



**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
2026 ANNUAL ACTION PLAN**

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### **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 \$4.99 billion in single family bonding authority and approximately \$2.05 billion in multifamily private activity bonds.<sup>1</sup> Bond issuances are used to finance the creation and preservation of affordable multifamily housing and the following home buyer programs:

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

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<sup>1</sup> 2025 TSAHC bond activity includes the closing of \$287,000,000 in Mortgage Credit Certificates and \$23,500,000 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
- Housing Connection
- Texas Supportive Housing Institute and Permanent Supportive Housing Symposium
- Initiatives designed to address specific housing issues

#### **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, expanding the availability of estate planning, helping Texans rebuild after natural disasters, and helping Texans remain stably housed during difficult financial times.

TSAHC's objective in 2026 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 launching new programs and initiatives 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.<sup>2</sup>

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

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

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

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

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

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

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

Loan Program serves Texans of all professions.

### *Down Payment Assistance Options*

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

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

Additionally, the median home price in Texas is \$330,000 as of September 2025, similar to the median home price of \$340,000 at the end of 2024. For context, the median home price in Texas was \$335,000 at the end of 2023, \$330,490 at the end of 2022, and \$320,900 at the end of 2021.<sup>6</sup> Home values in Texas continue to remain high, underscoring the need for home buying assistance across the state.

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

TSAHC's down payment assistance continues to be available on a first-come, first-served basis and is provided either in the form of a grant that does not require repayment or a three-year deferred forgivable second lien. The products TSAHC offers are always contingent on market conditions and interest rate trends, and TSAHC consistently explores opportunities to expand and improve the assistance options we offer. For example, in spring 2025 TSAHC launched a 0% down payment assistance (DPA) product to provide an additional option to borrowers who are interest rate sensitive but do not need assistance with their down payment. TSAHC also began offering temporary buydowns on conventional loans in February 2025, later making them available for all TSAHC loan types in June.

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

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

<sup>5</sup> Source: "Want to Buy a Home? Saving for a Down Payment Is Harder Than Ever," <https://www.cnet.com/personal-finance/want-to-buy-a-home-saving-for-a-down-payment-is-harder-than-ever/>, October 30, 2024

<sup>6</sup> Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed October 28, 2025.

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

accessible to eligible borrowers by directly contacting a participating mortgage lender.

### *Homeownership Programs Financing Mechanisms*

TSAHC traditionally 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 funded mortgage loans with down payment assistance solely through the TBA program in 2025.

### *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 the past 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. However, TSAHC's 0% DPA option allows home buyers who do not need down payment assistance to still access TSAHC's MCC program.

### *Home Buyer Education Requirement*

Every home buyer who utilizes one of TSAHC's homeownership programs must complete an approved home buyer education course offered by a provider listed on the Texas Financial

Toolbox website.<sup>8</sup> The providers listed are generally nonprofit organizations or government entities who are either HUD-approved or certified to provide home buyer education.

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

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.

### *2025 Homeownership Programs Activity Synopsis*

In 2025, TSAHC's home buyer programs helped 6,859 households with their home purchase through down payment assistance, an MCC, or both. In comparison, TSAHC assisted 8,725 households in 2024, 11,219 households in 2023, and 10,420 households in 2022. To date, TSAHC has served nearly 126,359 households under our homeownership programs.

In 2025, TSAHC continued its work alongside a network of partners as part of the Harris County Homeownership Collaborative (HCHC), aiming to create 5,000 new homeowners of color by 2025. HCHC's work is supported by a Wells Fargo grant that provides funding annually for four years.

In partnership with the Community Foundation of the Texas Hill Country and Connective, TSAHC also launched a new DPA program for families and individuals displaced by the July 4<sup>th</sup> flooding in Kerr County and Comfort, Texas. The program was launched in November 2025 and will provide up to \$145,000 in down payment assistance (based on income) on top of TSAHC's traditional DPA options, with an additional \$30,000 for households that are first-time buyers, veterans or active military. TSAHC will administer up to \$4 million in DPA through this program over the next few years.

### *2026 Implementation Plan*

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

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

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

In 2026, 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 75 of these classes in 2025, reaching over 2,700 REALTORS®.

