

T E X A S
State Affordable Housing Corporation

February Board Meeting

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

Tuesday, February 18, 2025
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 18, 2025
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 January 29, 2025. |
| Tab 2 | Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation’s 2025 Annual Action Plan. |
| Tab 3 | 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. |
| Tab 4 | Presentation, Discussion and Possible Approval of the Request for Proposals for Asset Oversight and Compliance Software System. |
| Tab 5 | 89 th Texas Legislative Session Update. |

CLOSED MEETING:

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

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

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

Personnel Matters – Texas Government Code § 551.074

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

Other matters authorized under the Texas Government Code

ACTION ITEMS IN OPEN MEETING:

Action in Open Meeting on Items Discussed in Closed Executive Session

ANNOUNCEMENTS AND CLOSING COMMENTS**ADJOURN**

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

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

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

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

President's Report

Tab A
Homeownership Finance Report



Homeownership All Programs

January 1, 2024 to November 30, 2024

\$84.72K

Average Annual Income

\$244K

Average of Loan Amount

7.25

Average Interest Rate

687

Average Credit Score

8133

Households

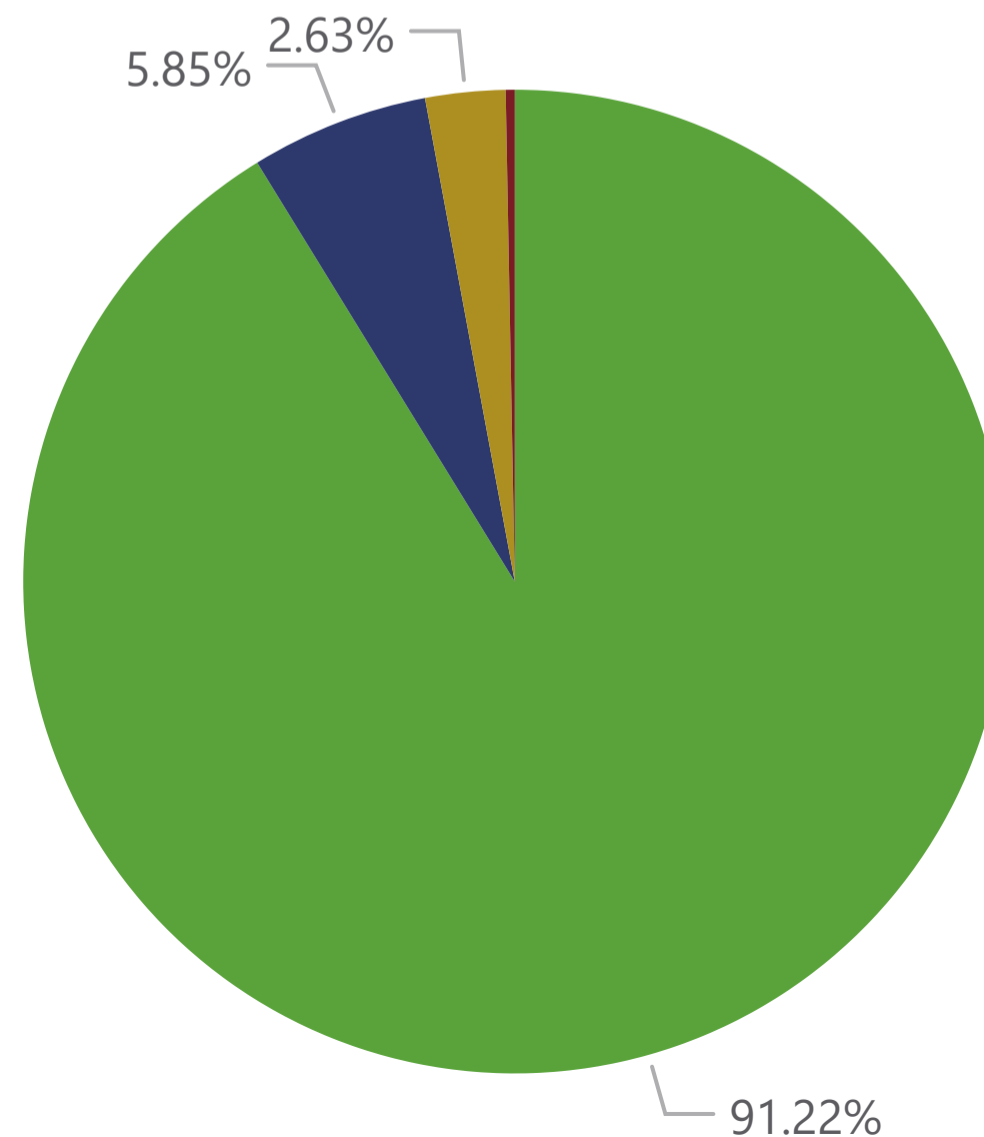
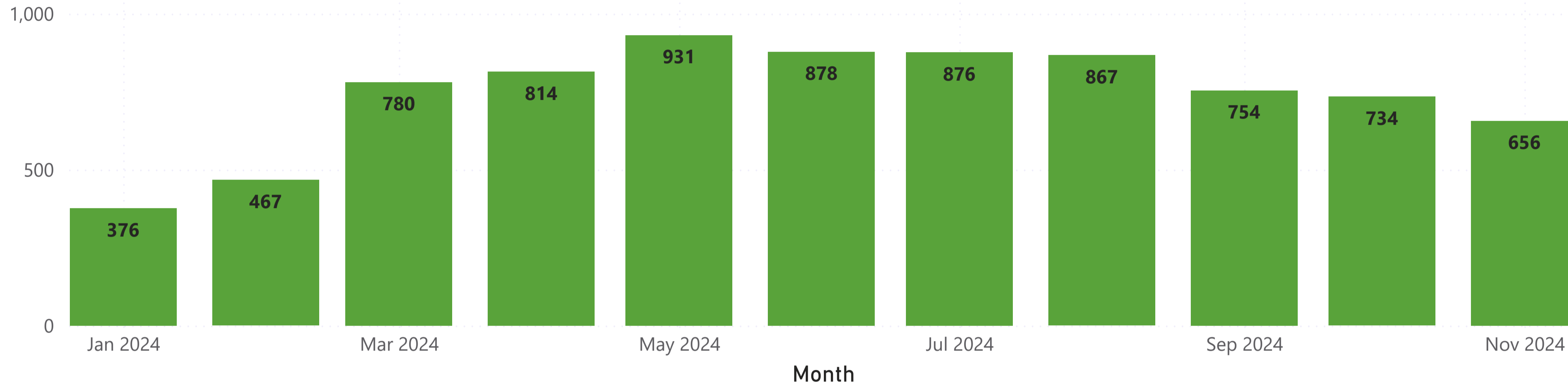
2

