AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation of Travis County
1033 La Posada Drive, Suite 180
Austin, Texas 78752

August 14, 2025
11:00 A.M.

The Board of Directors will meet at 1033 La Posada Drive, Suite 180 Austin, Texas 78752 and via Zoom.

Join the Meeting by using the Link provided below:
https://us06web.zoom.us/j/89962622179?pwd=8uyj31JWaNPRPzziF1wXiYbg6uy255.1

The Board of Directors will consider and may take action on the following items:

I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM

II. PUBLIC FORUM / CITIZEN COMMUNICATION

- *Anyone desiring to comment on items related to Strategic HFC's work may address the Board of Directors.*
- *If the item is deemed related to an Agenda item at the current meeting, the presiding officer will inform the citizen that pending action(s) remain.*
- *Speakers should register prior to the start of the Board Meeting by emailing Debbie Honeycutt at Debbie.Honeycutt@strategichfc.org*
- *Three-minute limit per speaker.*

III. DIRECTOR'S REPORT

A. Update from the Executive Director – *Dianna Grey*
1. Calendar Overview & Reminders
2. Financial Report
3. Portfolio Report

IV. CONSENT AGENDA

A. Approval of the Minutes from the July 10, 2025 Regular Meeting.

V. ACTION ITEMS

A. Resolution No. SHFC-2025-22: To consider and take action to approve Employee Code of Conduct

B. Resolution No. SHFC-2025-23: To consider and take action to approve Record Management Policy

C. Resolution No. SHFC-2025-24: To consider and take action to approve Revised Bylaws

D. Resolution No. SHFC-2025-25: To consider and take action to approve Procurement and Purchasing Standards

E. Resolution No. SHFC-2025-26: Consideration and possible action to authorize the execution of a Memorandum of Understanding regarding participation in the ownership and operation of Cambridge Villas Apartments, a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660; and containing other provisions related thereto

F. Resolution No. SHFC-2025-27: Consideration and possible action to authorize the formation of SHFC Cambridge Villas Land, LLC (The "Ground Lessor"); Authorizing the designation of the corporation as the sole member of the ground lessor; Approving the form and substance of a limited liability company agreement and the execution therefore; ratifying certain actions heretofore taken in connection with the ground lessor; Authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution; and containing other provisions related thereto

G. Resolution No. SHFC-2025-28: Consideration and possible action to authorize negotiation for the acquisition of Limited Partner interests in Cambridge Villas Apartments Limited Partnership (The "Partnership"); and the execution and delivery of an assignment agreement and other necessary documents to effectuate such interests acquisition, in connection with the partnership's operation of a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660 (The "Development:"); and containing other provisions related thereto

H. Resolution No. SHFC-2025-29: To consider and take action authorizing the Executive Director to negotiate and execute a lease agreement for office space.

VI. DISCUSSION ITEMS

A. Budget: 2026 Revenue Projections
B. 2026 Budget Board Priorities
C. Portfolio Report 1.0

VII. EXECUTIVE SESSION

The Board of Directors may consider any item posted on the Agenda in Executive Session if there are issues that require consideration, and the Board of Directors announce that the item will be considered during such time in accordance with one or more of the following:

- *Texas Government Code Annotated 551.071, Consulting with Attorney*
- *Texas Government Code Annotated 551.072, Real Property*
- *Texas Government Code Annotated 551.074, Personnel Matters*
- *Texas Government Code Annotated 551.076, Security*
- *Texas Government Code Annotated 551.087, Economic Development Negotiation*

A. Consult with counsel on litigation related to TX Lakeway Apartments, TX Creekview Austin, Austin Colorado Creek Apartments, and TX Austin Manor

VIII. ADJOURNMENT

Strategic Housing Finance Corporation of TRAVIS COUNTY

III.A. DIRECTOR’S REPORT

Strategic Housing Finance Corporation of TRAVIS COUNTY

June 2025 Finance Narrative

Summary

At the close of June, Strategic HFC's assets totaled $24.2M. Performance against budget is strong and favorable, with YTD revenues of $8.18M exceeding YTD budgeted revenue ($2.17M) and total YTD expenditures of $1.36M under budgeted projections ($1.76M). Strategic HFC's net income for this reporting period is $6.8M - a notable increase over budgeted projections ($414.8K). This positive position is largely attributable to the closing of the Silver Springs transaction in March, which brought in $7.2M in unbudgeted revenue.

Cash Management

Reporting Period: June 30, 2025		
Cash in bank (IBC)	$	534,796.00
Housing Production Fund (held in TexPool)	$	15,000,000.00
Reserve Fund (held in TexPool)	$	3,600,000.00
Unallocated cash in Texpool investments	$	4,802,658.00
Total Cash	$	23,937,454.00
Estimated monthly operating expenses (2025)	$	292,794.42
Months of operating cash in Board Designated Fund: Operating Reserve		12.30
Months of unobligated operating cash		18.23
Total months of operating cash available		30.52

- For 2025, Strategic HFC's budgeted operating expenses per month are $292.8K.
- Combining the Reserve Fund, cash in bank accounts, and unallocated cash held in the TexPool account, Strategic HFC has over 30 months of operating cash on hand. This does not include funds held in the board-designated Housing Production Fund.
- The sale of Silver Springs in March makes up 88% of all revenue received YTD in 2025.

