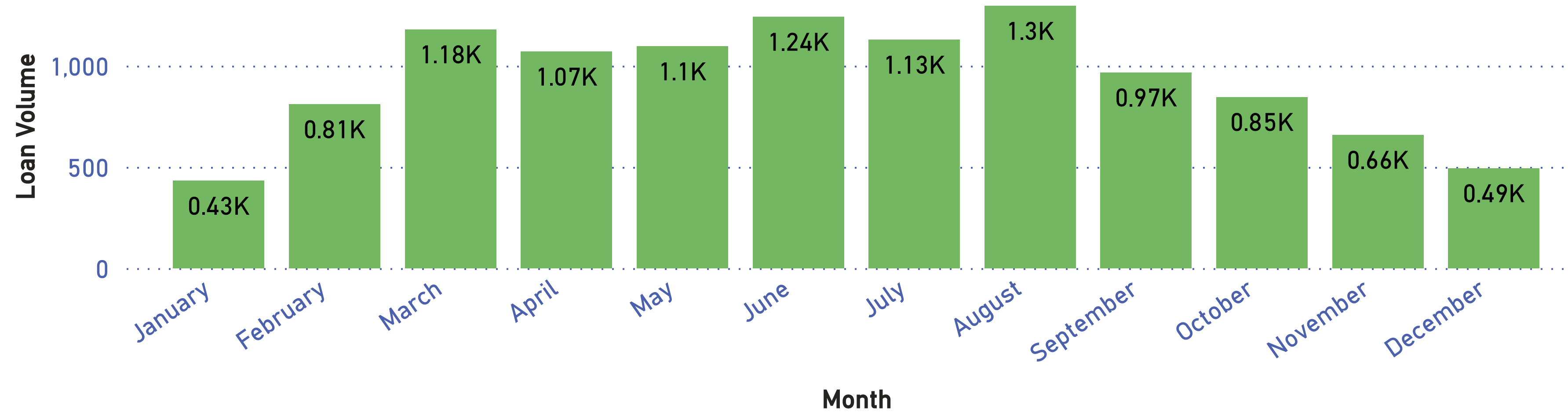
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Average Household Size