In 2026, 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 45 episodes<sup>10</sup> dedicated to home buying issues, homeownership topics and other housing industry related content. In 2026, we will continue producing podcast segments and holding Facebook live events. TSAHC is also currently in the process of redesigning its website, hoping to better communicate our programs and educational resources to lenders, REALTORS® and home buyers. This redesign process is anticipated to be completed in early 2026. We will continue to explore other ways to promote our programs through social media and other communications channels.

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

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

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

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

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

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



In 2018, TSAHC expanded the Toolbox resource by creating a Loan Comparison Calculator<sup>11</sup> to help potential home buyers compare the different loan types and down payment assistance options offered by TSAHC. This tool is also available on TSAHC's website [www.tsahc.org](http://www.tsahc.org).

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

### *Housing Connection Training*

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

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 2025, we offered the following courses: (1) Shared Equity Housing: Creative Models to Preserve Affordable Homeownership, and (2) Homebuyer Education Methods: Training the Trainer.

In 2025, 46 housing professionals representing 28 organizations and 22 cities received training through Housing Connection. Thanks to philanthropic support from our network of financial institutions, mortgage lenders and REALTORS®, and a new grant from the Mortgage Grant Fund, 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, 920 individuals representing 415 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 \$181,745 in hotel scholarships to participants.

### *2026 Implementation Plan*

In 2026, 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

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

feedback from past and prospective participants. TSAHC will continue to make the training as affordable as possible by raising public and private funds to subsidize the costs of attending.

TSAHC will also utilize the website redesign process to reimagine and rebuild the Texas Financial Toolbox resource to ensure it continues to provide the most up to date information to Texas consumers.

## **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 246 single family homes and 5,311 rental units for low and moderate-income households. These numbers include units currently under construction.

TSAHC currently offers three types of loans:

- Permanent financing loans
- Revolving lines of credit
- Construction loans

### *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 continued high home 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 August 2025, the median home price in Texas was \$335,000.<sup>12</sup> Home prices have dropped slightly in the past year statewide, with Austin experiencing the largest decline in home prices at -2.8% and the other urban areas (Dallas-Fort Worth, Houston, San Antonio) experiencing -1.0%, -0.7%, and -0.9% declines, respectively.<sup>13</sup> Despite these slight adjustments, however, homeownership remains out of reach for many low and moderate-income households.

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<sup>12</sup> Source: <https://trerc.tamu.edu/article/texas-housing-insight/>, accessed October 31, 2025.

<sup>13</sup> Source: <https://trerc.tamu.edu/article/texas-housing-insight/>, accessed October 31, 2025.

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.

### *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 sacrificing other basic needs, such as food, education, or medical care.

In 2025, TSAHC provided THIF financing to help rehabilitate or build 292 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.

*Texas Housing Impact Fund Loan Production*

<b>Loan Production</b>	<b>2025</b>	<b>2003 - 2024</b>
Loans Approved	6	69
# of Single Family Homes Built or Under Construction	2	295
# of Rental Units	292	4,608
Amount of Loan Funds Approved	\$7,120,000 <sup>14</sup>	\$52,232,453

### *2026 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 calendar year 2026, as all funds for FY2026 have been awarded. TSAHC expects further funding to be made available in the latter half of 2026, once fiscal year 2027 begins.

TSAHC plans to continue to explore lending opportunities to address housing needs for underserved populations including disaster impacted areas, small urban and rural markets,

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<sup>14</sup> Texas Housing Impact Fund loans are a revolving line of credit for single-family construction awarded to Legacy CDC and for loans for the rehabilitation or creation of multifamily units for Delara Chase, Envoy64, Irving Lofts, Landmark on Cypress, Landmark on Pine, and Sagebrush 2025.

and urban areas that are rapidly changing and risk losing affordable housing.

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 38 nonprofit and for-profit affordable housing 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 created 474 homes and 429 rental units (using a Joint Venture structure) for extremely low, very low, low, and moderate-income Texans. The ACT Program has a current portfolio of 41 lots and homes, and there are two active components of the program distinguished by source of funding and targeted use of properties<sup>15</sup>:

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

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<sup>15</sup> There are two dormant components of the ACT program – the ACT Veterans Initiative Program and the Neighborhood Stabilization Program. These programs ended because every property in these programs was either redeveloped and sold or sold outright.