Budget Performance

Year to Date Budget Performance

At the end of June, 50% of the 2025 fiscal year had passed. So far, the organization has earned 188% of total anticipated revenue and spent 39% of anticipated expenditures. This means that Strategic HFC is currently ahead of schedule for revenue and currently underspent on expenses.

INCLUDING SILVER SPRINGS SALE REVENUE				
	2025 Actuals (YTD)	2025 Budget (Full Year)	Progress Through Annual Budget	Progress Through Year
Revenue	$ 8,184,930	$ 4,343,147	188%	50%
Expenses	$ 1,363,588	$ 3,513,533	39%	50%
Net	$ 6,821,342	$ 829,614		

Most of the revenue recorded in 2025 was from the sale of Silver Springs. When excluding those funds, the revenue progress made so far is behind budgeted goals, largely due to current market conditions that have postponed closings and negatively impacted cash flow in the operating portfolio. Without Silver Springs revenue, Strategic HFC has earned 23% of annual budgeted revenue. This is a large jump from May financials, when 11% of revenue (exluding Silver Springs) had been earned.

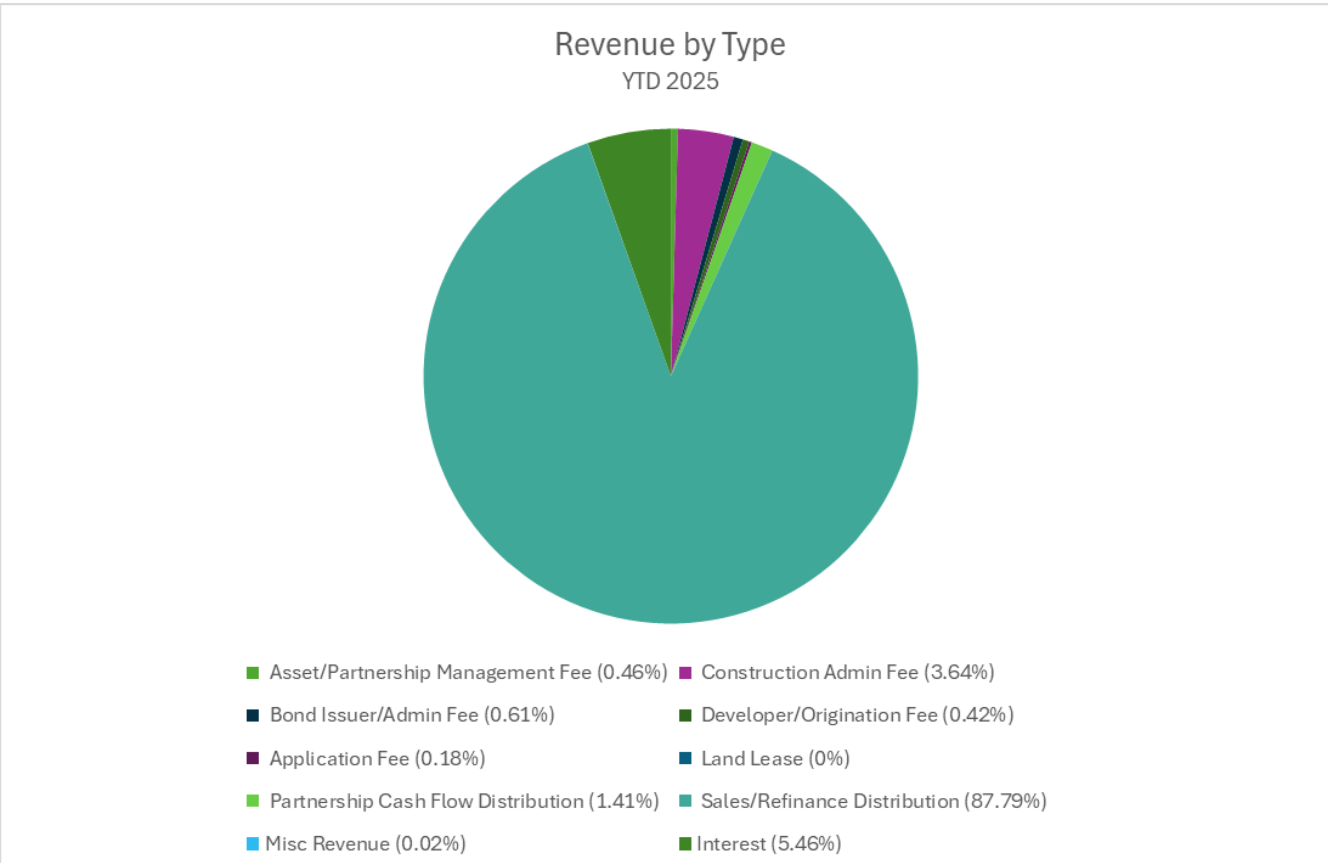
EXCLUDING SILVER SPRINGS SALE REVENUE				
	2025 Actuals (YTD)	2025 Budget (Full Year)	Progress Through Annual Budget	Progress Through Year
Revenue	$ 999,256	$ 4,343,147	23%	50%
Expenses	$ 1,363,588	$ 3,513,533	39%	50%
Net	$ (364,332)	$ 829,614		