Homeownership DPA Snapshot

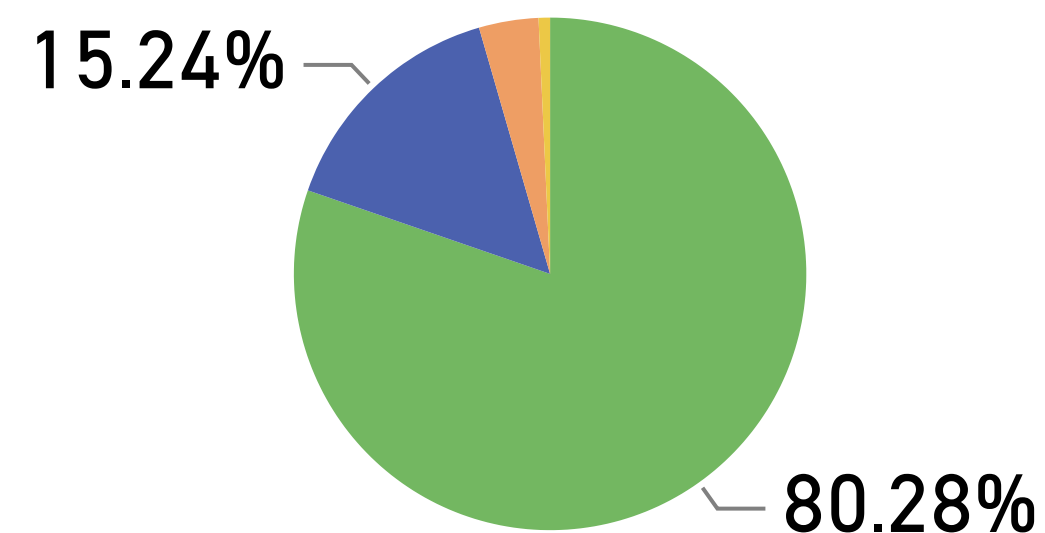
January 1, 2023 to December 31, 2023

Loan Volume by Month



Loan Type

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



\$7,042.30

Average DPA Awarded

\$79,170,007

Total DPA Awarded

77.57K

Average Annual Income

244K

Average Loan Amount

2744M

Total Loan Volume

9456

Households Served

7.10%

Average Interest Rate

698

Average Credit Score

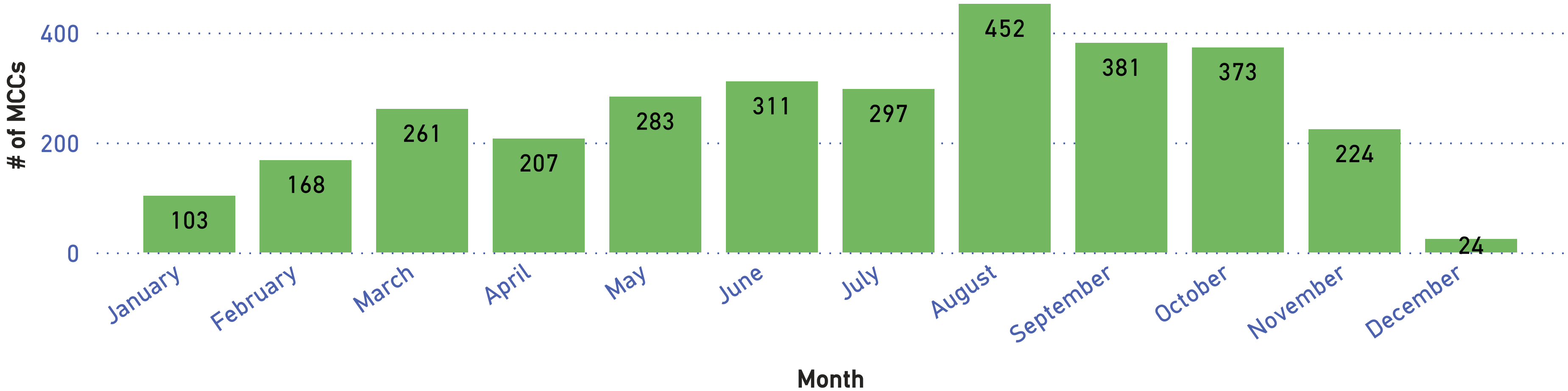
2

Average Household Size

Homeownership MCC Snapshot

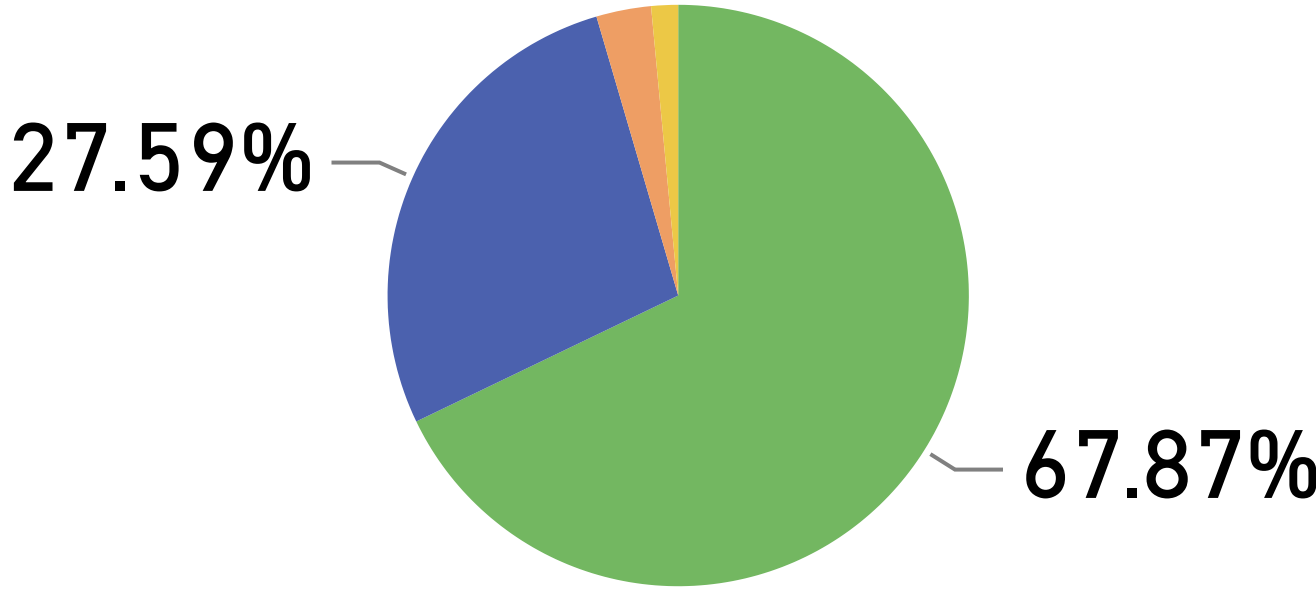
January 1, 2023 to December 31, 2023

of MCCs by Month



Loan Type

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



69.16K

Average Annual Income

247K

Average of Loan Amount

6.73%

Average Interest Rate

705

Average Credit Score

3084

Issued MCCs

2

Average Household Size

Professions

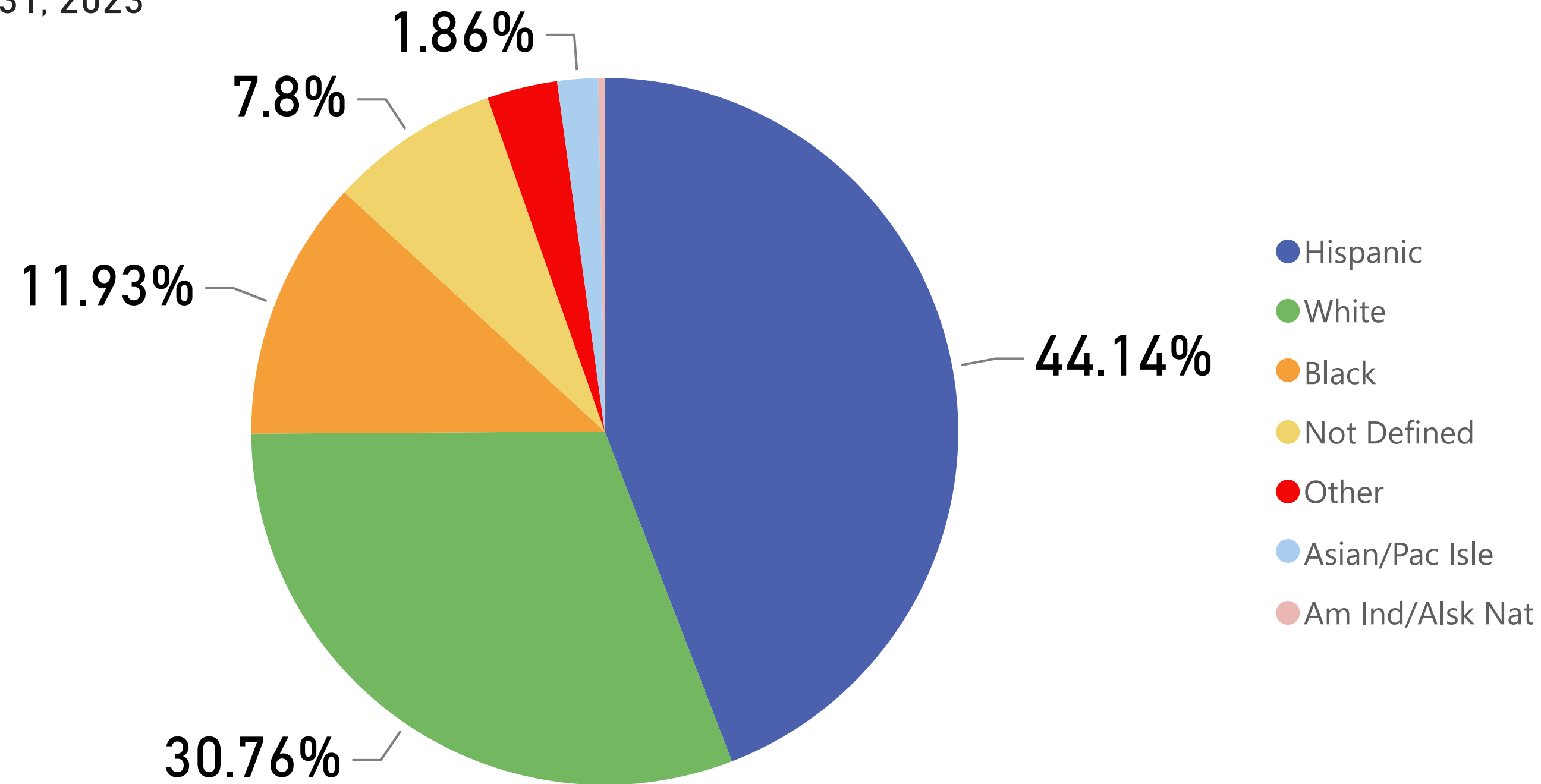
Occupation % of Total



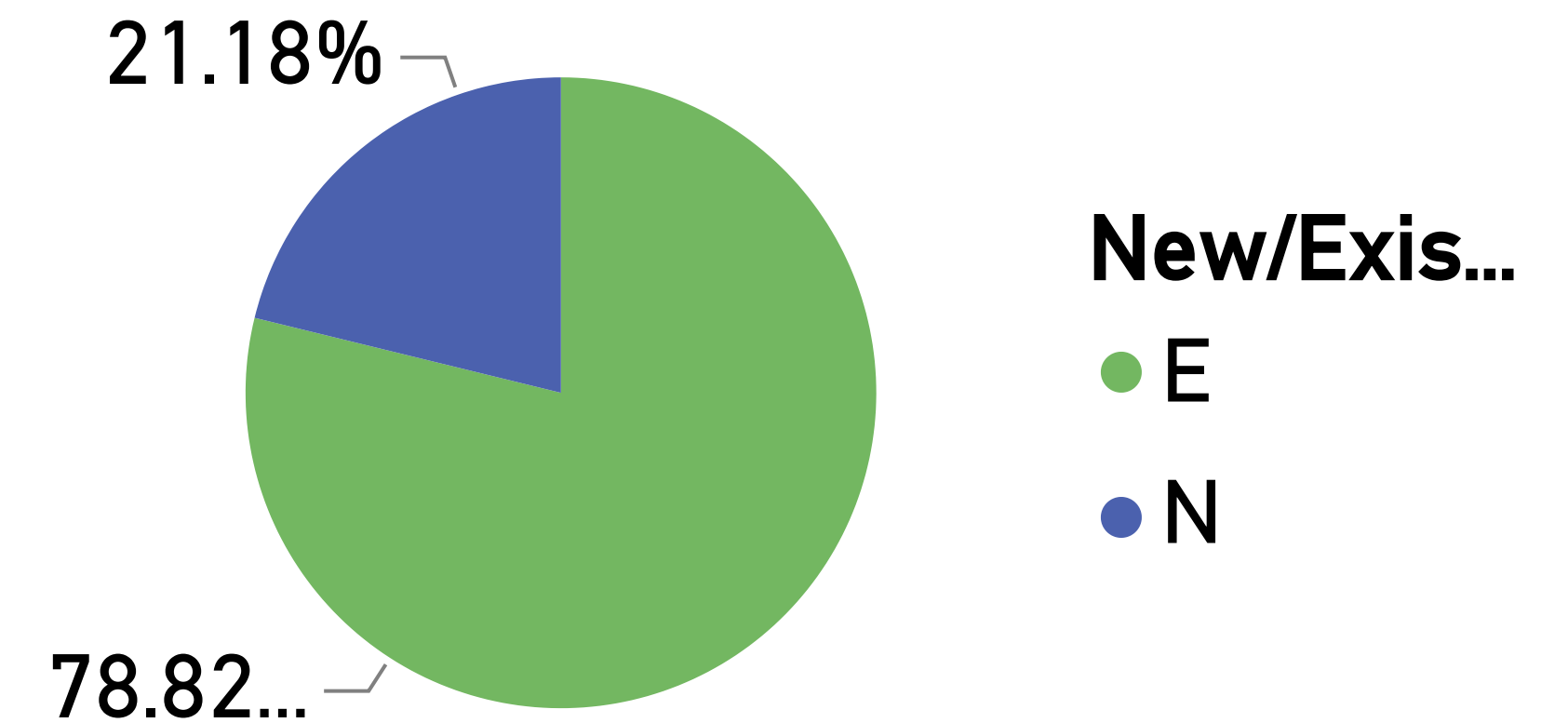
Other	86.85%
Teacher	5.52%
Veteran	2.18%
Prof Nurse Fac	1.67%
Active Military	0.78%
Peace Officer	0.76%
Fire Fighter	0.47%
Corrections Off	0.46%
Public Sec Off	0.33%
EMS Personnel	0.31%
Teacher Aide	0.21%
Allied Hlth Fac	0.17%
Sch Counselor	0.15%
County Jailer	0.05%
School Nurse	0.05%
Sch Librarian	0.03%