*Affordable Communities of Texas Portfolio*

<b>Program/Initiative</b>	<b>Acquisitions 2025</b>	<b>Sales 2025</b>	<b>Current Portfolio</b>	<b>Current Asset Value</b>
ACT Land Banking / Land Trust	12	5	41	\$23,942,815

In 2025, TSAHC completed the Park on 14<sup>th</sup>, a multifamily rental development in Plano, Texas. This development offers 62-units of affordable multifamily rental homes and is part of our ACT land trust.

*2026 Implementation Plan*

The ACT Program will continue to play an integral role in TSAHC's overall affordable housing strategy. TSAHC intends to increase efforts to expand our portfolio of ACT land bank properties by forming partnerships to acquire foreclosed and vacant properties and working directly with local and regional governments where possible.

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.

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 2025, 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 2025, TSAHC closed on \$23,500,000 in multifamily PABs to construct or rehabilitate 150

affordable rental units in Central Texas.<sup>16</sup>

### *2026 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 41 units that are affordable for every 100 households that earn 50% or less of the average median income.<sup>17</sup>

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 2026 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 and 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 five 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 2025, TSAHC performed asset oversight reviews for 39 properties, totaling 5,071 units.

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<sup>16</sup> The development that received funding through our PAB program is Cairn Point at Montopolis.

<sup>17</sup> Source: "The Gap: A Shortage of Affordable Homes," The National Low Income Housing Coalition, March 2025

## *Compliance*

As part of the compliance review process, staff review 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 whether high-quality resident services are being provided. Monthly compliance monitoring helps TSAHC ensure that property owners and managers are meeting all program requirements.

In 2025, TSAHC performed compliance reviews for 38 properties, totaling 5,135 units. These properties are financed either through PABs or THIF financing. TSAHC will continue to ensure that staff are 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 2026.

### *2026 Implementation Plan*

In 2026, 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 \$1,662 as of October 2025,<sup>18</sup> which is simply unaffordable for many low- to moderate-income Austin families.

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

Homes available through the program are located in areas with higher than average median incomes, with access to good schools and other services nearby. The program has received an

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<sup>18</sup> Source: <https://www.rentcafe.com/average-rent-market-trends/us/tx/austin/>, accessed October 31, 2025

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 the 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.

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

#### *2026 Implementation Plan*

TSAHC does not intend to expand this program in 2026. We will instead focus our 2026 activities on maintaining our existing rental portfolio. 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 2023, the average rent in the neighborhood was \$1,478, while over 15% of the neighborhood's residents were living below the poverty level.<sup>19</sup> By maintaining affordability in the rapidly changing neighborhood, TSAHC is meeting a critical housing need for the community.

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;

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<sup>19</sup> Source: [https://housingworksAustin.org/wp-content/uploads/2024/12/District01\\_2023\\_FNL\\_print.pdf](https://housingworksAustin.org/wp-content/uploads/2024/12/District01_2023_FNL_print.pdf), accessed October 31, 2025



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 semicircular driveway to make it easier for trash trucks to access and leave the dumpster area safely. In addition, TSAHC built an ADA accessible sidewalk and pad for the common area between buildings 3 and 4. In 2022, we completed renovations in seven units and performed extensive repairs on the roof.

## **TEXAS FOUNDATIONS FUND**

### *History of the Texas Foundations Fund*

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

Through TFF, TSAHC partners with nonprofit organizations across Texas to support quality programs that address the critical housing needs of very low-income families and individuals. Selected partners receive grants to support their housing services. Since 2008, TSAHC has awarded over \$11.6 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.
- Housing and financial counseling services.

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. In 2022, TSAHC once again updated its funding structure to remove the matching grant requirement, amend the audit requirements for small organizations, add housing and financial counseling services as an eligible activity, and utilize applicants' budget size to determine grant amounts.