When excluding sales/refinance revenue, June is the first month of 2025 with substantial programmatic revenue received. Staff is continuing to assess audits of properties in the portfolio to determine if additional cash flow commitments are expected in the second half of the year.

Budget Performance Detail: Revenue & Expense

Revenue

As discussed above, the majority of revenue recorded in 2025 is associated with the sale of Silver Springs, though June saw an increase in other programmatic revenue received.



Expenses

The 2025 budget is spread equally over the 12 months of the year, which may present as spending over budget when expenditures are not evenly spaced. For June 2025, most expenses are at or under budgeted goals.

- **Employee Expenses**: Overall, Employee Expenses are significantly under budget, due to hiring timelines and savings associated with negotiated salary levels. However, “Paid Time Off” has trended higher than budgeted, due to its uneven usage throughout the year. Any overages in PTO will balance with savings in the salary line by year end.

Strategic Housing Finance Corporation of TRAVIS COUNTY

  - In June, Strategic HFC updated the way Paid Time Off (PTO) is reflected, so that the category now tracks actual usage of PTO rather than full liability of PTO. The full liability of the Paid Time Off category will be updated at the close of the fiscal year in December 2025.
- **Software & Hardware < $5,000:** This line has exceeded budget by $12,203 YTD as new tools have been purchased for the organization. The largest expenditures in this line are the following:
  - Asana – a project management tool that was recently implemented org wide. This tool has a total annual cost of ~$5K. Strategic opted to pay the annual cost in full for a discount on the tool.
  - Lobby CRE – a tool to connect to the property management systems of properties in our portfolio, allowing us to access data, metrics, and other information. Strategic HFC has invested ~$6.3K into this tool so far, and total annual cost is estimated at $19.8K. Expenditures for this purpose were initially contemplated as part of the Contract & Consulting budget line item, which is under budget by $126,848 YTD.

- **Printing/Copying:** This line has exceeded budget in prior months as costs for branded printing, merchandise, etc., were recorded in this line. In June, these costs were shifted to the Marketing Consultant line as appropriate, since branded merchandise was originally expected to be part of the budgeted rebranding effort. After this change, Printing/Copying is aligned with budgeted goals.

- **Attorney & Legal:** Legal expenditures have exceeded year-to-date budgeted amounts as Strategic has continued to engage counsel for ongoing or anticipated litigation as well as routine matters. Previously, Strategic HFC estimated the non-routine costs of legal to total approximately $150K, but no formal amendment was made to the annual budgeted amount of $80,000. As of June 30, the non-routine legal costs have exceeded this estimate and currently total $165.5K (88%) of the $187.8K total legal spend.
  - Strategic HFC staff is monitoring the budget to ascertain whether savings in other line items can cover the anticipated overage in Legal expenses. One of the purposes of the board-designated Operating Reserve is to cover non-routine legal costs. Funds could be drawn from the Operating Reserve to cover these expenditures with approval from the Board of Directors if necessary.

- **Furnishings & Fixtures >$5000:** Costs of $8,021 YTD are associated with the office expansion and related furniture and fixture needs, and exceed the YTD budget by $4,821. Spending in this category was higher than budgeted as staff optimized a new office space in Q1 2025 and is expected to surpass budgeted amounts by year end, particularly if a new office space is confirmed and **occupied** in 2025.

- **Staff Development:** Expenditures YTD total $15,884, representing $5,909 over the YTD budget. This overage is largely associated with a weeklong intensive training institute in February, which six staff members attended. This will likely be the largest single training expense of the year. Still, as Strategic focuses on equipping a new team with necessary skills and growth opportunities, total spending in this line item may surpass budgeted amounts by year end.

- **Business Taxes & Licensing Fees:** No funds were assigned here in Strategic's 2025 budget. The line currently contains notary registration expenses for 3 administrative staff, as well as payments made for outstanding prior year franchise tax work to Naman Howell, LLC.