Total 100.00%

Household Ethnicity



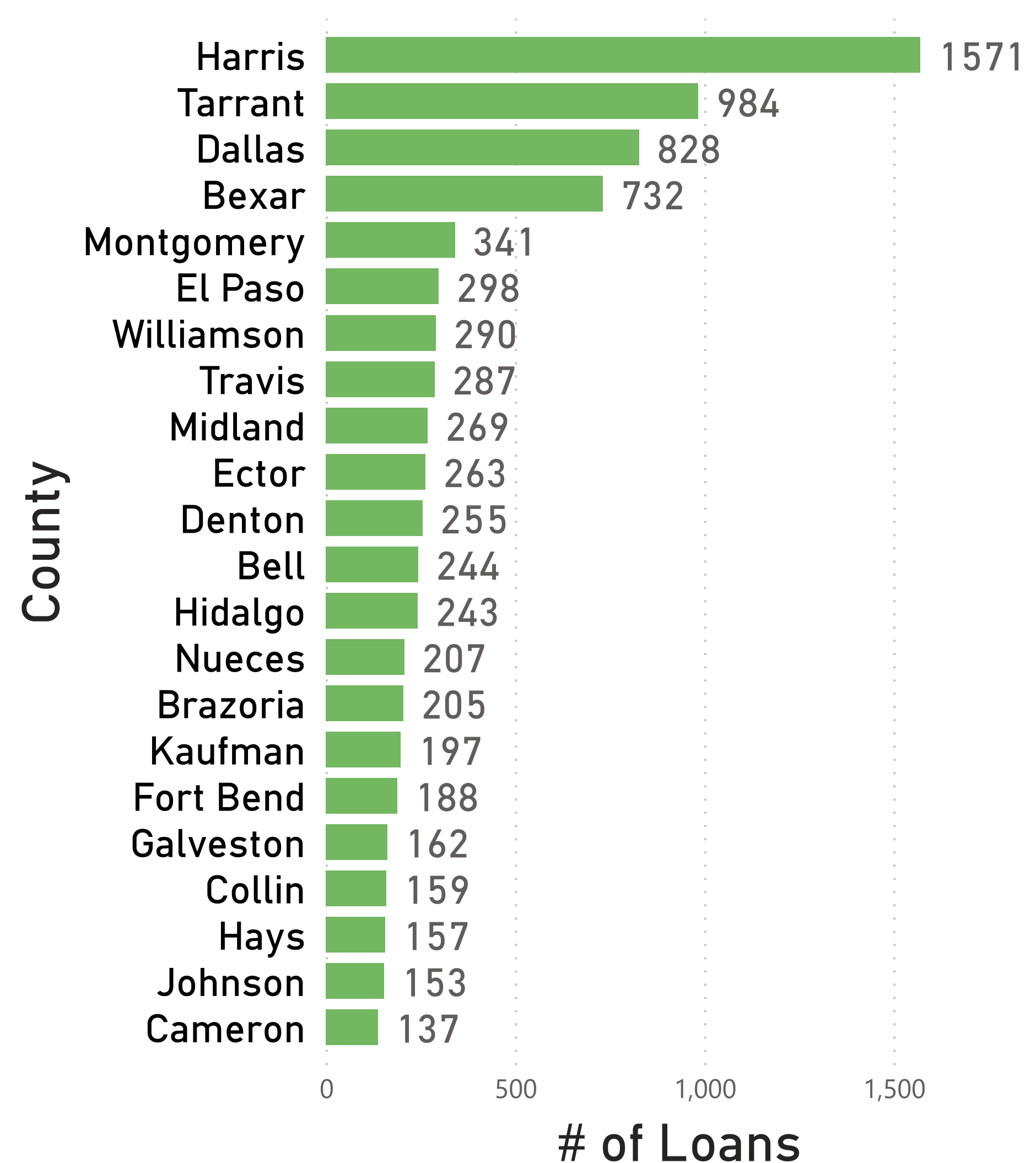
New/Existing Home



Top Lenders

Top Lenders	# of Loans
Everett Financial, dba Supreme Lending	804
Fairway Independent Mortgage Corporation	727
Cardinal Financial Company	471
CMG Mortgage, Inc. dba CMG Financial	430
Amcap Mortgage, LTD	385
Guaranteed Rate	383
Crosscountry Mortgage, LLC	342
Gateway Mortgage, a division of Gateway	327
PrimeLending	315
SFMC, LP dba Service First Mortgage Comp	287
Guild Mortgage Company LLC	284
Security National Mortgage Company	267
loanDepot.com LLC	238
Mortgage Financial Services, LLC	230
T2 Financial dba Revolution Mortgage	220
Cornerstone Home Lending	213
KBHS Home Loan, LLC	187
Nations Reliable Lending, LLC	186
Town Square Mortgage & Investments, LLC	184
DHI Mortgage Company, Ltd.	176
Highlands Residential Mortgage	174
Ark-La-Tex Financial (Benchmark Mtg.)	168
Total	7300

Top Originating Counties



Tab B

Development Finance Report

Texas State Affordable Housing Corporation

Development Finance Programs Report March 2024

Affordable Communities of Texas Program (ACT)

As construction of the first of four units at 631 Carolina (San Antonio) nears substantial construction completion, staff has been focusing on finalizing the project's condominium declarations, by-laws, monthly budget, etc., in preparation of the home sales. Regarding the pre-MLS marketing efforts reported last month, staff is excited to share that signage (with QR Code) has been placed on prominent corners of Cherry Street and Carolina Street that links to our housing application, DPA resources, and project information for neighborhood passerby. Staff is hopeful that these efforts will result in eligible home buyers.

Construction is ongoing at Park on 14th (Plano). Construction is approximately 17% and the general contractor is preparing for framing. Juniper Creek (Austin) is approximately 19% construction complete with wet and dry utility installation and foundation/retaining wall work underway.

Staff has been vetting several National Community Stabilization Trust (NCST) single-family home foreclosures lately. We continue to vet these potential acquisitions for TSAHC and local partner development.

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

Program	Portfolio as of February 1, 2024	Transferred	Sold	Portfolio as of March 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 loan commitment extension requests on behalf of Agape (Jericho Village) for board consideration. Agape is requesting an extension to allow funding commitments to be secured by October 2024. Additional information is provided in the board book.