Average Household Size

\$2bn

Total Loan Volume \$ Amount

of Households by month



Loan Type

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



Homeownership DPA Snapshot

January 1, 2024 to November 30, 2024

\$84.73K

Average Annual Income

\$244K

Average of Loan Amount

7.253

Average Interest Rate

687

Average Credit Score

8129

Households

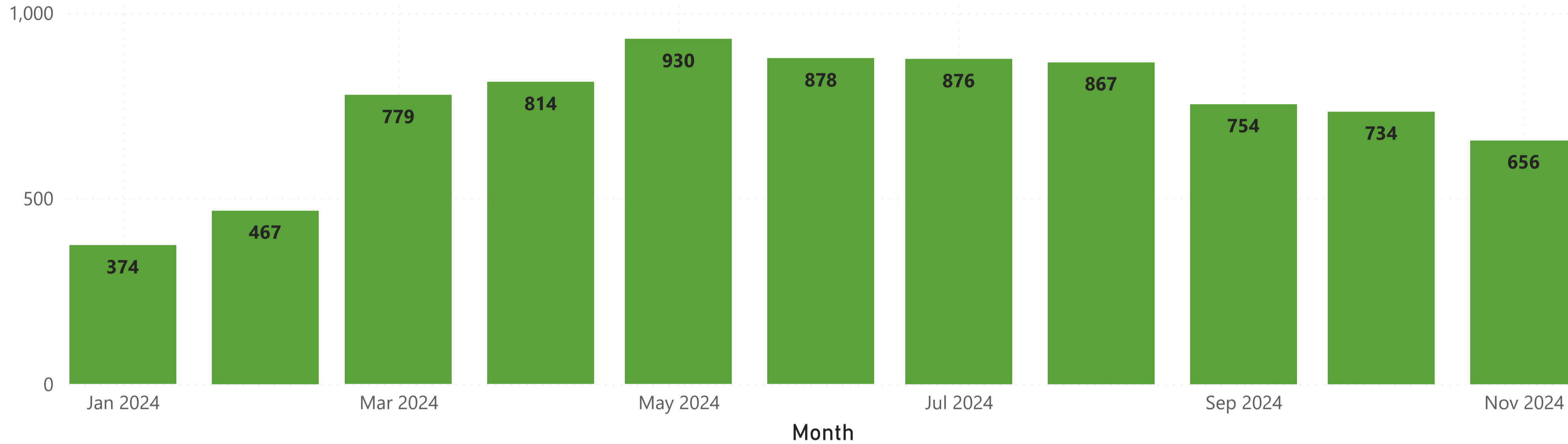
2

Average Household Size

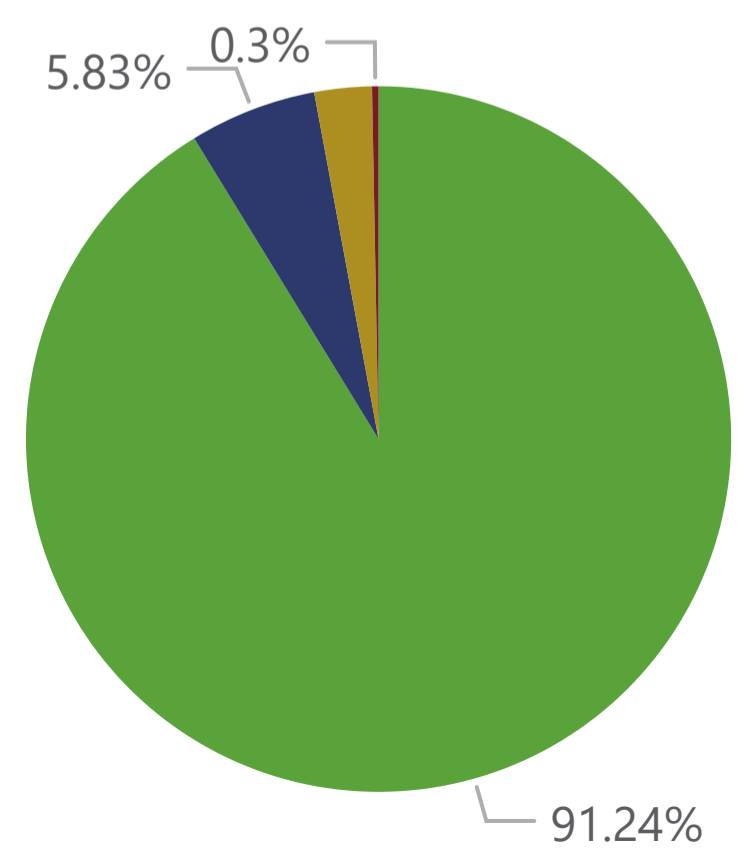
\$2bn

Total Loan Volume \$ Amount

of Households by month



- Loan Type**
- FHA - Purchase
 - Conv. - Purch.
 - VA - Purchase
 - USDA-RHS Purch.