Financial Dashboard - June 2025

Strategic Housing Finance Corp.
June 2025

Published on 17 Jul 2025

Financial Statements

STATEMENT OF FINANCIAL POSITION	2025 (YTD)	2024 (YTD)	Variance ($)
ASSETS			
Cash & Equivalents			
Cash			
IBC Checking x0896	$534,796	$667,587	($132,791)
Tex Pool Investment x0001	$23,402,658	$8,053,374	$15,349,284
Total Cash & Equivalents	**$23,937,454**	**$8,720,960**	**$15,216,494**
Accounts Receivable			
Accounts Receivable	$492,500	$442,500	$50,000
Other Current Assets			
Other Current Assets			
Prepaid Expenses	$622	$508	$113
Security Deposit	$7,284	$5,073	$2,211
Total Other Current Assets	**$7,905**	**$5,581**	**$2,324**
Total Current Assets	**$24,437,860**	**$9,169,041**	**$15,268,818**
Fixed Assets			
Fixed Operating Assets			
Computers and IT	$3,885	$3,885	$0
Furniture, Fixtures, & Equipment	$0	$13,605	($13,605)
Lease Office (ROU)	$73,092	$39,915	$33,177
Total Fixed Operating Assets	**$76,977**	**$57,405**	**$19,572**
Accum Depreciation - Fixed Operating Assets			
Accum Deprec - Computers and IT	($3,885)	($3,497)	($389)
Accum Deprec - Furn, Fix, Equip	$0	($2,248)	$2,248
Accum Deprec - Lease Office (ROU)	($55,463)	($3,070)	($52,393)
Total Accum Depreciation - Fixed Operating ...	**($59,348)**	**($8,814)**	**($50,534)**
Total Fixed Assets	**$17,629**	**$48,591**	**($30,962)**
Investments or Other Non-Current Assets			
Notes Receivable			
HATC GP - SEA RAD LP Note-Notes receiv...	$1,561,000	$1,561,000	$0
SEA RAD LP-Notes receivables	$179,702	$179,702	$0
HATC GP for SEA RAD LP Oper Reserve-No..	$301,035	$301,035	$0
SEA RAD LP - SHFC-Notes receivables	$357,231	$357,231	$0
Total Notes Receivable	**$2,398,968**	**$2,398,968**	**$0**
Allowance for Notes Receivable	($2,398,968)	($2,398,968)	$0
Southpark Ranch Fractional Ownership	$645,000	$645,000	$0
Total Investments or Other Non-Current Assets	**$645,000**	**$645,000**	**$0**
Total Non-Current Assets	**$662,629**	**$693,591**	**($30,962)**
Total Assets	**$25,100,488**	**$9,862,632**	**$15,237,856**
LIABILITIES			
Short Term Debt			
FNBO Visa CC x5118	$6,268	$7,103	($835)
Divvy Payable	$6,106	$0	$6,106
Total Short Term Debt	**$12,374**	**$7,103**	**$5,271**
Accounts Payable			
Accounts Payable (A/P)	$0	$53,837	($53,837)
Other Current Liabilities			
Accrued Liabilities			
Lease Office Liability	$20,612	$36,292	($15,680)
Accrued Payroll			
Accrued Payroll - PTO	$29,954	$6,983	$22,971
Grants Payable	$799,200	$0	$799,200
Total Other Current Liabilities	**$849,766**	**$43,275**	**$806,491**
Total Current Liabilities	**$862,140**	**$104,215**	**$757,925**
Total Non-Current Liabilities	**$0**	**$0**	**$0**
Total Liabilities	**$862,140**	**$104,215**	**$757,925**

	2025 (YTD)	2024 (YTD)	Variance ($)
NET ASSETS			
Retained Net Assets			
Net Assets without Donor Restrictions	$7,636	$8,791,252	($8,783,616)
Current Net Assets			
Net Revenue	$6,821,342	$967,165	$5,854,177
Other Net Assets			
Housing Production Fund	$13,809,370	$0	$13,809,370
Reserve Fund	$3,600,000	$0	$3,600,000
Total Other Net Assets	**$17,409,370**	**$0**	**$17,409,370**
Total Net Assets	**$24,238,348**	**$9,758,417**	**$14,479,931**
Total Liabilities & Net Assets	**$25,100,488**	**$9,862,632**	**$15,237,856**