Regarding the Anacua Village (Mission), staff has drafted loan documents and is working towards an April loan closing. The developer is preparing for the demolition of the existing structures and the financing closing.

Texas State Affordable Housing Corporation

Development Finance Programs Report March 2024

Multifamily Bond Program

The multifamily bond programs continue to work with our development partners to properly time the next steps in their bond financing process. Staff will be holding the TEFRA hearing for Burleson Studios on March 21st. This hearing is to collect public comment on the project, and will be held virtually, as allowed by the Internal Revenue Service. Bond Counsel has reviewed the posting and approved the hearing process.

Bluffs at Nelms is working through timing of an application for additional capital to TDHCA and anticipates submitting their reservation for private activity bond volume cap before the end of March. While Cairn Point at Montopolis is working on City of Austin site plan approvals and hopes to reserve their volume cap in early April.

Tab C

Monthly Financial Reports

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of January 31, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 8,931,665
Pooled investments	6,151,835
Restricted assets:	
Cash and cash equivalents	5,064,399
Accrued interest	43,820
Investments, at fair value	23,643,944
Accounts receivable and accrued revenue	174,786
Accrued interest receivable	196,810
Loans receivable, current portion	52,361
Notes receivable, current portion	101,312,100
Downpayment assistance, current portion	132,074
Prepaid expenses	414,687

Total current assets	<u>146,118,481</u>
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Noncurrent assets:

Loans receivable, net of uncollectible amounts of \$10,183	152,840
Notes receivable, net of allowance for loss \$555,521	161,089,013
Lease Receivable	115,682
Investments, at fair market value	15,654,017
Mortgage servicing rights, net of accumulated amortization of \$2,656,863	71,199
Capital assets, net of accumulated depreciation of \$1,164,662	5,599,425
Owned real estate, net of depreciation of \$2,460,567	19,957,403
Downpayment assistance	2,474,603
Restricted investments held by bond trustee, at fair market value	<u>76,229,993</u>

Total noncurrent assets	<u>281,344,175</u>
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Total assets	<u>\$ 427,462,656</u>
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(continued)

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of January 31, 2024

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 527,120
Notes payable, current portion	750,702
Custodial reserve funds	176,986
Other current liabilities	271,283
Payable from restricted assets held by bond trustee:	
Revenue bonds payable, current portion	375,000
Accrued interest on revenue bonds	1,454,596

Total current liabilities	<u>3,555,687</u>
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Noncurrent liabilities:

Notes payable	708,408
Revenue bonds payable	78,571,388
Unearned revenue	822,739

Total noncurrent liabilities	<u>80,102,535</u>
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Total liabilities	<u>83,658,222</u>
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Deferred Inflows of Resources

Deferred revenue	<u>364,193</u>
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Total deferred inflows of resources	<u>364,193</u>
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Net Position

Invested in capital assets	5,599,425
Restricted for:	
Debt service	778,297
Other purposes	2,586,796
Unrestricted	<u>334,475,723</u>

Total net position	<u>343,440,241</u>
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Total liabilities and net position	<u><u>\$ 427,462,656</u></u>
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Texas State Affordable Housing Corporation

Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 5 Months Ending January 31, 2024

Operating Revenues:

Interest and investment income	\$ 2,158,724
Net increase (decrease) in fair value of investments	2,154,366
Single family income	21,709,119
Asset oversight and compliance fees	152,498
Rental program income	543,906
Multifamily income	206,220
Land bank income	85,151
Public support:	
Federal & state grants	18,862
Contributions	137,172
Other operating revenue	151,609
Total operating revenues	<u>\$ 27,317,627</u>

Operating Expenses:

Interest expense on bonds and notes payable	\$ 1,488,722
Program and loan administration	995,658
Texas Foundation Fund & Misc. Grants	189,400
Salaries, wages and payroll related costs	1,946,674
Professional fees and services	257,252
Depreciation and amortization	33,642,284
Office expense and maintenance	74,776
Travel and meals	54,231
Other operating expenses	419,058
Total operating expenses	<u>39,068,055</u>

Net income	(11,750,428)
Total net position, beginning	<u>355,190,669</u>
Total net position, ending	<u><u>\$ 343,440,241</u></u>

Texas State Affordable Housing Corporation
Budget Report
January 31, 2024

	Annual Budget	Actual	Percent of Annual Budget
Revenue			
Single Family Program Revenue	10,472,000	4,888,042	46.68%
Lending Program Revenue	2,762,000	475,091	17.20% ①
Multifamily Program Revenue	1,272,000	619,326	48.69%
Rental Program Revenue	1,364,000	661,049	48.46%
Federal & State Grants	198,000	17,520	8.85% ②
Grants, Donations & Other Awards	250,000	74,698	29.88%
Land Bank Revenue	4,893,000	188,372	3.85% ③
Servicing Revenue	72,000	23,181	32.20%
Investment Revenue	1,380,000	642,245	46.54%
Total Revenue	22,663,000	7,589,524	33.49%
Expenditures			
Texas Housing Impact Fund	9,221,000	2,809,397	30.47%
Affordable Communities of Texas	5,390,000	683,371	12.68%
Other Program Expenditures	553,000	519,398	93.92%
Salaries & Payroll Related Expenditures	4,500,000	1,946,674	43.26%
Grants	1,005,000	94,874	9.44% ④
Principal & Interest on Notes Payable	213,000	103,184	48.44%
Professional Services	791,000	276,493	34.95%
Marketing	169,000	57,210	33.85%
Insurance	310,000	133,059	42.92%
Travel & Meals	124,000	54,231	43.73%
Furniture, Equipment, & Software	54,000	8,782	16.26%
Building Maintenance	69,000	28,587	41.43%
Professional Dues, Conferences & Training	49,000	24,215	49.42%
Sponsorships	25,000	6,000	24.00%
Communication	21,000	10,657	50.75%
Publications, Subscriptions & Other Office Expenditu	25,000	12,357	49.43%
Freight, Delivery, Postage	12,000	5,118	42.65%
Printing & Office Supplies	5,000	2,408	48.16%
Total Expenditures	22,536,000	6,776,015	30.07%
Excess Revenues Over Expenditures	127,000	813,509	

Average Expected Percent Received/Expended = 41.67%

Texas State Affordable Housing Corporation
Budget Report
January 31, 2024

Explanations:

- ① Lending Program Revenue appears lower than expected in part due to the timing of loan payments from various borrowers at various times throughout the year. Additionally approximately \$550,000 of the revenue projected will not be received in 2024 as the project has been delayed until 2025.
- ② Federal & State Grant Income appears low but the budget includes \$183,000 from the Texas Department of Transportation that is expected to be received later in this fiscal year. We expect this line item to be on target by year end.
- ③ Land Bank income includes \$3 million expected to be received to fund the construction of single family homes at 1910 Martin Luther King Blvd. That project will not begin until later in this fiscal year.
- ④ Expenditures for grants represents the Texas Foundation Fund Grants which will be disbursed in August 2024. This line item will be on target by year end.

Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 20, 2024.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING**

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

**February 20, 2024
10:30 a.m.**

Summary of Minutes

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

The Board Meeting of the Texas State Affordable Housing Corporation (the “Corporation”) was called to order by Bill Dietz, Chairman, at 10:31 a.m., on February 20, 2024, at the offices of Texas State Affordable Housing Corporation, 6701 Shirley Avenue, Austin, TX 78752. Roll Call certified that a quorum was present.

Members Present:

Bill Dietz, Chair
Lemuel Williams, Member
Courtney Johnson-Rose, Member
David Rassin, Member

Guests Present:

Linda Patterson, Meeder Public Funds
Routt Thornhill, Coats Rose

President’s Report

Janie Taylor, Executive Vice President

Sarah Ellinor updated the Board on the bond resolution, passed at our December 19, 2023 meeting, authorizing the issuance, sale, and delivery of the single family mortgage revenue bonds, Series 2024A Exempt and 2024B Taxable.