\$8,873

Average DPA Awarded

\$71,688,413

Total DPA Awarded



Homeownership MCC Snapshot

January 1, 2024 to November 30, 2024

\$75.08K

Average Annual Income

\$244K

Average of Loan Amount

7.11

Average Interest Rate

690

Average Credit Score

719

Households

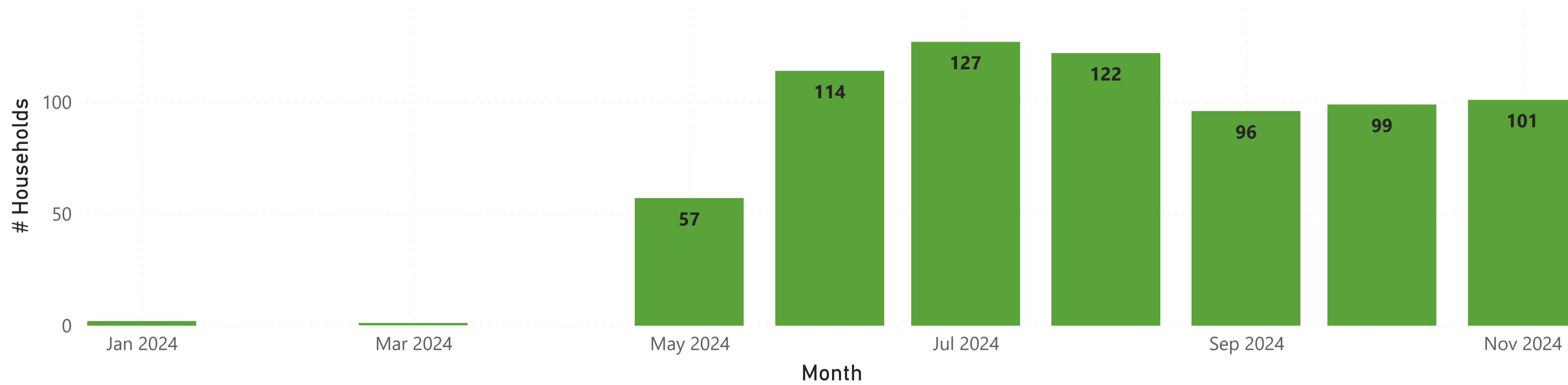
2

Average Household Size

\$175M

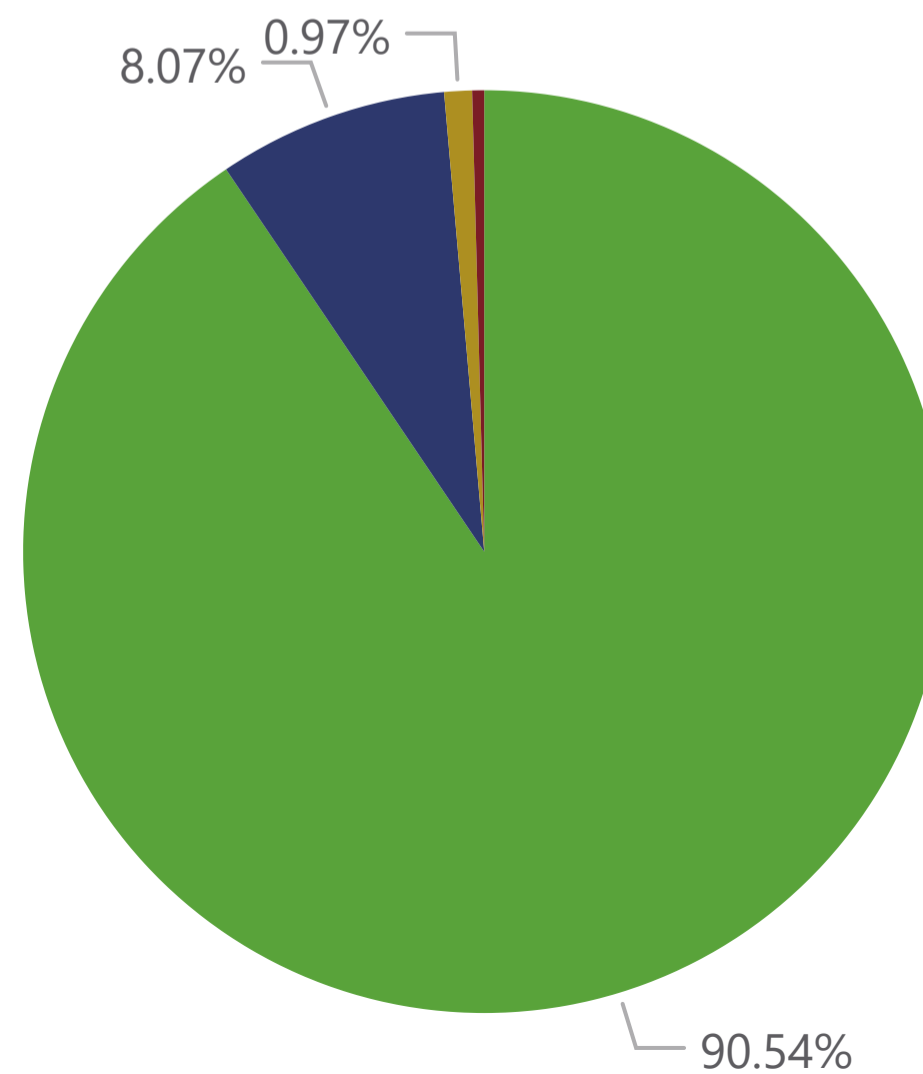
Total Loan Volume \$ Amount

of MCC by Month



Loan Type

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





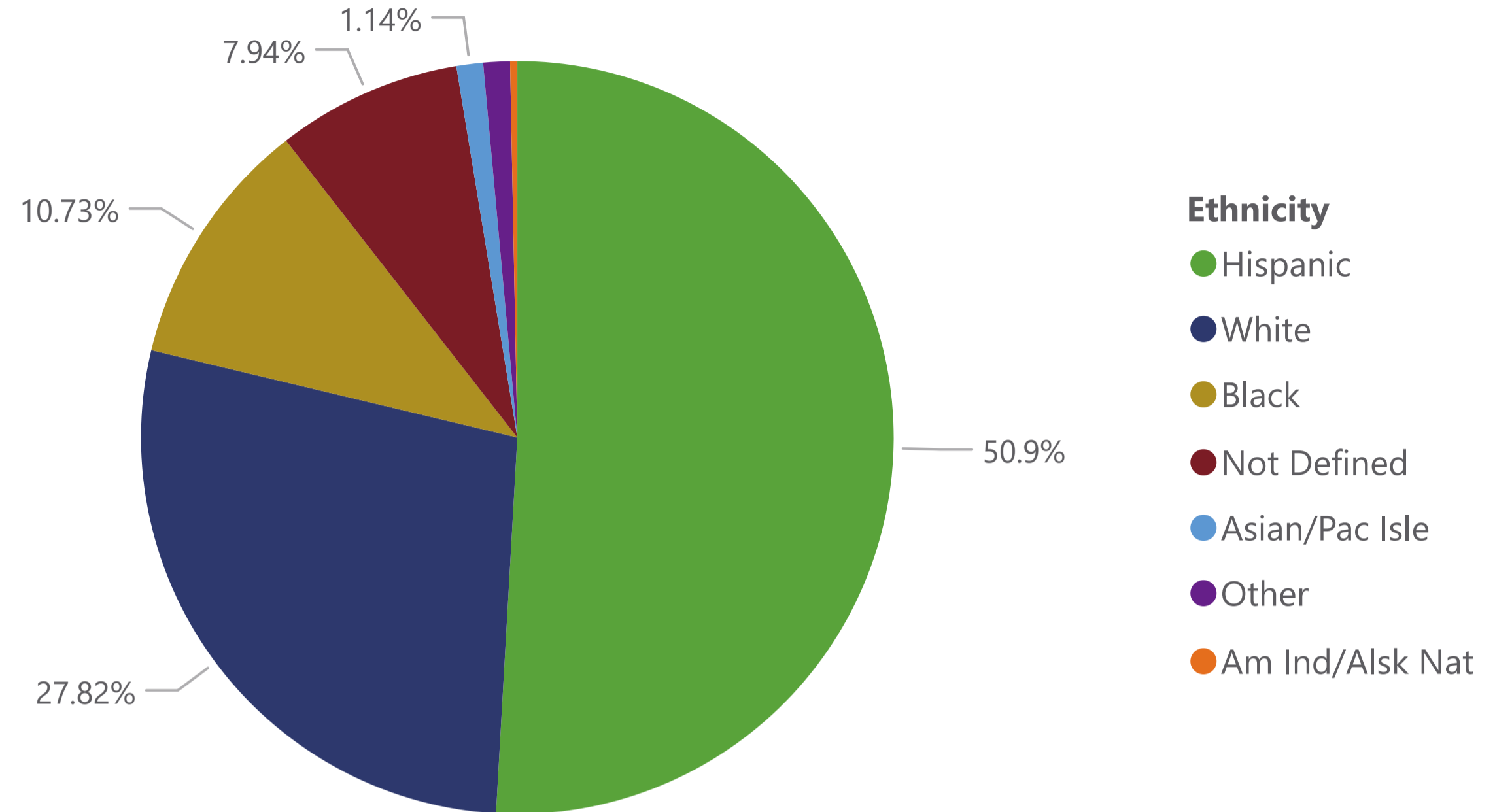
Homeownership All Programs

January 1, 2024 to November 30, 2024

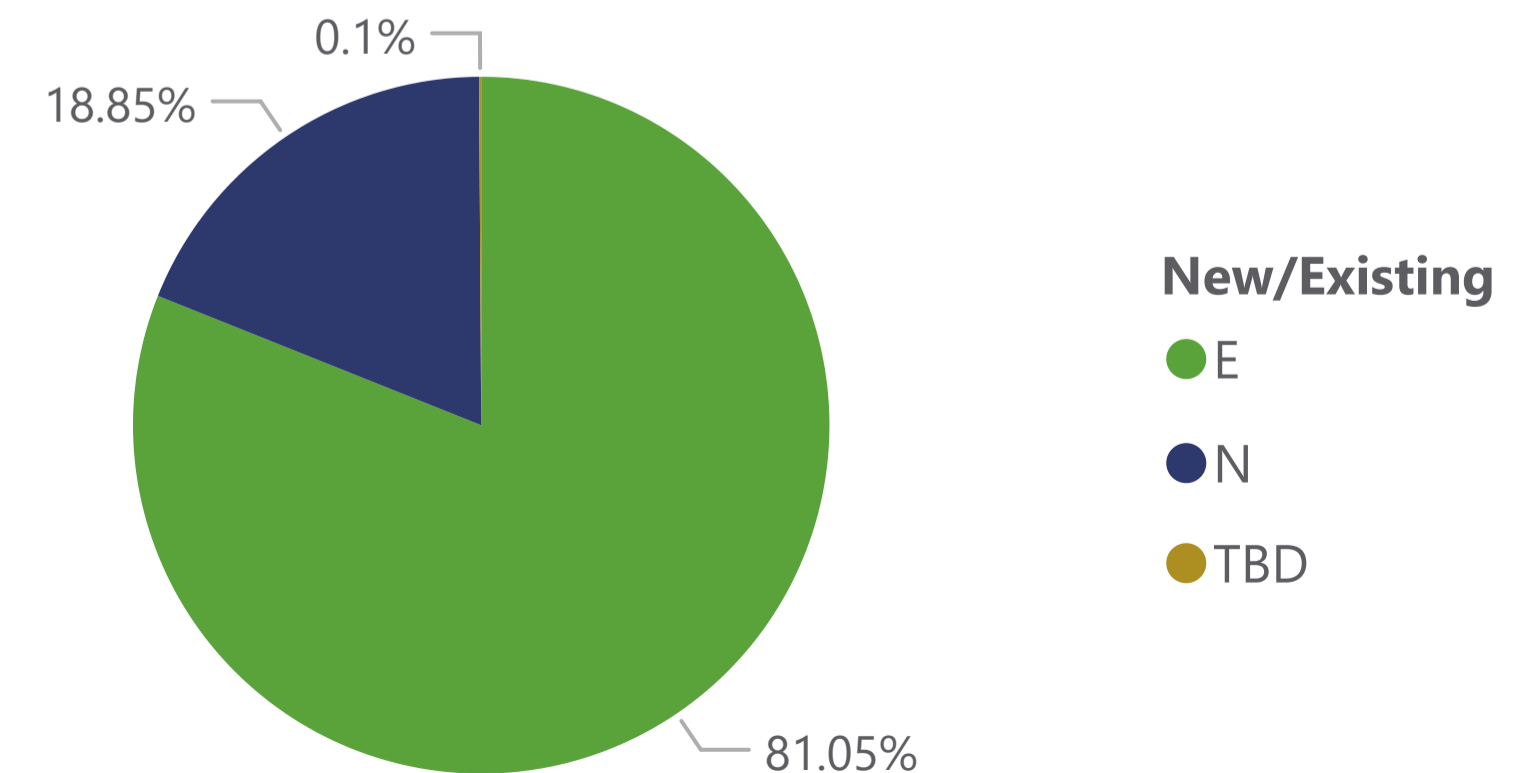
Professions

Occupation	# of Loans	% of Total
Other		89.16%
Teacher		5.29%
Prof Nurse Fac		2.56%
Peace Officer		0.74%
Fire Fighter		0.66%
Veteran		0.44%
Corrections Off		0.28%
EMS Personnel		0.27%
County Jailer		0.14%
Active Military		0.11%
Sch Counselor		0.10%
Allied Hlth Fac		0.09%
Public Sec Off		0.06%
Teacher Aide		0.06%
Librarian		0.02%
Sch Librarian		0.01%
School Nurse		0.01%
Total		100.00%