STATEMENT OF ACTIVITIES	Jun 2025	Budget (Jun 2025)	This month vs budget (%)	This month vs budget ($)
Income				
Program Sales & Fees				
Asset/Partnership Management Fee	$37,400	$20,321	84.05%	$17,079
Construction Admin Fees	$298,148	$5,635	5,190.84%	$292,513
Bond Issuer/Admin Fee	$0	$21,600	-100.00%	($21,600)
Developer/Origination Fee	$0	$116,577	-100.00%	($116,577)
Land Lease	$0	$13,773	-100.00%	($13,773)
Partnership Cash Flow Distribution	$115,671	$11,333	920.64%	$104,338
Total Program Sales & Fees	**$451,219**	**$189,240**	**138.44%**	**$261,979**
Misc. Revenue	$0	$141,439	-100.00%	($141,439)
Interest	$85,119	$31,250	172.38%	$53,869
Total Income	**$536,338**	**$361,929**	**48.19%**	**$174,409**
Expenses				
Salaries & Related Expenses				
Salaries & Wages	$95,999	$120,255	-20.17%	($24,256)
Employee Benefits	$17,473	$39,669	-55.95%	($22,196)
401k/403b Match	$4,366	$4,810	-9.24%	($444)
Payroll Taxes	$5,647	$10,402	-45.71%	($4,755)
Payroll Service Fees	$587	$674	-12.92%	($87)
Paid Time Off	$12,403	$2,909	326.44%	$9,495
Workers Comp	$178	$247	-27.99%	($69)
Total Salaries & Related Expenses	**$136,653**	**$178,965**	**-23.64%**	**($42,313)**
Contract Service Expenses				
Contract & Consulting	$16,553	$45,042	-63.25%	($28,489)
Accounting	$5,919	$4,417	34.01%	$1,502
Attorney & Legal	$2,800	$6,667	-58.00%	($3,867)
IT Consultant	$3,040	$4,167	-27.04%	($1,127)
Marketing Consultant	$1,500	$8,667	-82.69%	($7,167)
Total Contract Service Expenses	**$29,811**	**$68,958**	**-56.77%**	**($39,147)**
Nonpersonnel Expenses				
Supplies	$0	$600	-100.00%	($600)
Food & Refreshments	$601	$1,000	-39.91%	($399)
Telephone & Internet	$1,292	$1,654	-21.88%	($362)
Postage & Shipping	$0	$100	-100.00%	($100)
Equipment Rental	$366	$400	-8.51%	($34)
Software & Hardware < $5,000	$5,392	$2,649	103.55%	$2,743
Printing & Copying	$420	$208	101.45%	$211
Subscriptions	$299	$300	-0.33%	($1)
Furnishings & Fixtures < $5,000	($2,335)	$533	-537.82%	($2,868)
Total Nonpersonnel Expenses	**$6,035**	**$7,444**	**-18.94%**	**($1,410)**
Facility Expenses				
Office & Storage Rent	($746)	$4,529	-116.47%	($5,275)
Utilities	$0	$1,812	-100.00%	($1,812)
Repairs & Maintenance	$0	$625	-100.00%	($625)
Total Facility Expenses	**($746)**	**$6,966**	**-110.71%**	**($7,712)**
Travel & Conference Expenses				
Transportation	$118	$500	-76.35%	($382)
Airfare	$286	$1,200	-76.17%	($914)
Meals	$900	$736	22.28%	$164
Hotels & Lodging	$966	$1,950	-50.46%	($984)

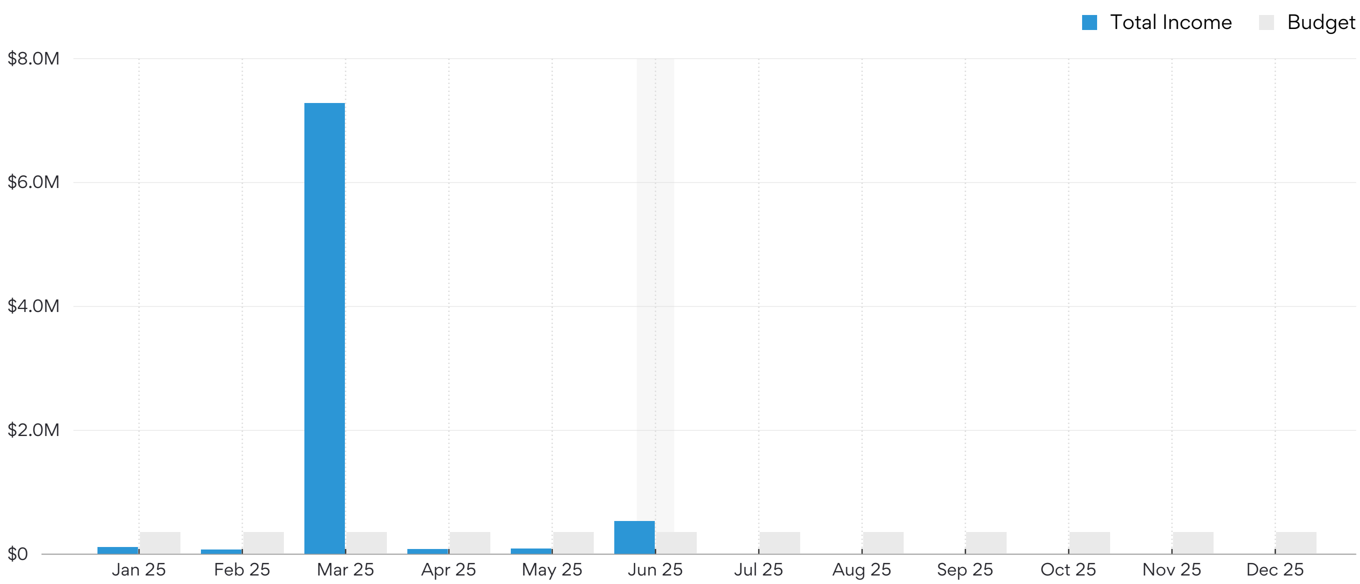
	Jun 2025	Budget (Jun 2025)	This month vs budget (%)	This month vs budget ($)
Conference Registration Fees	$4,247	$2,200	93.02%	$2,047
Vehicles	$0	$1,150	-100.00%	($1,150)
Total Travel & Conference Expenses	**$6,517**	**$7,736**	**-15.76%**	**($1,219)**
Other Expenses				
Insurance - Non-employee Related	$0	$4,167	-100.00%	($4,167)
Membership Dues - Organization	$582	$625	-6.84%	($43)
Staff Development	$1,540	$1,663	-7.37%	($123)
Advertising Expenses	$0	$100	-100.00%	($100)
Other Expenses	$0	$5,741	-100.00%	($5,741)
Total Other Expenses	**$2,122**	**$12,295**	**-82.74%**	**($10,173)**
Sponsorships	$3,500	$2,083	68.00%	$1,417
Employee Incentive Pay	$0	$7,096	-100.00%	($7,096)
Community Events	$0	$1,250	-100.00%	($1,250)
Total Expenses	**$183,892**	**$292,794**	**-37.19%**	**($108,903)**
Operating Surplus/Deficit	**$352,446**	**$69,135**	**409.80%**	**$283,312**
Change in Net Assets	**$352,446**	**$69,135**	**409.80%**	**$283,312**