See page 9 in the official transcript.

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on December 19, 2023.

Mr. Williams made a motion to approve the minutes of the Board meeting held December 19, 2023. Mr. Rassin seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion was approved as presented.

See page 13 in the official transcript.

Tab 2 Presentation and Discussion by Meeder Public Funds (formerly Patterson & Associates), Investment Advisors.

Presentation only. No action taken.

See page 14 in the official transcript.

Tab 3 Presentation, Discussion and Possible Approval 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 the Texas State Affordable Housing Corporation's 2024 Annual Action Plan. Ms. Rose seconded the motion. Mr. Deitz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 31 in the official transcript.

Tab 4 Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund Draft 2024 Guidelines.

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

Ms. Rose made a motion to Approve to Publish for Public Comment, the Texas Foundations Fund Draft 2024 Guidelines. Mr. Rassin seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 34 in the official transcript.

Tab 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.

Presented by Cassandra Ramirez, Development Finance Manager

Mr. Williams made a motion to Approve 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. Ms. Rose seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 49 in the official transcript.

Tab 6 Presentation, Discussion and Possible Approval of a Resolution appointing hearing officers.

Presented by Janie Taylor, Executive Vice President

Ms. Rose made a motion to Approve a Resolution appointing hearing officers. Mr. Rassin seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 56 in the official transcript.

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.

Presented by Melinda Smith, Chief Financial Officer

Mr. Williams made a motion to Approve a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation and Restate the Signature and Approval Authority of Officers of the Corporation. Ms. Rose seconded the motion. Mr. Dietz asked for public comment, and none was given. A vote was taken, and the motion passed unanimously.

See page 62 in the official transcript.

Announcements

Ms. Taylor and Board Members tentatively scheduled the next Board Meeting for March 19, 2024, at 10:30am.

Adjournment

Mr. Dietz adjourned the meeting at 11:54 pm.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

Update and Discussion of the Sandpiper Cove Apartments.

Tab 3

Presentation, Discussion and Possible Approval of loan commitment extensions to Agape Resource and Assistance Center, Inc., or an affiliate, for both a \$2,000,000 construction loan and \$750,000 permanent loan related to Jericho Village - a 38-unit supportive multi-family rental community in Wylie, Texas.

community center, community garden, outdoor gathering areas and a playground. Four units will be reserved for households earning up to 30% of area median income (AMI), 19 units will be reserved for households earning up to 50% AMI, six units will be reserved for households earning up to 60% AMI, seven units will be reserved for households at 80% AMI and the remaining two unit will be market rate. Building on Agape's successful Empowerment Program, caseworkers will be onsite assisting residents with job readiness, education, transportation, financial literacy and budgeting.

Jericho Village has broad community support. Letters of support were provided by the Mayor of the City of Wylie, First Baptist Church of Wylie, and Catholic Charities of Dallas, to name a few. The City of Wylie also approved the re-zoning needed to construct this community.

Financial Summary:

Agape is anticipating closing on construction financing by December of this year. The total development costs are expected to be \$9,375,000, though final pricing by the contractor is not complete. Construction costs are anticipated to total \$7,020,000, which includes site work and contractor overhead. Acquisition costs are \$595,000. Soft costs, including environmental reviews, architectural design, financing costs, and reserves total \$1,460,000, while the Developer fee of \$300,000 rounds out project costs. TSAHC has approved a \$2,000,000 loan to assist with construction costs. The Local Initiatives Support Corporation (LISC) will be providing a \$2.2 million construction loan to the project as well. It is anticipated that LISC will be the first lien construction lender.

\$2,725,000 in primary permanent financing will be provided by Amegy Bank. TSAHC has approved a second lien permanent loan, in the amount of \$750,000, as well. Agape has secured grants totaling \$2,285,000, with an additional \$1,301,292 in in-kind contributions and \$1,220,996 in donor contributions. An application to the FHLB of Dallas, requesting \$1,080,000 in grant financing, is underway to meet the remaining gap. Agape is working to secure additional donor contributions to meet any remaining permanent funds needed (less than \$13,000).

Although most of the project financing (63%) is through grants and in-kind contributions, the project is able to carry additional debts, if need be. The total proposed loan sources allow for a debt service coverage ratio of 1.31, higher than TSAHC minimum threshold of 1.15.

Market Conditions:

Wylie is a northeastern suburb of Dallas. It benefits from a strong local economy in which many local businesses provide jobs and services to the area. However, nearly 50% of Wylie's renters are cost-burdened. The city's median rent, which is 50% higher than the state's median rent, is a contributing factor. In addition, the city's median household income is nearly 50% higher than the state's median household income.

Affordable housing options in Wylie are limited and the city would greatly benefit from the affordable units provided by Jericho Village. In fact, there are no affordable rental units within a two-mile radius of the project site.

Borrower Summary:

Founded in 2013 under the leadership of Janet Collinsworth, Agape is a 501(c)(3) nonprofit with a mission to provide affordable housing and transformational supportive services to homeless women and their children that progresses them from poverty to financial independence. Agape currently owns and manages eight housing units for its transitional rental program. The organization also owns two single-family homes, four townhomes, and a four-plex office condominium.

Saigebrook Development, LLC will provide development consultant services. Lisa Stephens is the Owner/President of Saigebrook Development, LLC a Woman Business Enterprise and Historically Underutilized Business certified real estate development consulting firm focused on affordable housing development since 2011.

Agape's team also includes Domus Studio Group (architect,) Marcer Development and Construction (general contractor,) and Catholic Charities of Dallas (property manager).

Recommendations:

Staff recommends the approval of loan commitment extensions to Agape Resource and Assistance Center, Inc., or an affiliate, for both a \$2,000,000 construction loan and \$750,000 permanent loan related to Jericho Village - a 38-unit supportive multi-family rental community in Wylie, Texas.

Tab 4

Presentation, Discussion and Possible Approval of a Resolution to Approve the Eleventh Amended and Restated Bylaws 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 March 19, 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 TO APPROVE ELEVENTH AMENDED AND RESTATED
BYLAWS 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 19th day of March, 2024.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 24-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION TO APPROVE ELEVENTH AMENDED AND RESTATED BYLAWS OF THE CORPORATION

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, there have been presented to the Corporation and its counsel that certain proposed Eleventh Amended and Restated Bylaws of the Corporation, which document is attached hereto as Exhibit A and which is incorporated herein by reference;

WHEREAS, the Board of Directors find the proposed Eleventh Amended and Restated Bylaws of the Corporation to be satisfactory and proper and hereby determine to proceed with the execution of such document and the taking of such other actions as may be necessary and appropriate in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Texas State Affordable Housing Corporation:

Section 1. Approval, Execution and Delivery of the Eleventh Amended and Restated Bylaws. That the proposed Eleventh Amended and Restated Bylaws as presented to the Board of Directors at the meeting at which this Resolution was considered and attached hereto as Exhibit A is hereby approved and that the proper officers of the Corporation are each hereby authorized and directed to execute such document as necessary to effectuate such approved Eleventh Amended and Restated Bylaws.

Section 2. Execution and Delivery of Other Documents. That the officers of the Corporation are each hereby authorized to consent to, accept, execute and attest such other certificates, documents, instruments, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purpose of this Resolution.

Section 3. 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 4. 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 5. Purposes of Resolution. That the Board of Directors of the Corporation has expressly determined and hereby confirms that the approval of this Resolution

accomplishes a valid public purpose of the Corporation.

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.