Household Ethnicity



New/Existing Home





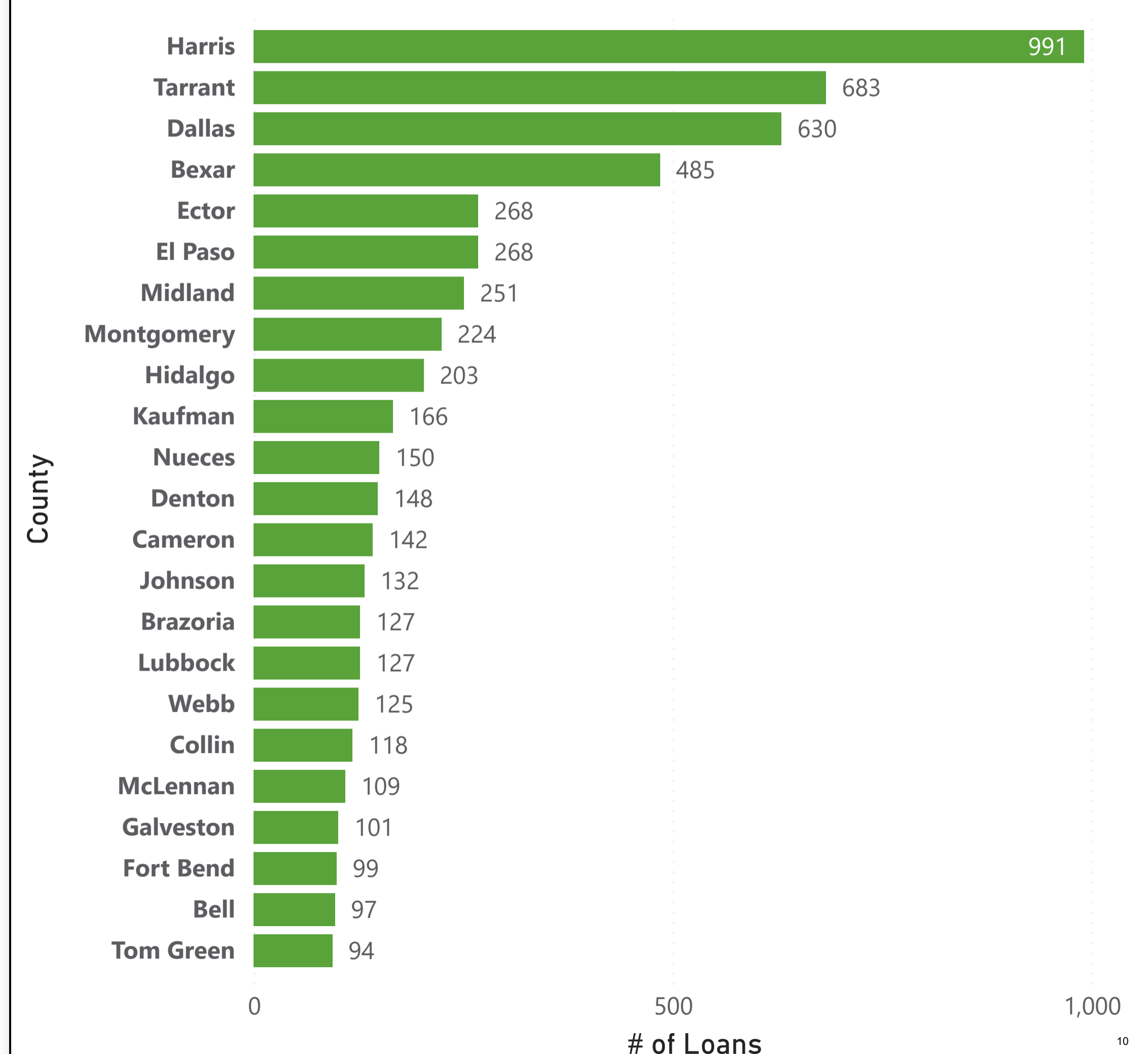
Homeownership All Programs

January 1, 2024 to November 30, 2024

Top Lenders

Top Lenders	# of Loans
Everett Financial, Inc.	594
Fairway Independent Mortgage Corporation	508
CMG Mortgage, Inc.	410
PrimeLending, A PlainsCapital Company	330
American Portfolio Mortgage Corporation	289
CrossCountry Mortgage, LLC	289
Guaranteed Rate, Inc.	278
Guild Mortgage Company LLC	255
SFMC, LP	235
Gateway First Bank	207
Mortgage Financial Services, LLC	203
SecurityNational Mortgage Company	201
Highlands Residential Mortgage, Ltd.	200
Right Start Mortgage, Inc.	171
Nations Reliable Lending, LLC	160
Cardinal Financial Company, Limited Partnership	157
loanDepot.com, LLC	148
New American Funding, LLC	142
Total	8,133

Top Originating Counties



Tab B
Development Finance Report

Affordable Communities of Texas Program (ACT)

This month, staff are gearing up for the construction completion and lease up at the Park on 14th (Plano). Our partner, Diana McIver and Associates, is taking the lead on final inspections and Accolade Property Management is heading up leasing and operation. A certificate of occupancy is anticipated later this month.

Similarly, Juniper Creek (Austin) is expecting its certificate of occupancy by April with pre-leasing in March. The remaining construction includes the finish out of the community space and electrical meter inspections.

Other TSAHC joint venture projects, Cairn Point Montopolis (Austin) and Boulevard 61 (Houston), are working towards closings and construction starts. Boulevard 61 anticipates closing construction financing in late February. Cairn Point Montopolis is timing a March closing and construction start. Both projects have received TSAHC board approvals.

Staff are making a change to the way we calculate unit counts in the table below. Previously, we included units that were in our pipeline for acquisition, prior to closing. However, while preparing data for this year’s Annual Action Plan, staff noted that we do not provide that data for that report. Therefore, we’ve decided to harmonize the reporting standard and only report on units in properties that are closed and owned by TSAHC. Here is the updated portfolio summary:

Program	Portfolio as of Jan. 1, 2025	Transferred	Sold	Portfolio as of Feb. 1, 2025	Current Portfolio Value
ACT Land Bank Units	54		0	54	\$2,022,387.60
ACT Joint Venture (MF Unit Count)	172			172	\$3,400,000.00
Totals	226			226	\$5,422,387.60

Our current pipeline report:

- 11 properties listed for sale
- 4 properties under construction
- 11 properties pending acquisition
- 18 properties in predevelopment
- 1 property searching for a Local Partner

Texas Housing Impact Fund (THIF)

Staff are working to close a \$300,000 AHP loan for the De Lara Chase rehab project (Fort Worth) by the end of February. This closing and funding will complete the disbursement of AHP loan funds to the 2024 awardees.

Staff celebrated the grand opening of Manor Town Phase II (Manor). In January of 2021, TSAHC awarded the Housing Authority of Travis County with a \$225,000 deferred forgivable AHP loan in exchange for a three-unit set-aside for LTSS households. The grand opening event was held on February 5th.

Multifamily Bond Program

Our two approved bond transactions from the 2025 application round continue to make slow, but steady progress. The Bloom at Lamar Square has already received a reservation of bond volume cap and continues to seek additional grants and financing sources. The Eden Gardens project is working through early-stage due diligence, like site plan approvals and financing applications. The developers plan to request their reservation of bond volume cap later this spring.

Due to rapid changes in both rental housing and financing markets, TSAHC continues to have approximately \$53 million in bond volume cap for this year. Staff have spoken with two potential applicants in the past month, but no applications have been received.

Tab C
Monthly Financial Reports

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited) As of December 31, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 4,054,552
Pooled investments	20,348,533
Restricted assets:	
Cash and cash equivalents	6,012,161
Accrued interest	240,886
Investments, at fair value	7,120,665
Accounts receivable and accrued revenue	92,347
Accrued interest receivable	180,009
Loans receivable, current portion	39,856
Notes receivable, current portion	127,414,557
Lease Receivable, Current Portion	115,683
Downpayment assistance, current portion	428,739
Prepaid expenses	154,530
	<hr/>
Total current assets	166,202,518

Noncurrent assets:

Loans receivable, net of uncollectible amounts of \$2,409	139,448
Notes receivable, net of allowance for loss \$566,106	91,627,333
Lease Receivable	-
Investments, at fair market value	20,561,543
Mortgage servicing rights, net of accumulated amortization of \$2,675,379	52,683
Capital assets, net of accumulated depreciation of \$1,370,742	5,514,086
Owned real estate, net of depreciation of \$2,907,008	26,029,578
Downpayment assistance	4,658,769
Restricted investments held by bond trustee, at fair market value	146,272,732
	<hr/>
Total noncurrent assets	294,856,172

Total assets	\$ 461,058,690
--------------	----------------

(continued)

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited) As of December 31, 2024

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$	582,720
Notes payable, current portion		500,000
Custodial reserve funds		141,322
Other current liabilities		289,704
Payable from restricted assets held by bond trustee:		
Revenue bonds payable, current portion		1,305,000
Accrued interest on revenue bonds		2,436,875

Total current liabilities 5,255,621

Noncurrent liabilities:

Notes payable		750,000
Revenue bonds payable		152,514,263
Unearned revenue		165,354

Total noncurrent liabilities 153,429,617

Total liabilities 158,685,238

Deferred Inflows of Resources

Deferred revenue 212,564

Total deferred inflows of resources 212,564

Net Position

Invested in capital assets		5,514,086
Restricted for:		
Debt service		(19,313)
Other purposes		1,234,239
Unrestricted		295,431,876

Total net position 302,160,888

Total liabilities and net position \$ 461,058,690

Texas State Affordable Housing Corporation

Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 4 Months Ending December 31, 2024

Operating Revenues:	
Interest and investment income	\$ 3,405,842
Net increase (decrease) in fair value of investments	(1,418,015)
Single family income	23,488,603
Asset oversight and compliance fees	116,310
Rental program income	420,435
Multifamily income	161,071
Land bank income	23,327
Public support:	
Federal & state grants	955,400
Contributions	45,836
Other operating revenue	<u>5,506</u>
Total operating revenues	\$ <u>27,204,315</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 2,384,085
Program and loan administration	1,144,417
Texas Foundation Fund & miscellaneous grants	68,287
Salaries, wages and payroll related costs	1,565,127
Professional fees and services	155,640
Depreciation and amortization	47,139,460
Office expense and maintenance	66,479
Travel and meals	51,870
Other operating expenses	<u>299,395</u>
Total operating expenses	<u>52,874,760</u>
Net income/(Net loss)	(25,670,445)
Total net position, beginning	<u>327,831,333</u>
Total net position, ending	\$ <u><u>302,160,888</u></u>