STATEMENT OF ACTIVITIES	2025 (YTD)	Budget (YTD)	This year vs budget (% YTD)	This year vs budget ($ YTD)
Income				
Program Sales & Fees				
Asset/Partnership Management Fee	$37,400	$121,924	-69.33%	($84,524)
Construction Admin Fees	$298,148	$33,811	781.81%	$264,337
Bond Issuer/Admin Fee	$49,950	$129,602	-61.46%	($79,652)
Developer/Origination Fee	$34,602	$699,464	-95.05%	($664,861)
Application Fee	$15,000	$0	-	$15,000
Land Lease	$0	$82,641	-100.00%	($82,641)
Partnership Cash Flow Distribution	$115,671	$67,999	70.11%	$47,672
Sales/Refinance Distribution	$7,185,674	$0	-	$7,185,674
Total Program Sales & Fees	**$7,736,445**	**$1,135,440**	**581.36%**	**$6,601,006**
Misc. Revenue	$1,507	$848,634	-99.82%	($847,127)
Interest	$446,977	$187,500	138.39%	$259,477
Total Income	**$8,184,930**	**$2,171,574**	**276.91%**	**$6,013,357**
Expenses				
Salaries & Related Expenses				
Salaries & Wages	$535,559	$721,528	-25.77%	($185,969)
Employee Benefits	$104,368	$238,013	-56.15%	($133,644)
401k/403b Match	$24,417	$28,861	-15.40%	($4,445)
Payroll Taxes	$47,531	$62,412	-23.84%	($14,881)
Payroll Service Fees	$3,490	$4,043	-13.67%	($553)
Paid Time Off	$86,927	$17,451	398.12%	$69,476
Workers Comp	$1,219	$1,483	-17.77%	($264)
Total Salaries & Related Expenses	**$803,512**	**$1,073,791**	**-25.17%**	**($270,279)**
Contract Service Expenses				
Contract & Consulting	$143,402	$270,250	-46.94%	($126,848)
Accounting	$21,017	$26,500	-20.69%	($5,483)
Attorney & Legal	$187,808	$40,000	369.52%	$147,808
IT Consultant	$17,394	$25,000	-30.42%	($7,606)
Marketing Consultant	$27,326	$52,000	-47.45%	($24,674)
Total Contract Service Expenses	**$396,947**	**$413,750**	**-4.06%**	**($16,803)**
Nonpersonnel Expenses				
Supplies	$2,347	$3,600	-34.80%	($1,253)
Food & Refreshments	$3,918	$6,000	-34.70%	($2,082)
Telephone & Internet	$7,411	$9,923	-25.31%	($2,511)
Postage & Shipping	$137	$600	-77.16%	($463)
Equipment Rental	$1,885	$2,400	-21.47%	($515)
Software & Hardware < $5,000	$28,098	$15,894	76.78%	$12,203
Printing & Copying	$1,158	$1,250	-7.38%	($92)
Subscriptions	$475	$1,800	-73.61%	($1,325)
Furnishings & Fixtures < $5,000	$8,021	$3,200	150.67%	$4,821
Total Nonpersonnel Expenses	**$53,450**	**$44,667**	**19.66%**	**$8,783**
Facility Expenses				
Office & Storage Rent	$26,394	$27,175	-2.88%	($781)
Utilities	$8,180	$10,870	-24.75%	($2,690)
Repairs & Maintenance	$1,988	$3,750	-46.99%	($1,762)
Total Facility Expenses	**$36,562**	**$41,795**	**-12.52%**	**($5,234)**
Travel & Conference Expenses				
Transportation	$886	$3,000	-70.48%	($2,114)
Airfare	$6,087	$7,200	-15.46%	($1,113)
Meals	$4,035	$4,416	-8.62%	($381)