[Remainder of Page Intentionally Left Blank]

APPROVED AND EFFECTIVE this 19th day of March, 2024.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

EXHIBIT A

Proposed Eleventh Amended and Restated Bylaws

~~TENTH-ELEVENTH~~ AMENDED AND RESTATED BYLAWS OF
TEXAS STATE AFFORDABLE HOUSING CORPORATION

ARTICLE I

STRUCTURE, MEMBERS AND PURPOSES

Section 1.1. Structure and Members. Texas State Affordable Housing Corporation (the "Corporation") is a non-profit corporation organized under the laws of the State of Texas and has no members within the meaning of Chapter 22 of the Texas Business Organizations Code (the "TBOC"). The creation of the Corporation was authorized by Texas Government Code (the "Government Code"), Chapter 2306, Subchapter Y. The Certificate of Formation for the Corporation, as amended from time to time (the "Certificate of Formation"), were originally filed in the office of the Secretary of State of Texas on May 6, 1994.

Section 1.2. Purposes. The purposes for which the Corporation is organized and to be operated are as set forth in the Certificate of Formation.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1. Powers. The property, business, and affairs of the Corporation shall be managed by the board of directors of the Corporation (the "Board of Directors"), and subject to the restrictions imposed by law, the Certificate of Formation and these Bylaws.

Section 2.2. Appointment, Number, Chair and Vice Chair. The Board of Directors shall consist of five members (each, a "Director") appointed by the Governor of the State of Texas. The Governor of the State of Texas shall designate the Director who will serve as chairperson for the Board of Directors (the "Board Chair"). The Board of Directors shall also designate the Director who will serve as vice chairperson for the Board of Directors (the "Vice Chair").

Section 2.3. Powers and Duties of the Board Chair. The Board Chair shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be described in these Bylaws or assigned from time to time by the Board of Directors.

Section 2.4. Powers and Duties of the Vice Chair of the Board. In the absence of the Board Chair, or in the event of his or her inability or refusal to act, the Vice Chair of the Board shall preside at all meetings of the Board of Directors. He or she shall also have such other powers and duties as may be described in the Bylaws and as may be assigned from time to time by the Board of Directors.

Section 2.5. Terms. Directors shall serve staggered six year terms, with the terms of one or two Directors expiring February 1 of each odd-numbered year.

Section 2.6. Meetings of Directors. The Board of Directors may hold meetings, maintain an office, and keep the Corporation's books and records at such place or places as the Board of Directors may from time to time determine, provided that in the absence of any such determination by the Board of Directors, the meetings shall be held at the principal office of the Corporation.

Section 2.7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by the Board Chair or a majority of the Board of Directors.

Section 2.8. Special Meetings. Special meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by the Board Chair or by a majority of the Board of Directors then in office.

Section 2.9. Notice of Meetings. Notice of regular or special meetings will be given to each Director, and to the public pursuant to the provisions of Section 2306.039 of the Government Code or the applicable law in effect at the time such meeting is to be held.

Section 2.10. Quorum and Voting. A majority of the then acting Directors shall constitute a quorum for consideration of matters pertaining to the purposes of the Corporation. The vote of a majority of the Directors present at the meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law, the Certificate of Formation, or the Bylaws; or unless the vote of fewer Directors is allowed to approve a transaction under Section 22.230 of the TBOC.

Section 2.11. Conduct of Business. At meetings of the Board of Directors, matters pertaining to the purposes of the Corporation shall be considered in such an order as from time to time the Board of Directors may determine, or as required by law. At all meetings of the Board of Directors, the Board Chair shall preside, and in the absence of the Board Chair, the Vice Chair, and in the absence of the Vice Chair, a chair shall be chosen by the Board of Directors from among the Directors present. The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the Board Chair may appoint any person to act as secretary of such meeting.

Section 2.12. Compensation of Directors: Expenses. A member of the Corporation's Board of Directors is not entitled to compensation but is entitled to reimbursement of travel expenses incurred by the member while conducting the business of the board to the same extent provided by the Texas General Appropriations Act for a member of a state board.

Section 2.13. Committees of Directors. The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as the Board of Directors may determine from time to time. The Board of Directors shall have a standing Audit Committee that shall have and may exercise such powers as the Board of Directors may determine from time to time.

Section 2.14. Removal of Directors.

(a) As set forth in Section 2306.5542 of the Government Code, it is a ground for removal from the Board of Directors of the Corporation that a Director:

(1) does not have at the time of taking office or maintain during his or her term the qualifications required by Section 2306.554 of the Government Code;

(2) is or becomes ineligible for membership under Sections 2306.554 and 2306.5545 of the Government Code;

(3) cannot, because of illness or disability, discharge the Director's duties for a substantial part of the Director's term; or

(4) is absent from more than half of the regularly scheduled Board of Directors meetings that the Director is eligible to attend during a calendar year without an excuse approved by a majority vote of the Board of Directors.

(b) The validity of an action of the Board of Directors of the Corporation is not affected by the fact that it is taken when a ground for removal of a Director exists.

(c) If the President of the Corporation has knowledge that a potential ground for removal exists, the President shall notify the Board Chair of the potential ground. The Board Chair shall then notify the Governor of the State of Texas and the Attorney General that a potential ground for removal exists. If the potential ground for removal involves the Board Chair, the President shall notify the next highest ranking officer of the Board of Directors, who shall then notify the Governor and the Attorney General that a potential ground for removal exists.

Section 2.15 Training of Directors.

(a) A person who is appointed to and qualifies for office as Director may not vote, deliberate, or be counted as a Director in attendance at a meeting of the Board of Directors until the person completes a training program that complies with Section 2306.5543 of the Government Code.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the Corporation and the Corporation's Board of Directors;

- (2) the programs operated by the Corporation;
- (3) the role and functions of the Corporation;
- (4) the rules of the Corporation with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the Corporation;
- (6) the results of the most recent formal audit of the Corporation;
- (7) the requirements of:
 - (A) Texas open meetings law (*See* Chapter 551 of the Government Code);
 - (B) Texas public information law (*See* Chapter 552 of the Government Code);
 - (C) the Administrative Procedure law, (*See* Chapter 2001 of the Government Code); and
 - (D) other laws relating to public officials, including conflict-of interest laws; and
- (8) any applicable ethics policies adopted by the Corporation or the Texas Ethics Commission.

Section 2.16 Director Conflict of Interest.

(a) The Board of Directors of the Corporation shall develop and implement policies relating to employee conflicts of interest that are substantially similar to comparable policies that govern state employees.

(b) A person may not be a member of the Board of Directors and may not be a Corporation employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 *et seq.*), and its subsequent amendments, if:

- (1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of banking, real estate, housing development, or housing construction; or
- (2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of banking, real estate, housing development, or housing construction.

(c) A person may not be a Director or act as the general counsel to the Corporation if the person is required to register as a lobbyist under Chapter 305 of the Government Code because of the person's activities for compensation on behalf of a profession related to the operation of the Corporation.

(d) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

Section 2.17 Director Standards of Conduct. The President of the Corporation or the president's designee shall provide to Directors and to Corporation employees, as often as necessary, information regarding the requirements for office or employment under Subchapter Y of Chapter 2306 of the Government Code, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

ARTICLE III

OFFICERS

Section 3.1. Number, Titles and Term of Office. The officers of the Corporation shall include a President and a Secretary, and may also include a Chief Operating Officer, an Executive Vice President, one or more Vice Presidents, one or more Assistant Vice Presidents, a Chief Financial Officer, a Treasurer, and such other officers as the Board of Directors may from time to time appoint or ratify. Any two or more offices may be held by the same person, except the offices of President and Secretary, which may not be held by the same person.

Section 3.2. Election. The Board of Directors shall appoint or ratify the Corporation's officers each year.

Section 3.3. Removal. Any officer or agent who is hired, elected, appointed, or ratified by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Employment, election, appointment, or ratification of an officer or agent shall not of itself create contract rights.

Section 3.4. Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors, and vacant offices other than the office of President may be initially filled by the President.