Texas State Affordable Housing Corporation
Budget Report
December 31, 2024

	Annual Budget	Actual	Percent of Annual Budget
Revenue			
Single Family Program Revenue	9,357,000	3,919,742	41.89%
Lending Program Revenue	7,163,000	345,061	4.82% ①
Multifamily Program Revenue	1,187,000	98,277	8.28% ②
Rental Program Revenue	2,604,000	447,560	17.19%
Federal & State Grants	3,056,000	748,369	24.49%
Grants, Donations & Other Awards	275,000	45,836	16.67%
Land Bank Revenue	3,388,000	392,434	11.58%
Servicing Revenue	47,000	14,619	31.10%
Investment Revenue	1,950,000	777,071	39.85%
Total Revenue	29,027,000	6,788,969	23.39%
Expenditures			
Texas Housing Impact Fund	11,040,000	2,444,994	22.15%
Affordable Communities of Texas	4,591,000	272,736	5.94% ③
Other Program Expenditures	4,365,000	881,353	20.19%
Salaries & Payroll Related Expenditures	4,900,000	1,565,127	31.94%
Grants	1,536,000	78,245	5.09% ④
Principal & Interest on Notes Payable	533,000	5,000	0.94% ⑤
Professional Services	934,000	155,640	16.66%
Marketing	249,000	42,566	17.09%
Insurance	351,000	106,699	30.40%
Travel & Meals	160,000	51,870	32.42%
Furniture, Equipment, & Software	54,000	11,960	22.15%
Building Maintenance	105,000	29,124	27.74%
Professional Dues, Conferences & Training	47,000	24,393	51.90%
Sponsorships	30,000	7,500	25.00%
Communication	20,000	6,153	30.77%
Publications, Subscriptions & Other Office I	28,000	12,223	43.65%
Freight, Delivery, Postage	9,000	3,108	34.53%
Printing & Office Supplies	4,000	2,388	59.70%
Total Expenditures	28,956,000	5,701,079	19.69%
Excess Revenues Over Expenditures	71,000	1,087,890	12.92%

Average Expected Percent Received/Expended = 33.33%

Texas State Affordable Housing Corporation
Budget Report
December 31, 2024

Explanations

- ① Lending Program Revenue appears lower than expected due to the timing of contractual loan payments from various borrowers. We expect this line item to be on budget by year end.
- ② Multifamily Program Revenue also appears under budget due to the timing of contractual payments of multifamily issuer fees. These fees will begin to come in during January and will continue through the remainder of the year. We expect this line item to be on budget by year end.
- ③ Affordable Communities of Texas represents the Corporation's Land Banking activities. The budget is based on projected land bank acquisitions which have not yet occurred.
- ④ The grant line item represents expenditures related to the Texas Foundation Fund which only recently kicked off. We expect this line item to be on budget by year end.
- ⑤ Expenditures of principal and interest are based on contractual agreements requiring payments on specific dates throughout the year. This line item will be on budget by year end.

Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on January 29, 2025.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING**

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

**January 29, 2025
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 10:32 a.m., on January 29, 2025, at the offices of Texas State Affordable Housing Corporation, 6701 Shirley Avenue, Austin, TX 78752. Roll Call certified that a quorum was present.

Members Present:

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

Guests Present:

Blake Roberts, PFM
Dan Kardish, PFM
Natalee Ball, Coats Rose

President’s Report

David Long, President

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on December 17, 2024.

Mr. Rassin made a motion to approve the minutes of the Board meeting held December 17, 2024. Mr. Williams 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 15 in the official transcript.

Tab 2 Presentation, Discussion and Possible Approval of a Resolution Authorizing the Texas State Affordable Housing Corporation to close the financing of Cairn Point Montopolis located in Austin, Texas, including creating entities, negotiating finance documents, and obtaining debt financing and equity investment in the Project.

Presented by Dave Danenfelzer, Senior Director, Development Finance

Mr. Williams made a motion to approve a Resolution Authorizing the Texas State Affordable Housing Corporation to close the financing of Cairn Point Montopolis located in Austin, Texas, including creating entities, negotiating finance documents, and obtaining debt financing and equity investment in the Project. Ms. Cardenas 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 16 in the official transcript.

Tab 3 Presentation, Discussion and Possible Approval of the 2025 Texas Foundations Fund Guidelines.

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

Ms. Cardenas made a motion to approve the 2025 Texas Foundations Fund Guidelines. Mr. Williams seconded the motion. Mr. Dietz asked for public comment, and none were given. A vote was taken and the motion was approved as presented.

See page 21 in the official transcript.

Tab 4 Presentation, Discussion and Possible Approval of a Resolution authorizing the Texas State Affordable Housing Corporation to review, approve, and award grants and appropriate amounts from the Texas Foundations Fund for eligible purposes to qualified applicants pursuant to the Texas Foundations Fund annual guidelines approved by the Board of Directors of the Texas State Affordable Housing Corporation for such fiscal year.

Presented by Michael Wilt, Senior Manager, External Relations

Ms. Cardenas made a motion to approve a Resolution authorizing the Texas State Affordable Housing Corporation to review, approve, and award grants and appropriate amounts from the Texas Foundations Fund for eligible purposes to qualified applicants pursuant to the Texas Foundations Fund annual guidelines approved by the Board of Directors of the Texas State Affordable Housing Corporation for such fiscal year. 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 26 in the official transcript.

Tab 5 Presentation, Discussion and Possible Approval of the Request for Proposals for Single-Family Programs Counsel for the Corporation.

Presented by Joniel LeVecque, Senior Director of Single Family Programs and Janie Taylor, Executive Vice President

Ms. Cardenas made a motion to approve the Request for Proposals for Single-Family Programs Counsel for the Corporation. Mr. Williams 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 30 in the official transcript.

Tab 6 Presentation, Discussion and Possible Approval of the Request for Proposals for Financial Advisor Services for the Corporation.

Presented by Michael Wilt, Senior Manager, External Relations

Mr. Williams made a motion to approve the Request for Proposals for Financial Advisor Services for the Corporation. 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 39 in the official transcript.

Tab 7 Presentation, Discussion and Possible Approval of the Request for Proposals for Website Redesign Services for the Corporation.

Presented by Katie Claflin, Senior Director, Communications & Development

Mr. Williams made a motion to approve the Request for Proposals for Website Redesign Services for the Corporation. Ms. Cardenas 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 42 in the official transcript.

Announcements

Mr. Long and the Board Members tentatively scheduled the next Board Meeting for February 18, at 10:30am.

Adjournment

Mr. Dietz adjourned the meeting at 11:28 p.m.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's 2025 Annual Action Plan.



**TEXAS STATE AFFORDABLE HOUSING CORPORATION
2025 ANNUAL ACTION PLAN**

TEXAS STATE AFFORDABLE HOUSING CORPORATION 2025 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. 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 \$4.08 billion in single family bonding authority and approximately \$1.82 billion in multifamily private activity bonds.¹ 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

¹ 2024 TSAHC bond activity includes the closing of \$80,000,000 in Mortgage Revenue Bonds and \$21,500,000 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, Including Affordable Housing Partnership
- 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

In 2024, TSAHC updated our mission and vision statements to guide our programs and services and better represent who we are as an organization. TSAHC's new 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 new vision that every Texan will have a place to call home.

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 financial times.

TSAHC's objective in 2025 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 median household wealth of a homeowner is \$396,200 while the average wealth of a renter is \$10,400.²

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.³³

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.

² Source: "Changes in U.S. Family Finances from 2019 to 2022," Federal Reserve Board, <https://www.federalreserve.gov/publications/files/scf23.pdf> October 2023

³ 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.⁴

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.⁵

Additionally, the median home price in Texas remains at very high levels at \$337,698 as of September 2024. That's up from \$333,000 in October 2023, showing a slight increase in sales prices over the past year. For context, the median home price in Texas was \$330,490 at the end of 2022 and \$320,900 at the end of 2021.⁶ Home values in Texas continue to escalate 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 2021.⁷

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. Homebuyer education is a program requirement as well (explained more below). The programs are accessible to eligible borrowers by directly contacting a participating mortgage lender.

⁴ 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

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

⁶ Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed November 22, 2024.

⁷ 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 2024.

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 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 was previously available either as a stand-alone MCC issuance or an issuance that is combined with DPA. Unlike TSAHC's down payment assistance programs, the MCC program is subject to funding availability. Recently, there have been some disruptions to MCC availability because of limited funding. In November 2023, TSAHC temporarily suspended the MCC program in response to limited bond funding availability.

In April 2024, TSAHC relaunched the MCC program in combination with down payment assistance options. Texas home buyers can access an MCC credit rate of 15% to save money on their income taxes each year for the life of their mortgage loan. The standalone MCC product remains suspended for the foreseeable future.

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.⁸ The providers listed are generally nonprofit organizations or government entities who are either HUD-approved or certified to provide home buyer education.

⁸ Texas Financial Toolbox, <http://www.texasfinancialtoolbox.com/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.⁹

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.

2024 Homeownership Programs Activity Synopsis

In 2024, TSAHC’s home buyer programs helped 8,725 households with their home purchase through down payment assistance, an MCC, or both. In comparison, TSAHC assisted 11,219 households in 2023, 10,420 households in 2022 and 22,726 households in 2021. To date, TSAHC has served nearly 119,500 households under our homeownership programs.

2025 Implementation Plan

As the home buying market remains cool during an uncertain 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 2025, 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 10 of these classes in 2024, reaching roughly 1,750 REALTORS®.

In 2025, 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 38 episodes¹⁰ dedicated to home buying issues, homeownership topics and other housing industry related content. In 2025, we will continue producing podcast segments and holding Facebook live events. TSAHC also plans to redesign its website in 2025 to better communicate our programs and educational resources to lenders, REALTORS® and

⁹ Source: Evidence Matters, “The Evidence on Homeownership Education and Counseling,” Spring 2016

¹⁰ <https://www.buzzsprout.com/1048519>

home buyers. We will continue to explore other ways to promote our programs through social media and other communications channels.

