



July 10, 2025

Resolution No. SHFC-2025-19: To Adopt a 2025-2026 Strategic Outlook

WHEREAS, Strategic Housing Finance Corporation of Travis County (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the “Act”), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) has reviewed and considered the “2025-2026 Strategic Outlook” for the Corporation, a copy of which is attached to this Resolution as Exhibit A and incorporated herein for all purposes; and

WHEREAS, the Board desires to approve the 2025-2026 Strategic Outlook.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY, THAT:

Section 1: The 2025-2026 Strategic Outlook is hereby approved and adopted.

Section 2: This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 10th day of July, 2025.



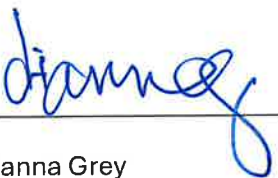
Jan Wenig

President, Board of Directors

CERTIFICATION

The above resolution, adopted by the Board of Directors of the Strategic Housing Finance Corporation of Travis County at a meeting held on the 10th day of July, 2025, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

WITNESS my hand this 10th day of July, 2025.

By:  _____

Dianna Grey

Executive Director and Secretary

EXHIBIT A

2025-2026 Strategic Outlook

Strategic Outlook 2025-2026

I. What is a Strategic Outlook?

A strategic outlook helps an organization prioritize actions and make policy decisions to accomplish its mission. Unlike a strategic plan, it is not a multi-year set of instructions with detailed objectives, metrics, and action steps. Instead, it is a short-term guide intended to support decisions that need to be made at both operational and policy levels.

This tool identifies the key operating environment and trends impacting the organization and high-level strategic actions to support its mission. Adopting this strategic outlook will Strategic HFC ensure rigorous direction setting as we build the organizational capacity to develop a full-fledged strategic plan.

II. Findings

Finding 1: Many Travis County Residents Spend Much of Their Income on Rent

In 2023, 52% of Travis County renters were considered ‘cost-burdened’, meaning that they spend more than 30% of their income on rent.

Finding 2: Tenants Need Well-Managed Affordable Housing

Given the scarcity of affordable housing, tenants have limited choices for rent-restricted developments. Residents’ quality of life suffers when the physical condition and property management practices in affordable housing are not of the highest quality.

Finding 3: The Organization Must Be Financially Self-Supporting

Strategic HFC doesn’t receive regular funding from Travis County. It depends on income earned through real estate activities to fund both daily operations and investment in new affordable housing projects.

Finding 4: Strategic HFC Works with a Limited Set of Financing Tools

The core tools Strategic HFC can use to create affordable housing include the authority to issue private activity bonds and provide property and sales tax abatement when it participates in the ownership structure of projects. At this time, it has only a modest amount of funding available that could directly subsidize affordable housing.

Finding 5: Other Agencies Do Similar Work

There are multiple governmental organizations in Travis County using similar powers to boost affordable housing supply. These include housing finance corporations, public facility corporations, and public housing authorities.

Finding 6: An Influx of Rental Housing Has Increased Vacancy and Pushed Rents Down

Travis County saw a record 34,585 units placed in service in 2024, and close to 30,000 units are expected in 2025. This infusion of rental units has resulted in falling occupancy and rental rates. Maximum rents in

many affordable housing units are now above market rates. Many multifamily projects are operating at a loss, and Strategic HFC's portfolio is producing less revenue than in previous years.

Finding 7: New Rental Housing Development Has Slowed

Higher vacancy rates and lower rents have decreased investor and lender willingness to participate in Travis County projects. This has made it difficult for developers to get financing they need for both affordable and market-rate housing. Strategic HFC's pipeline of new projects has decreased as deals have stalled or been cancelled completely.

Finding 8: Lack of New Units Is Expected to Drive Rents Back Up By 2027

In 2024, construction started on only 7,500 multifamily units. By 2027, Travis County is expected to see a shortage of apartments and rising rents similar to levels seen before the pandemic.

III. Strategic Actions

Strategic Action 1: Target Participation in Housing Projects That Maximize Community Benefit

Rather than just tracking the total number of affordable housing units produced, Strategic HFC should maximize the impact of housing produced, considering depth and length of affordability, unit size, and quality, as well. The newly launched Strategic Affordability Impact Metric (Strategic AIM) will be used to set production goals and assess potential policies and project types.

Strategic Action 2: Build Reserve Funds, & Focus on Revenue-Generating Activities

Given the absence of public funding and sensitivity of its revenue streams to market conditions, Strategic HFC should prioritize housing financing mechanisms that can expand high-quality affordable housing while providing a steady income to support the organization's sustainability over the long term.

Strategic Action 3: Invest in Good Stewardship of Strategic HFC's Existing Portfolio

To promote good physical condition, professional management, and healthy operation of its existing housing projects, Strategic HFC will design and implement portfolio management practices that support the wellbeing of tenants. During this period, developing effective data tracking and risk rating systems will be a priority.

Strategic Action 4: Earn a Reputation as a Collaborative and Innovative Partner

Strategic HFC will support coordination with its peer agencies in Travis County to advance good policy, increase efficiency, and avoid duplication of effort. At the same time, the organization will continue to seek and develop areas of specialization (e.g. housing preference for public workers) that will distinguish Strategic HFC within the field.

Strategic Action 5: Build Human Capital and Organizational Infrastructure

To successfully implement actions identified in this document, Strategic HFC must attract and nurture a talented team, select highly competent consultants and vendors, and build internal systems and infrastructure that can support a thriving organization.

Last revised: July 5, 2025