Section 3.5. Powers and Duties of the President. The President shall have general executive charge, management, and control of the day-to-day business and operations of the Corporation with all powers as may be reasonably incident to such responsibilities. The President shall have the authority to execute all bonds, mortgages, leases, contracts, evidences of indebtedness, and other obligations in the name of the

Corporation. The President shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to the President from time to time by the Board of Directors. The Board of Directors may limit or expand the authority of the President. So long as no officer of the Corporation holds the title of President, or in the absence of the President, or in the event of his or her inability or refusal to act, the Executive Vice President shall hold and exercise all of the powers and duties of the President.

Section 3.6. Powers and Duties of the Executive Vice President and of any Vice President. The Executive Vice President and any Vice President shall have such powers and perform such duties as may be delegated to him or her by the President, or as may be assigned to such officer from time to time by the Board of Directors. The Executive Vice President and any Vice President(s) shall be under the supervision of and report to the President.

Section 3.7. Powers and Duties of the Chief Financial Officer. The Chief Financial Officer shall be under the supervision of and report to the President and shall be responsible for developing and maintaining the necessary procedures for all reporting and audit requirements (including those required by the provisions of Sections 2306.559 and 2306.560 of the Government Code); for the financial control of the business and for the safeguarding of assets; for directing internal auditing; for seeing that all necessary accounting activities are developed and maintained; for directing the preparation and interpretation of consolidated financial statements; for directing studies of administrative and office systems and procedures; for developing data processing; and for recommending changes in accounting or auditing.

Section 3.8. Powers and Duties of the Secretary. The Secretary shall attend all meetings of the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Board of Directors and shall perform such other duties as may be determined by the Board of Directors.

Section 3.9. Powers and Duties of the Treasurer. The Treasurer shall have the custody of all of the Corporation's funds and securities that come into such officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories and in such manner as shall be designated and prescribed; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other officer as may be designated by the Board of Directors; shall render or cause to be rendered a statement of the cash account; shall enter or cause to be entered regularly in the Corporation's books to be kept by such officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; shall perform all acts incident to the position of Treasurer subject to the oversight of the Board of Directors; and shall give such bond for the faithful discharge of such officer's duties in such form as the Board of

Directors may require. One or more Assistant Treasurers may be elected to have such powers and perform such duties as may be delegated to him or her by the Treasurer, or as may be otherwise determined by the Board of Directors from time to time.

ARTICLE IV

PROVISIONS REGARDING BYLAWS

Section 4.1. Effective Date. These Bylaws shall become effective upon the adoption of these Bylaws by the Board of Directors.

Section 4.2. Amendments to Bylaws. These Bylaws may be amended at any time and from time to time in accordance with the TBOC by a vote of the Board of Directors conducted in accordance with Section 2.10 of these Bylaws.

Section 4.3. Interpretation of Bylaws. These Bylaws shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws to any other person or circumstances shall not be affected thereby.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. Principal Office. ~~The principal office of the Corporation shall be located at 6701 Shirley Avenue, Austin, Texas 78752. The principal office of the Corporation shall be located at 2200 East Martin Luther King, Jr. Boulevard, Austin, Texas 78702. Its mailing address is P.O. Box 12637, Austin, Texas 78711-2637.~~

Section 5.2. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

Section 5.3. Seal. The Corporation shall not have a seal.

Section 5.4. Notice and Waiver of Notice. Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed postpaid wrapper addressed to the person entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 5.5. Public Notice. Public notice shall be given to the public pursuant to Section 2306.039 of the Government Code which references Government Code Chapters 551 and 552.

Section 5.6. Resignations. Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5.7. Dissolution of the Corporation. On dissolution of the Corporation, the funds and properties previously owned by the Corporation shall be transferred to the Texas Department of Housing and Community Affairs, its successors or assigns in accordance with the Certificate of Formation.

ARTICLE VI

INDEMNIFICATION

Section 6.1. Indemnification. Directors and officers of the Corporation shall be indemnified by the Corporation to the maximum extent permitted pursuant to the TBOC or any other appropriate law in connection with any actual or threatened action or proceeding (including civil, criminal, administrative, or investigative proceedings) arising out of their service to the Corporation or to another organization or enterprise at the Corporation's request. The liability of the Directors, officers, and employees of the Corporation is limited by Section 2306.561 of the Texas Government Code. The indemnification provided by this Section 6.1 shall not be deemed exclusive of any other rights to which a Director or officer or former Director or officer may be entitled under any bylaw, agreement, insurance policy, or otherwise.

Section 6.2. Appearance as a Witness. Notwithstanding any other provision of this Article VI, the Corporation, based on a majority vote of disinterested Directors as provided in these Bylaws, may pay or reimburse expenses incurred by an indemnified person in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not named defendant or respondent in the proceeding.

Section 6.3. Nonexclusivity of Rights. The right to indemnification described in this Article VI and the permissive advancement and payment of expenses described in Section 6.2 shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any law (common or statutory), the Certificate of Formation, the Bylaws, any agreement, a majority vote of disinterested Directors as provided in these Bylaws, or otherwise.

Section 6.4. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself or any indemnified person, whether or not the Corporation

would have the power to indemnify such person against such expense, liability, or loss under this Article.

Section 6.5. Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each indemnified person as to costs, charges, and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal administrative, or investigative, to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law. Neither the amendment nor repeal of this Article shall affect any right of protection of a person with respect to any act or omission occurring prior to the time of such repeal or modification.

CERTIFICATE OF OFFICER

I hereby certify that these Eleventh Amended and Restated Bylaws were adopted by the Board of Directors of Texas State Affordable Housing Corporation on the 19th day of March, 2024.

Rebecca DeLeon, Secretary of Texas State
Affordable Housing Corporation

Tab 5

Presentation, Discussion and Possible Approval of a Resolution to Approve Certificate of Amendment for 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 March 19, 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 TO APPROVE CERTIFICATE OF AMENDMENT FOR 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 19th day of March, 2024.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 24-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION TO APPROVE CERTIFICATE OF AMENDMENT FOR THE CORPORATION

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, there have been presented to the Corporation and its counsel certain proposed amendments to the Articles of Incorporation of the Corporation, which proposed amendments are attached hereto as Exhibit A and which are incorporated herein by reference;

WHEREAS, the Board of Directors find the proposed amendments to be satisfactory and proper and hereby determine to proceed with the execution of such document and the taking of such other actions as may be necessary and appropriate in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Texas State Affordable Housing Corporation:

Section 1. Approval, Execution and Delivery of Certificate of Amendment. That the proposed Certificate of Amendment for the Corporation as presented to the Board of Directors at the meeting at which this Resolution was considered and attached hereto as Exhibit A is hereby approved and that the proper officers of the Corporation are each hereby authorized and directed to execute such document as necessary to effectuate such approved Certificate of Amendment and to file such document with the Secretary of State of the State of Texas.

Section 2. Execution and Delivery of Other Documents. That the officers of the Corporation are each hereby authorized to consent to, accept, execute and attest such other certificates, documents, instruments, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purpose of this Resolution.

Section 3. 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 4. 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 5. Purposes of Resolution. That the Board of Directors of the Corporation has expressly determined and hereby confirms that the approval of this Resolution accomplishes a valid public purpose of the Corporation.

Section 6. Severability. Any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

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

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APPROVED AND EFFECTIVE this 19th day of March, 2024.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

EXHIBIT A

Certificate of Amendment

Form 424
(Revised 05/11)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



This space reserved for office use.

Certificate of Amendment

Entity Information

The name of the filing entity is:

TEXAS STATE AFFORDABLE HOUSING CORPORATION

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- | | |
|---|---|
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Professional Corporation |
| <input checked="" type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Professional Limited Liability Company |
| <input type="checkbox"/> Cooperative Association | <input type="checkbox"/> Professional Association |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Limited Partnership |

The file number issued to the filing entity by the secretary of state is: 131066401

The date of formation of the entity is: May 6, 1994

Amendments

1. Amended Name

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

2. Amended Registered Agent/Registered Office

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

Registered Agent
(Complete either A or B, but not both. Also complete C.)