In 2025, TSAHC will also continue to work alongside a network of partners as part of the Harris County Homeownership Collaborative (HCHC) to create new Black, Indigenous, and people of color (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) 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 Calculator¹¹ 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.

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

¹¹ <http://www.texasfinancialtoolbox.com/mortgage-calculator>

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.

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 America, a congressionally chartered nonprofit organization that supports community development across the country. In 2024, we offered the following courses: (1) Foreclosure Basics for Homeownership Counselors, and (2) Budget Basics: Decoding the Mysteries of the Pro Forma.

In 2024, 43 housing professionals representing 26 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. The training workshop was generously hosted by the Federal Reserve Bank of Dallas at their San Antonio location.

To date, 874 individuals representing 387 organizations across Texas have attended trainings provided by TSAHC through either TSHEP (2012-2017) or Housing Connection (2018-2024). Additionally, TSAHC has provided more than \$160,000 in hotel scholarships to participants.

2025 Implementation Plan

In 2025, 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. Thanks to a generous grant from the Mortgage Grant Fund, TSAHC plans on offering NeighborWorks America's HO229 Homebuyer Education Methods: Training the Trainer 5-day course in the coming year. 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 298 single family homes and 4,646 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 and limited to serving tenants with complex health needs)

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 \$396,200 while the average household wealth of a renter is \$10,400.

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 September 2024, the median home price in Texas was \$337,698.¹² While home prices have only risen slightly in the past year statewide, they grew the most in urban areas like San Antonio by 2.9% (median home price of \$307,363) and in Houston by 1.3% (\$337,651).¹³

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 2024, TSAHC approved a THIF line of credit to construct 5 homes for low- to moderate-income home buyers in Southeast Texas.

¹² Source: <https://trerc.tamu.edu/article/texas-housing-insight/>, accessed November 22, 2024.

¹³ Source: <https://trerc.tamu.edu/article/texas-housing-insight/>, accessed November 22, 2024.

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 2024, TSAHC provided THIF financing to help rehabilitate or build 833 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 Bexar, Dallas, Harris, and Travis counties to subsidize the construction of affordable, accessible, and community-integrated units designated for residents with long-term health needs.

In 2024, TSAHC approved 4 loans specifically to support the construction of 17 rental units in Tarrant, Bexar and Harris Counties.

Texas Housing Impact Fund Loan Production

Loan Production	2024	2003 - 2023
Loans Approved	6	63
# of Single Family Homes Built or Under Construction	2	293
# of Rental Units	833	3,775
Amount of Loan Funds Approved	\$6,475,964 ¹⁴	\$45,756,489

2025 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 2025 as staff is currently reviewing multiple applications for developments around Texas.

In 2025, 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.

¹⁴ 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 Anacua Village, Live Oak Village, Jericho Village, Houston at Ella Boulevard, Palladium at Oak Grove, and Palladium Crestway.

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 37 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.

Over its history, TSAHC has acquired 609 properties through the ACT program and has created 620 homes and 172 rental units created through our ACT Joint Venture program for extremely low, very low, low, and moderate-income Texans. The ACT Program has a current portfolio of 62 lots and homes, and there are two active components of the program distinguished by source of funding and targeted use of properties¹⁵:

- 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

Program/Initiative	Acquisitions 2024	Sales 2024	Current Portfolio	Current Asset Value
ACT Land Banking / Land Trust	1	5	62	\$5,422,387

2025 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

¹⁵ 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.

local and regional governments where possible.

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 are close to completing a multifamily rental development in Plano, Texas that is part of our ACT land trust. We also plan to redevelop 1910 E. MLK in Austin, formerly an office building, into 23 affordable homeownership units. TSAHC is currently lining up financing sources and development partners and anticipates breaking ground in summer 2025.

TSAHC continues to explore the implementation of additional 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) 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 2024, 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 2024, TSAHC closed on \$16,500,000 in multifamily PABs to construct or rehabilitate 104 affordable rental units in Central Texas.¹⁶

2025 Implementation Plan

TSAHC anticipates continued interest and growth in our PAB program due to the high number of affordable housing units needed to meet statewide demand. For example, the most recent research conducted by the National Low Income Housing Coalition found that, in Texas, there are only 45 units that are affordable for every 100 households that earn 50% or less of the average median income.¹⁷

¹⁶ The development that received funding through our PAB program is Burses Studios.

¹⁷ Source: "The Gap: A Shortage of Affordable Homes," The National Low Income Housing Coalition, March 2024

The demand for affordable housing 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 2025 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 developments continues to be a 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 provide ongoing safe, quality affordable housing to their residents.

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 four years. For both types of reviews, TSAHC requires property management agents to provide property reports. For virtual reviews, we also require photos of the property.

In 2024, TSAHC performed asset oversight reviews for 46 properties, totaling 6,414 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 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 2024, TSAHC performed compliance reviews for 45 properties, totaling 6,478 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 2025.

2025 Implementation Plan

In 2025, 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 steadily remained high, primarily due to inflation and high rental rates. The average monthly rent was \$1,703 as of July 2024,¹⁸ 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, 10 in the DFW metroplex, and 22 in Flint, Texas.

¹⁸ Source: <https://www.rentcafe.com/average-rent-market-trends/us/tx/austin/>, accessed November 22, 2024

Combined, the Single-Family Rental Program now provides 63 rental homes across Flint and the Austin, San Antonio, and Dallas-Fort Worth MSAs.

2025 Implementation Plan

TSAHC does not intend to expand this program in 2025. We will instead focus our 2025 activities on maintaining our existing rental portfolio and replacing four homes that have aged out of our portfolio guidelines. TSAHC will also explore how to offer homeownership opportunities to tenants who are interested in purchasing a home in the future.

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 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.¹⁹ 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

¹⁹ Source: https://housingworksAustin.org/wp-content/uploads/2023/06/District01_2022_v04_062723.pdf, accessed November 21, 2024

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 over \$10.3 million 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.
- 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.

2022-2024 Funding Cycles

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.

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.

The 2024 round of TFF had similar eligibility and threshold criteria to the 2022 and 2023 rounds but incorporated a change that allowed any household earning at or below 50% area median income to receive services from organizations funded through TFF. A total of 87 organizations applied for funding in 2024, and staff determined that 82 applicants were eligible for funding. TSAHC sent out \$1,246,000 in grant funding to these 82 grantees. Awards ranged from \$10,000 to \$25,000 based on organizational budget size.

2025 Implementation Plan

In 2025, we intend to open the application window closer towards the beginning of the calendar year, rather than in mid-April. This change is based on feedback we received from grantees as well as an internal decision to make the program more administratively efficient. TSAHC plans to accept grant applications on a rolling basis in 2025, accepting applicants until funding runs out.

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.²⁰ 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.

Texas Foundations Fund – Disaster Recovery

These twin natural disaster catastrophes motivated us to create a standing program within TFF that is earmarked specifically for disaster recovery activities. That way funds can 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.

The FY2024 Disaster Recovery guidelines adopted the same eligibility criteria from FY2023. Two disaster recovery grant awards were made during FY2024, providing a total of \$55,000 in relief funding to two nonprofit organizations providing critical repairs for flooding in Hill, Jasper, and Newton Counties. A total of \$250,000 was made available for FY2024, and the unused funds were once again re-allocated to the annual grants provided through TFF.

2025 Implementation Plan

TSAHC’s Board of Directors approved the FY2025 Disaster Recovery Guidelines in October 2024. There were some minor modifications to the guidelines, but it essentially will operate as it did

²⁰ These numbers reflect grantee reports received through December 31, 2021.

in its first year. Total grant funding available for the program is \$250,000, and the maximum award for an organization is \$30,000. The most significant change to the FY2025 guidelines is that unutilized funding will roll over in summer 2025 within the Disaster Recovery program to be utilized for disaster relief in future years.

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.

In 2024, TSAHC and CSH selected six development teams to participate in another hybrid Institute, which began with a three-day kickoff event in Austin as a welcome to teams from Austin, Brownsville, Dallas, Denton, Marshall, and San Antonio. These six teams intend to create 529 units of permanent supportive housing with the support and information gained from the 2024 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.

2025 Implementation Plan

TSAHC intends to host our second Permanent Supportive Housing Symposium in November 2025. Going forward, TSAHC plans to host full Institutes in even numbered years and Symposiums in odd numbered years. Together, these training opportunities will work together to provide continuing education to PSH developers while also developing a pipeline of projects for future Institutes.

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 awarded THN with a two-year grant to support a data collection system to better connect Texans experiencing homelessness to necessary services and renewed this support 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 extended into and were finalized in 2024.

In 2024, TSAHC began the Request for Proposals process to identify and contract with a consulting professional for the development of a housing revitalization plan that includes a comprehensive housing needs assessment of communities impacted by the NHHIP. TSAHC intends to execute a contract with a consultant by the end of December 2024, allowing the revitalization planning to begin in 2025.

Tab 3

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 18, 2025, 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
Lemuel Williams	Director
David Rassin	Director
Ernest Richards	Director

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

<u>Name</u>	<u>Office</u>
David Long	President
Janie Taylor	Executive Vice President
Melinda Smith	Chief Financial Officer and Treasurer
Rebecca DeLeon	Secretary
Cynthia Gonzales	Assistant Secretary

All Board members were present except _____, thus constituting a quorum. All of the officers of the Corporation (except the Secretary) were present at the meeting.