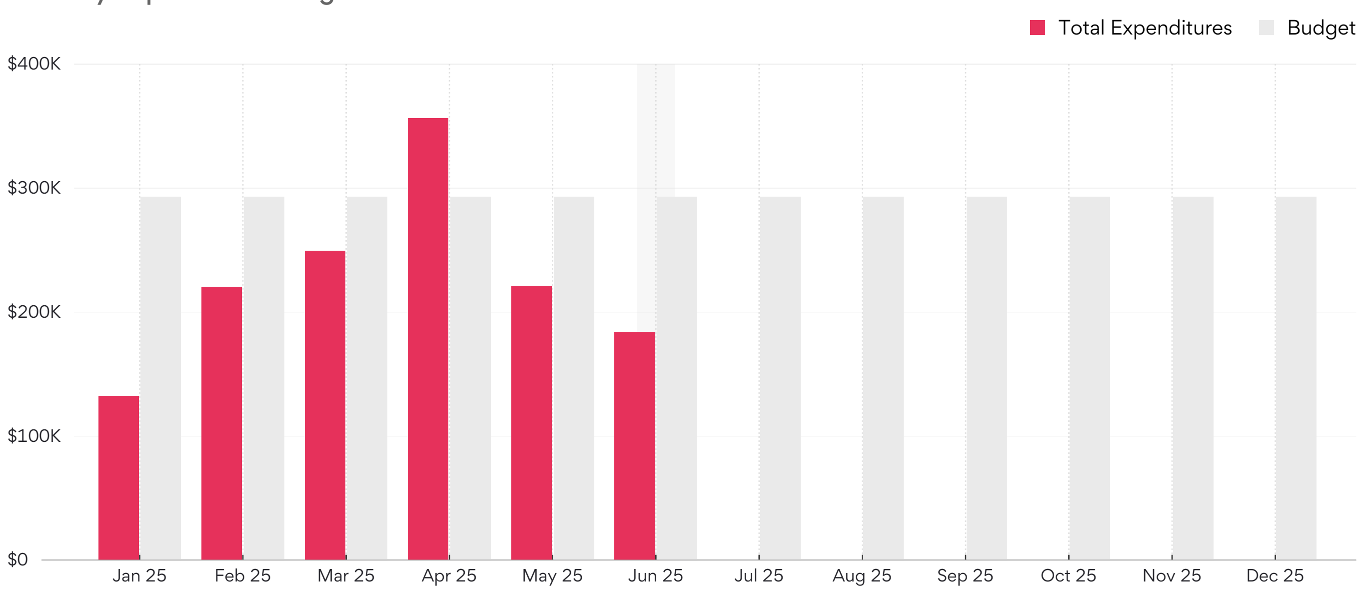
	2025 (YTD)	Budget (YTD)	This year vs budget (% YTD)	This year vs budget ($ YTD)
Hotels & Lodging	$8,538	$11,700	-27.02%	($3,162)
Conference Registration Fees	$13,604	$13,200	3.06%	$404
Vehicles	$412	$6,900	-94.03%	($6,488)
Total Travel & Conference Expenses	**$33,563**	**$46,416**	**-27.69%**	**($12,853)**
Other Expenses				
Insurance - Non-employee Related	$0	$25,000	-100.00%	($25,000)
Membership Dues - Organization	$3,517	$3,750	-6.22%	($233)
Staff Development	$15,884	$9,975	59.24%	$5,909
Bank Fees	$220	$0	-	$220
Advertising Expenses	$260	$600	-56.67%	($340)
Business Taxes & Licensing Fees	$4,197	$0	-	$4,197
Other Expenses	$163	$34,446	-99.53%	($34,284)
Total Other Expenses	**$24,240**	**$73,772**	**-67.14%**	**($49,531)**
Sponsorships	$12,250	$12,500	-2.00%	($250)
Employee Incentive Pay	$3,065	$42,576	-92.80%	($39,511)
Community Events	$0	$7,500	-100.00%	($7,500)
Total Expenses	**$1,363,588**	**$1,756,767**	**-22.38%**	**($393,179)**
Operating Surplus/Deficit	**$6,821,342**	**$414,807**	**1,544.46%**	**$6,406,535**
Change in Net Assets	**$6,821,342**	**$414,807**	**1,544.46%**	**$6,406,535**

Budget vs. Actuals Overview

Monthly Revenue vs Budget



Monthly Expenses vs Budget



KPIs (This year vs target)	Jun 2025	Budget (This Month)	YTD	Budget (YTD)	Budget (Current Year)
Total Income	$536,338	$361,929	$8,184,930	$2,171,574	$4,343,147
Total Expenditures	$183,892	$292,794	$1,363,588	$1,756,767	$3,513,533

Strategic Housing Finance Corporation of TRAVIS COUNTY

IV.A. CONSENT AGENDA

Approval of Minutes from the July 10th, 2025 Regular Meeting

STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY
BOARD OF DIRECTORS
REGULAR MEETING

1033 La Posada Drive, Suite 180
Austin, Texas 78752
July 10, 2025
11:00 a.m.

MINUTES

Strategic Housing Finance Corporation of Travis County held a Regular Board of Directors Meeting at 1033 La Posada Drive, Suite 180 Austin, Texas 78752 and via Zoom.