### *2025 Funding Cycle*

In 2025, to better align staff resources and ensure adequate funding available to applicants, TSAHC made two important changes to the TFF application cycle. First, TSAHC shifted the application window towards the beginning of the calendar year rather than in mid-April. Second, TSAHC began accepting applications on a rolling basis until all funds were awarded. TSAHC provided a total of \$1,250,000 in grant funding to 85 organizations in 2025, with awards ranging from \$10,000 to \$25,000, depending on organizational budget size.

### *2026 Implementation Plan*

In 2026, we intend to open the application window towards the beginning of the calendar year again. TSAHC plans to accept grant applications on a rolling basis in 2026, accepting applications until funding runs out. While we do not anticipate making substantive changes to the guidelines, we will continue to explore changes to improve the administration of the program.

## **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.

### *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 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 disasters motivated TSAHC to create a standing program within TFF in 2022 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.

A total of \$250,000 in disaster recovery funding was made available for the FY2025 grant year. The Disaster Recovery program provided relief funds to 10 nonprofit organizations that provided critical repairs for wildfires in Hill County and for damage caused by Hurricane Beryl in several counties along the Texas Gulf Coast. All \$250,000 in funding for FY2025 was committed towards the disaster recovery efforts of our nonprofit grantees.

#### *2026 Implementation Plan*

TSAHC's Board of Directors approved the FY2026 Disaster Recovery Guidelines in August 2025. In response to the series of devastating flood events in July 2025, TSAHC's Board of Directors approved increasing the total grant funding available for the program to \$350,000. Like in previous years, the maximum award for an organization is \$30,000.

In October 2025, TSAHC's Board approved an amendment to the FY2026 guidelines to allow TSAHC to make an exception for applications from nonprofit organizations that have never received grant funding through the Texas Foundations Fund or HEART programs. This change gives TSAHC the ability to respond to disasters across all areas of the state, particularly in Texas' rural areas, where our network of existing grantees is not as robust.

### **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) through the Centers for Medicare & 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 implementing 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), and TSAHC has successfully hosted Institutes with 4-6 development teams in 2020, 2021, 2022, and most recently in 2024.

In 2024, TSAHC and CSH selected six development teams to participate in the 2024 Institute, which was offered using a hybrid model of in person and virtual sessions. The Institute began with a three-day kickoff event in Austin to welcome teams from Austin, Brownsville, Dallas, Denton, Marshall, and San Antonio. The 2024 Institute concluded in March 2025 with final presentations from all the teams that completed the Institute. This cohort is projected to create 488 units of permanent supportive housing.

### *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 hosted our first Permanent Supportive Housing Symposium on November 6-8, 2023, in Austin. Nearly 200 individuals attended the Symposium, representing developers, property managers, service providers, health professionals, homelessness response organizations, and other health and housing organizations.

We hosted our second Permanent Supportive Housing Symposium on November 4-5, 2025. The Symposium offered three tracks focusing on supportive housing design and development, financing for development and supportive services, and operations and service delivery, as well as a tour of supportive housing developments around Austin and a Permanent Supportive Housing Academy training, offered in partnership with CSH.

### *2026 Implementation Plan*

TSAHC intends to host another iteration of our Texas Supportive Housing Institute in 2026. While the previous Institute was open to developers statewide, TSAHC plans to focus this Institute specifically on the Dallas/Fort Worth metro area, which will enable us to better leverage local resources and align the Institute instruction with local initiatives.

Going forward, TSAHC plans to continue rotating its offerings, hosting Institutes in even numbered years and Symposiums in odd numbered years. Together, these training opportunities will provide continuing education for 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. TSAHC also provides grant support to the Texas Homeless Network to develop a data collection system and improve data collection and sharing capabilities among homeless service providers.

## **OTHER INITIATIVES**

### *Partnership with TxDOT*

In summer 2020, TSAHC was approached by the Texas Department of Transportation (TxDOT) to administer 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 selected a consultant through a Request for Proposal process to develop a comprehensive housing needs assessment of the impacted communities and ultimately a

Housing Revitalization Plan to guide the distribution of the grant funds. TSAHC received the needs assessment from its consultant in November 2025, the first component of the Housing Revitalization Plan. The remainder of the plan will be completed by May 2026. TSAHC intends to begin executing the plan and distributing the grant funds by the end of 2026.

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