☐ A. The registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ B. The registered agent is an individual resident of the state whose name is:

First Name	M.I.	Last Name	Suffix
------------	------	-----------	--------

The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.

C. The business address of the registered agent and the registered office address is:

Street Address (No P.O. Box)	City	TX	State	Zip Code
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3. Other Added, Altered, or Deleted Provisions

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

☐ **Add** each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

☒ **Alter** each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

Article Ten is hereby amended to read as follows:

"The Board of Directors shall consist of five directors appointed by the Governor, as set out in Government Code Section 2306.554. The address of each director of the Board of Directors is 6701 Shirley Avenue, Austin, Texas 78752. Appointments to the Board of Directors of the Corporation shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees."

☐ **Delete** each of the provisions identified below from the certificate of formation.

Statement of Approval

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

Effectiveness of Filing (Select either A, B, or C.)

- A. ☒ This document becomes effective when the document is filed by the secretary of state.
- B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____
- The following event or fact will cause the document to take effect in the manner described below:

--

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: March 19, 2024

By:

Signature of authorized person

David Long, President

Printed or typed name of authorized person (see instructions)

**AMENDED AND RESTATED CERTIFICATE OF FORMATION
OF THE
TEXAS STATE AFFORDABLE HOUSING CORPORATION**

Pursuant to the provisions of Chapter 22 of the Texas Business Organizations Code (the “TBOC”), the undersigned Texas non-profit corporation adopts the Amended and Restated Certificate of Formation set forth herein, restating the entire Certificate of Formation of the Corporation, as amended and supplemented by all certificates of amendment previously issued by the Secretary of State, and as further amended by this Amended and Restated Certificate of Formation.

1. The following amendments made by this Amended and Restated Certificate of Formation were adopted by resolution of the Board of Directors on ~~May 12, 2021~~March 19, 2024, by the vote of a majority of the directors in office and effected in conformity with the provisions of the TBOC, there being no members having voting rights:

~~An amendment to ARTICLE NINE deleting the article and substituting in its place a new ARTICLE NINE to set forth the current street address of the Corporation’s registered office;~~

An amendment to ARTICLE TEN deleting the article and substituting in its place a new ARTICLE TEN ~~setting forth the positions comprising the Board of Directors of the Corporation and setting forth the address for the Board of Directors removing names of the board members.~~

2. This Amended and Restated Certificate of Formation accurately copies the initial Certificate of Formation and all amendments thereto that are in effect to date and as further amended by this Amended and Restated Certificate of Formation and contains no other change in any provision thereof.

3. The Certificate of Formation of the Corporation is amended and restated to read as follows:

ARTICLE ONE

The name of the Corporation is Texas State Affordable Housing Corporation (the “Corporation”).

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

The period of duration of the Corporation is perpetual.

ARTICLE FOUR

The Corporation is organized and shall be operated and administered for the promotion of public health, safety and welfare as follows:

(a) The public purpose of the Corporation is to perform such 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 to perform activities and services related to this purpose and for other purposes as set forth in Chapter 2306, Subchapter Y, of the Texas Government Code (the "Government Code").

(b) The Corporation shall also perform such other functions as may be necessary or appropriate to fulfill the purpose of the Corporation.

The broadest discretion is vested in and conferred upon the Board of Directors for the accomplishment of these purposes.

ARTICLE FIVE

The Corporation's powers are as follows:

(a) The Corporation has all of the same powers as provided to the Texas Department of Housing and Community Affairs (the "Department") in the Government Code.

(b) In addition to the powers set forth in subsection (a), the Corporation has all rights and powers necessary to accomplish its public purpose, including all the powers specifically set forth for the Corporation in Chapter 2306, Subchapter Y, of the Government Code.

(c) In exercising the foregoing powers, the Corporation shall not actively compete with private lenders and shall not originate or make a loan that would be made under the same circumstances by a private lender on substantially the same or better terms within the submarket in which the loan is proposed to be made.

(d) The mortgage banking operations shall be dedicated to the furtherance of facilitating affordable housing finance primarily for the benefit of individuals and families of low, very low and extremely low income and for other persons as set forth in Chapter 2306, Subchapter Y, of the Government Code.

(e) The Corporation may contract with the Department and with bond counsel, financial advisors, underwriters, or other providers of professional or consulting services.

(f) The Corporation shall pay its expenses from any available fund without resort to the general revenues of the state, except as specifically appropriated by the legislature.

(g) The Department may not transfer any funds to the Corporation to support the administration of the Corporation or to subsidize its operations in any way. The department shall be fully compensated by the Corporation for any property or employees that are shared by the Corporation and the department, and it is the intent of the legislature that no employees be shared beyond the time at which such sharing is absolutely necessary. This subsection does not prohibit the Corporation from receiving grants, loans, or other program funds of a kind that are available to other nonprofit corporations, or from using that portion of the program funds that are allowed for administration of the program for administrative purposes.

(h) Transfers of property from the Department to the Corporation shall be fully compensated.

ARTICLE SIX

The Corporation has no members and no stock.

ARTICLE SEVEN

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Certificate of Formation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of this Certificate of Formation, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE EIGHT

All matters pertaining to the internal affairs of the Corporation shall be governed by the bylaws of the Corporation provided that such bylaws shall be consistent with this Certificate of Formation, applicable law, and any resolutions of the Board of Directors of the Corporation. Such bylaws and any amendments thereto shall be adopted by a majority vote of the Board of Directors.

ARTICLE NINE

The street address of the Corporation's registered office is 6701 Shirley Avenue, Austin, Texas 78752, and the name of its registered agent at such address is David Long.

ARTICLE TEN

The Board of Directors shall consist of five directors appointed by the Governor, as set out in Government Code Section 2306.554. The current Board of Directors is comprised of a Chair, a Vice Chair, and three directors.:

~~William Dietz, Chair~~

~~Valerie Cardenas, Vice Chair~~

~~Andy Williams, Director~~

~~Courtney Johnson-Rose, Director~~

~~Lemuel Williams, Director~~

The address of each member of each of the Board of Directors is 6701 Shirley Avenue, Austin, Texas 78752. Appointments to the Board of Directors of the corporation shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

ARTICLE ELEVEN

This Certificate of Formation may at any time and from time to time be amended in the manner provided in TBOC by affirmative vote of the Board of Directors.

ARTICLE TWELVE

The Corporation's assets are dedicated to the public purposes described in this Certificate of Formation and upon the dissolution of the Corporation, its remaining assets shall be transferred to the Texas Department of Housing and Community Affairs as directed by Section 2306.558(c) of the Texas Government Code. If named beneficiary is not qualified, or not in existence, or unwilling or unable to accept the assets, then assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the State Texas for a public purpose.

ARTICLE THIRTEEN

Directors and officers of the Corporation shall be indemnified by the Corporation to the maximum extent permitted pursuant to the TBOC, as it may be amended from time to time, or any other appropriate law in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to the Corporation or to another organization or enterprise at the Corporation's request. The liability of the directors, officers and employees of the Corporation is limited by Section 2306.561 of the Texas Government Code. Neither the amendment nor repeal of this ARTICLE THIRTEEN shall affect any right of protection of a person with respect to any act or omission occurring prior to the time of such repeal or modification. The indemnification provided by this ARTICLE THIRTEEN shall not be deemed exclusive of any other rights to which a director or officer or former director or officer may be entitled under any bylaw, agreement, insurance policy or otherwise.

ARTICLE FOURTEEN

The Corporation shall be governed by and in accordance with the provisions of the TBOC except as specifically provided otherwise under Chapter 2306, Subchapter Y of the Government Code.

EXECUTED this _____ day of _____, 2024.

TEXAS STATE AFFORDABLE HOUSING
Corporation

By: _____

Name: David Long

Title: President