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

“RESOLUTION NO. 25-__

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 18th day of February 2025.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 25-__

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 18th day of February 2025.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William Dietz, Jr., Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

Tab 4

Presentation, Discussion and Possible Approval of the Request for Proposals for Asset Oversight and Compliance Software System.



Request for Proposals – Development of a Web-based Compliance System

I. Summary

The Texas State Affordable Housing Corporation (“TSAHC”) seeks proposals from qualified vendors to develop and implement a web-based Asset Oversight and Compliance Online System ("Compliance System") to replace the current system built on Expression Engine CMS. We have reached a point where the current Compliance System no longer provides the capabilities and flexibility to effectively manage the rapid changes in TSAHC’s programs, preferences, and workload demands. This system must replace the current platform and enhance overall operational efficiency through:

- A user-friendly Customer Portal
- Comprehensive Document Management
- Advanced Data Management and Testing
- Seamless Compliance System Integration
- Automated Workflow Management
- Customizable User Notifications

The new Compliance System architecture must support future upgrades without requiring a new complete system overhaul, ensuring long-term sustainability in multifamily program compliance management. The System must be built on a platform with long-term viability and support.

II. Timeline

TSAHC will accept responses until **5:00 PM CST on Friday, March 28, 2025**. TSAHC retains the right to extend the submission deadline and selection period depending on responses to the RFP.

This RFP does not commit TSAHC to award a contract to any entity that responds (“Respondent”) or to pay any costs incurred in the preparation or mailing of a Respondent’s Response (“Response”) or in participating in this RFP process. In addition, TSAHC reserves the right to accept or reject any or all responses received as a result of this RFP, to obtain information concerning any or all Respondents from all sources, and to request a virtual presentation from any or all Respondents. In addition, TSAHC

expressly reserves the right to negotiate with some, all, or none of the Respondents with respect to any term or terms of the response or contracts.

Responses not complying with the conditions specified in the RFP may be rejected. TSAHC may also reject a response that does not include all requested information.

TSAHC reserves the right to select more than one Respondent to best meet all of the goals outlined in the System Requirements.

III. Communications with TSAHC

All questions and communications concerning the RFP must be submitted to Celina Stubbs, TSAHC's designated point of contact, via email at cstubbs@tsahc.org.

To protect the integrity of the RFP process, potential Respondents may not contact TSAHC's staff and Board of Directors Members ("Board Members") regarding issues or questions pertaining to this RFP. This contact limitation period begins when the RFP is made available and continues through the selection process. If a potential Respondent contacts a staff member or Board Member with an issue or question pertaining to the RFP, that staff member or Board Member shall not discuss the RFP and shall forward the inquiry to the designated point of contact. TSAHC reserves the right to disqualify submissions from Respondents that fail to adhere to this contact limitation policy.

IV. About TSAHC

TSAHC is a 501(c)3 non-profit incorporated in 1994. Although created by the Texas Legislature, it does not receive state-appropriated funding.

TSAHC's primary purpose is to facilitate the provision of affordable housing for low-income Texans who cannot access acceptable housing options through conventional financial channels. A five-member board of directors, appointed by the Governor, with the consent of the Senate, oversees the business of TSAHC. All operations of TSAHC are conducted within the State of Texas, and the corporate office is located in Austin, Texas. Enabling legislation, as amended, may be found in the Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq.

TSAHC is organized, operated, and administered as a non-profit organization in accordance with Section 501(c)3 of the Internal Revenue Code.

TSAHC engages in the following primary types of business:

- Administration of homebuyer assistance programs
- Financing of affordable multifamily housing development
- Financing of affordable single-family housing development
- Administration of land banking and land trust programs

- Capacity building for nonprofit housing organizations
- Asset Oversight and Compliance monitoring of financed multifamily properties
- Fundraising

V. Asset Oversight and Compliance Monitoring Background

Program Overview

TSAHC's Development Finance department oversees the application review and issuance of multifamily tax-exempt bonds and Texas Housing Impact Fund (THIF) loan products. After the financing is issued, the Asset Oversight and Compliance (AOC) department monitors compliance requirements for projects financed through bonds or loan products, usually for a minimum of 15 years. The following are terms used commonly by the AOC department and found throughout this document to describe features needed in the system:

- **Admin User:** TSAHC AOC staff who are system users.
- **Multifamily property (“Property”):** An apartment property.
- **Multifamily property owner/borrower (“Owner”):** The owner of the multifamily property
- **Portfolio:** A group of two or more properties owned by the same owner.
- **Property User:** A maximum of three (3) system users (not TSAHC staff) assigned to a property by the multifamily property owner.
- **Owner Contact Page:** This is a landing page for Property Users. The landing page should have adequate fields for the owner’s, management agents, and on-site property manager’s contact information. There should be enough fields for up to four (4) points of contact.
- **Unit:** A single apartment unit in an apartment property.
- **Area Median Income (AMI):** The median income for a household in a specific metropolitan statistical area (MSA) is determined annually by the U.S. Department of Housing and Urban Development (HUD).
- **HUD Income and Rent Limit:** On an annual basis, HUD publishes income and rent limits for its programs based on median income for the county or metropolitan areas. An Admin User uploads new income and rent limits to the online Compliance System within 30 days of HUD’s publication date.
- **Set Aside:** The level of affordability selected by the owner. The selected level of affordability determines the percentage of units that must be “set aside” for households whose total household income is at or below a specified AMI. See below for set-asides:
 - Federal set-asides (owner must select one):
 - 40% of units at 60% AMI
 - 20% of units at 50% AMI
 - Other owner-elected set-asides (owner may select one):
 - 5% of units at 30% AMI
 - 40% of units at 50% AMI
 - 75% of units at 80% AMI

- **Unit Eligibility/Qualified** – Eligible/qualified units are units that are occupied, or vacant but most recently occupied, by households that meet the selected Set Aside designation for the property.
- **Unit Designation:** A unit designated to meet a selected set aside (i.e., a unit that meets the 30% AMI designation, 50% AMI designation, 60% AMI designation, etc.).
- **Market Unit:** A unit not designated to meet a selected set aside.
- **Initial Tenant Income Certification (TIC):** At the time of move-in, an Initial Tenant Income Certification is completed to document the household’s annual income.
- **Annual Re-certification:** Twelve (12) months after the initial TIC, the owner will complete an annual re-certification to document the household’s annual income and determine whether the household continues to qualify for the set-aside unit designation.
- **Expired Certifications:** Each certification is valid for 12 months. If a recertification has not been completed by the household after exactly 12 months, the unit/household loses its set aside designation.
- **140% Rule/Over-Income (OI) designation:** If at the time of annual recertification, the household’s income exceeds the current federal set-aside income limits, the household is considered an over-income “OI” designated unit.
- **Resident Services:** Owners are required to provide services for their residents. The owner must select which of the following options they will follow:
 - A minimum of 6 resident services per calendar quarter
 - A minimum of 4 resident services per month

- **Unit Status Report (USR):** A report used to capture income, rent, household composition, and demographic information for each unit at a property.
- **USR Data Import:** Once a property has reached 50% occupancy, the owner can upload the USR data into the Compliance System, preferably in Excel format.
- **Archived Properties:** A property is archived once it has reached the end of its qualified project period and is no longer required to submit monthly reports.
- **Monthly Reports:** Property Users submit monthly USR and Resident Service reports to determine whether the property is compliant with its respective requirements. Upon receiving data input from Property Users, the Compliance System compiles monthly reports such as the Unit Status Report, Certificate of Continuing Program Compliance, Occupancy Summary, and Resident Services. These reports are further detailed in Section VI.
- **Financial Reports:** Owners submit quarterly financial reports, annual budgets, and annual financial audits.

VI. System Requirements

The Compliance System is primarily used by TSAHC's Asset Oversight and Compliance department staff and property and compliance managers at each property monitored by TSAHC. Property Users must submit data that determines if the property complies with its specific affordability requirements. Upon receiving data input by Property Users, the TSAHC Compliance System's primary function is to test income and rent data against HUD income and rent limits and compile the following monthly reports: Unit Status Reporting, Certificate of Continuing Program Compliance, Occupancy Summary, and Resident Services.

TSAHC seeks to build a Compliance System to include features and functionalities as described below:

Structure, Content, and Functionality:

- **Property Page:** This page should contain relevant information for each property.
- **User Types:** Users are assigned a different level of access. Admin Users consist of TSAHC administrative staff and Property Users consist of property management staff as assigned by the Property Owner.
- **Login:** All Users must log in to access any information in the Compliance System. Each User has one or more properties associated with their username and should only have access to those properties.
- **Reports:** Each month, Property Users are required to submit data that will generate four (4) reports for each property as outlined below:
 - Unit Status Report ("USR")
 1. Specific income, rent, household composition and demographic information for each unit will be submitted every month. Once the Property User submits the report the Report Status is automatically updated to "Submitted."
 2. An Admin User reviews the USR. The Admin User updates the report status to "Approved – Compliant", "Reviewed – Action Requested", or "Reviewed– Not in Compliance". The Compliance System should notify Users once their report has been reviewed, and the subsequent status of their report has been issued.
 3. The system should be able to recognize (via information gathered on the USR) and notify all Users when the following is found;
 - a. When a certification of a designated unit has expired (anniversary of the move-in date),
 - b. When a household with an annual income and rent amounts are above the unit designation income and rent limits,
 - c. When the unit triggers the 140% Rule (income exceeds the current set aside income and rent limits at the time of annual recertification).

4. Once a USR has been submitted and accepted, the data will populate the USR for the following month.
 5. The USR should export into Excel.
- Certificate of Continuing Program Compliance (“CCPC”)
 1. The Certificate of Continuing Program Compliance breaks down the information provided on the USR and reports the specific number of units and the percentage of units that are occupied or designated as set-aside units (30%, 50%, 60% AMI or Market unit designations).
 2. This report is structured and somewhat formal, with specific language that must be used. Template language will be provided.
 3. The CCPC should export to Word.
 - Resident Services
 1. This report is completed by the User and consists of a simple list of all Resident Services provided each month. Each month, the User enters each resident service type, a summary of the service, the service provider, the number of attendees, and the date it was provided. TSAHC staff reviews the User's monthly report, assigns a score to each service (1 point or 2 points), and saves the report.
 2. The Resident Services report should also create a quarterly compilation of services provided in each month of each calendar quarter and calculate the total points achieved per calendar quarter to determine if the property has met the resident service requirement the owner selected (i.e., six services per calendar quarter or four services per month).
 3. The Resident Service reports must be able to export to Excel or another reporting format.
 - Occupancy Summary
 1. The Occupancy Summary is a compilation of data from the Portfolio, Property, and USR.
 2. This report reflects information similar to the CCPC, the difference being the Occupancy Summary notifies the Property User of changes from the previous month.
 3. The Occupancy Summary report should export into Word. Template language will be provided.
- **Announcements:** The Admin User must be able to create mass announcements for all Users in the Compliance System. The announcement should also be made apparent to all users when they log into the Compliance System unless they acknowledge they have read it.
 - **USR Import:** To expedite setting up the initial USR for a new property, the Compliance System should have an option for the User to import information that will auto-populate into the

Compliance System USR format. The import would ideally begin with an Excel spreadsheet or another efficient document type.

- **Archive:** When the property reaches the end of its qualified project period, the Admin User must be able to designate this property as Archived.
- **Document Management:** TSAHC seeks a solution that includes document creation, document sharing document storage, and collaboration between Users. For example, the Admin User would create/generate a notification letter of an upcoming audit in the Compliance System that would be sent to all affiliated Property Users of the specific property. The notification letter would request specific property reports within a specific period. The Property User will gather reports and upload them to the Compliance System for the Admin User's review instead of using a separate system to share files. Preferably, the system would notify TSAHC of new uploads.
- **Record Keeping:** All required reports (relating to the USR, CCPC, and Resident Services) and other documents submitted related to the Document Management section above must be stored in the Compliance System.
- **Functionality for External Partners:** The System should allow owners and Property Users to securely submit highly sensitive documents and data electronically, initiate requests for various reasons (submit waiver requests, submit financial reports, etc.), and view and download agreements specific to their property. As well as a personalized dashboard for users to view relevant information and track progress
- **System Content Management:** The Compliance System should be built on a platform that will be viable and supported for many years and is usable by nontechnical individuals. TSAHC staff should be able to edit most of the site anytime. Ideally, the system should allow flexibility in making rule modifications and updates to the program requirements without requiring extensive system changes.
- **Report Status:** Status of the required reports at any given time:
 - Submitted: The Property User has submitted monthly reports.
 - Approved: Admin User confirms the monthly reports are compliant.
 - Reviewed and Action Needed: Admin User finds discrepancies and requests Property User to submit corrections.
 - Reviewed and Not in Compliance: Admin User finds the report is not compliant.
- **Compliance System Testing:**
 - USR Tenant Qualification Test: Every month, the Compliance System should test the data on the USR against the income and rent limits selected by the owner to determine whether the unit's set-aside designation qualifies for the elected set aside.
 - Resident Services Test: Services offered are tallied per calendar quarter to determine if the owner meets their selected resident service requirements.
 - The System should track submitted compliance reports and automatic income and rent testing to determine eligibility
- **Workflow and workload management:** Ideally, the System will allow for task automation where it is possible to reduce administrative workload. Tools for tracking task completion and

alerts to Users of updates, reminders, submission completion, and/or changes to program requirements.

The following is a summary of the functions we are seeking:

- Apply rules for the different set-aside AMI levels and determine if the information submitted is program-compliant
- Test tenant data against HUD income and rent limits
- Auto populates the specific number and percentage of required set-aside units based on data submitted
- Monitor and track the 140% Rule, based on set aside elected by the Admin User
- Notify Users of unit eligibility expiration
- Notify Users of the status of their reports during the review process (i.e., Submitted, Reviewed, Approved or Approved – Noncompliant)
- Alert the User if the information they inputted is not acceptable/compliant before the User submits the report
- Generate monthly and quarterly reports
- Allow TSAHC to determine the final status of the report
- Import property information from Excel documents
- Export web reports into Excel and/or Word
- Allow TSAHC to create announcements
- Allow TSAHC to Archive properties
- Allow TSAHC to generate notification letters using User contact information
- Allow Users to submit requested documents in Word, Excel, and/or PDF
- The selected firm must be able to provide training on the system functions, hosting, and ongoing support.

VII. Budget and Timeline

Please provide a detailed budget for all components of the Compliance System development. If options are available at different price ranges, please describe each option and its cost, including estimated hours and hourly rates by level of personnel, if applicable. The budget should also include hosting costs and ongoing support costs.

The budget should also include time for data migration from the current system. We want this project to begin no later than October 2025 and take 12-18 months to complete the development of the system, testing, and migration of current system data.

VIII. Proposed Format and Content of Proposal

All proposals must contain the following information and/or address the following issues:

1. A description of the firm’s understanding of the system we seek.

2. Summarize your company's experience designing, implementing, and supporting similar systems.
3. Detailed budget for all application development components, as described in Section VII.
4. Projected timeline to build the system.
5. Describe the level of assistance expected from TSAHC personnel.
6. A summary of the system development team, including job positions and experience.
7. Estimate how much of the work will be done in-house and how much will be outsourced.
8. Describe the proposed architecture of the system, including any platforms, technologies, and third-party integrations. Highlight how the system will be scalable and maintainable for future upgrades.
9. Detail the security measures you plan to implement to protect sensitive data and ensure compliance with relevant data protection regulations.
10. Outline the training program you will provide for end-users and administrative staff.
11. Detail how you will provide ongoing support and maintenance after deployment. Please include the expected costs of ongoing support.
12. Indicate if your firm is considered a Historically Underutilized Business (HUB) business as defined by Subchapter B, Chapter 20, Title 34, of the Texas Administrative Code
13. Provide examples of previous work and references. Include relevant references for similar jobs.
14. To avoid all possibility of conflict of interest, the Respondent must certify that none of their owners, officers, or stockholders and none of their families are related within the third degree of consanguinity or the second degree of affinity to any TSAHC employee or Board of Directors member.

IX. Selection Criteria

TSAHC will evaluate proposals and select a vendor using the following criteria:

- Experience building flexible applications that nontechnical users can easily modify.
- Experience creating applications that are utilized similarly to the requested Compliance System.
- Ability to think creatively and propose unique solutions to help TSAHC achieve application goals.
- Experience working with nonprofit or government organizations.
- Overall quality and adherence to the proposed format and content of RFP.
- Overall costs of creating the System and ongoing hosting and support costs.

X. Additional Information

- **Virtual Presentations:** Certain Respondents may be asked to present virtually to TSAHC's staff. If so, they will be given at least three (3) business days' notice along with the date and time for the virtual presentation.
- **Costs Incurred in Responding:** The Respondent shall be solely responsible for all costs directly or indirectly related to Response preparation or any required presentations.

- **Information Valid Period:** All proposals will be considered accurate and reliable for 120 days after submission.
- **Proprietary Information:** TSAHC is subject to the Texas Public Information Act (Texas Government Code, Chapter 552). If a Respondent submits proprietary information they do not want to be disclosed through an open records request, all such information must be clearly identified and submitted concurrently with the Response. Failure to identify proprietary information shall cause all such data to be deemed non-proprietary and available upon public request under the Texas Public Information Act.

XI. Respondents must submit in this manner:

- Respondents must submit responses electronically via email.
- All responses must be signed and dated.
- Proposals that do not comply with these instructions may be rejected. TSAHC may also reject a proposal that does not include all requested information.

ALL SUBMISSIONS MUST BE SENT TO:

Celina Stubbs
Director, Asset Oversight & Compliance
Texas State Affordable Housing Corporation
cstubbs@tsahc.org

DEADLINE TO APPLY:

March 28, 2025, at 5:00 p.m. CST

The respondent must certify, by signing below, that they have read and understand this RFP and agree to fulfill the duties and responsibilities required by TSAHC for website services. The respondent additionally agrees to and shall be bound by the information and documentation provided with the Proposal, including prices quoted for services.

By: (print)

Signature:

Date:

Note: Submit this page, signed and dated, with your completed response.

Tab 5

89th Texas Legislative Session Update

(Oral presentation)