A recording and transcript of the meeting can be found online at:
https://strategichfc.org/board-meetings/july-10th-2025

I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM

A quorum was established, and President Jan Wenig called the meeting to order at 11:04 a.m.

Directors in attendance: President Jan Wenig; First Vice-President Kecia Prince; Second Vice-President Ashley Huddleston; Director Julio Gonzalez Altamirano; Director Kerri Dorman; Director Beatriz (Bea) Arce Arrived at 11:14 a.m.

Executive Coordinator Debbie Honeycutt certified the quorum.

Guest: Amanda Baldwin Regional Vice President and Emma Amoabeng Regional Property Manager with NRP Group and Stephen Toyra with Fairfield

Staff in Attendance: Executive Director Dianna Grey; Deputy Director David Dinoff; Executive Coordinator Debbie Honeycutt; Administration Katie Adams; Operations Assistant Marisol Guerra; Director of Real Estate Alex Radtke; Development Manager Keith Hoffpauir; Development Analyst ll Jackson Mabray; Portfolio Manager Chelley Lenz; Affordable Housing Assistant Anna Martinez; Development Analyst II Gloria Nguyen; Director of Planning & External Affairs Jim Ward; Housing Policy & Communications Specialist III Kaylin Rubin; and consultants Kevin Bryniak and Vella Karman.

II. PUBLIC FORUM / CITIZEN COMMUNICAION

There were no speakers.

VII. DISCUSSION ITEM

A. Update on Tenant Concerns at Residences at Decker - *NRP Group*

Amanda Baldwin and Emma Amoabeng with NRP Group presented a PowerPoint presentation regarding property concerns at Residence at Decker in which the Decker Tenant Association have.

It was requested to forward the presentation materials to the Board members.

III. ADMINISTRATIVE ITEM

A. Committee Assignments
Ad Hoc Legal Matters Committee – Director Kerri Dorman will serve as Chair and Director Ashley Huddleston and President Jan Wenig.

Director DeLea Becker notified the Intergovernmental Relations Officer that she had resigned effective July 9, 2025.

IV. DIRECTOR'S REPORT

A. Update from the Execute Director – Dianna Grey
1. Calendar Overview & Reminders
2. Financial Report
3. Portfolio Report

July 14: Finance & Administration Committee Meeting
July 17: Real Estate Committee
July 21-23: TAAHP Conference, Austin (Texas Association of Affordable Housing Providers)

August 7: Real Estate Committee
August 14: Regular Board Meeting
August 21: Real Estate Committee

September 4: Reals Estate Committee
September 11 Regular Board Meeting
September 18: Real Estate Committee
September 17-19: TALHFA Conference, Round Rock (Texas Association of Local Housing Finance Agencies)

October 9: Regular Board Meeting
October 16: Fall Travis County Commissioners Court Briefing

- Strategic Housing Finance Corporation May 2025 Financials provided by Katie Adams
- April Portfolio Data provided by Chelley Lenz

V. CONSENT AGENDA

A. Approval of the Minutes from the June 12, 2025, Regular Meeting.

President Jan Wenig called for a unanimous consent to **Approve** Item V.A. The Item was **Approved** by unanimous consent**.**

VI. ACTION ITEMS

A. Resolution No. SHFC-2025-17: Consideration and possible action to approve Revised Transaction Terms for Strategic HFC Workforce Developments

Director Julio Gonzalez Altamirano made a **motion** to approve Item VI.A. Resolution No. SHFC-2025-17. Vice-President Kecia Prince seconded the motion, which **passed** unanimously.

B. Resolution No. SHFC-2025-18: Consideration and possible action to approve Revised Transaction Terms for Strategic HFC 4% Low Income Housing Tax Credit Developments and Bond Issuer Only Developments

Second Vice President Ashley Huddleston made a **motion** to approve Item VI.B. Resolution No. SHFC-2025-18. Director Julio Gonzalez Altamirano seconded the motion, which **passed** unanimously.

C. Resolution No. SHFC-2025-19: Consideration and possible action to approve a Strategic Outlook for the organization

Director Julio Gonzalez Altamirano made a **motion** to approve Item VI.C. Resolution No. SHFC-2025-19. Director Bea Arce seconded the motion, which **passed** unanimously.

D. Resolution No. SHFC-2025-20: Consideration and possible action to authorize the execution of a Purchase and Sale Agreement with respect to a potential sale of Cambridge Villas Apartments, a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660 (the “Development”); and containing other provisions related thereto

Director Julio Gonzalez Altamirano made a **motion** to approve Item VI.D. Resolution No. SHFC-2025-20. Director Kerri Dorman seconded the motion, which **passed** unanimously.

E. Resolution No. SHFC-2025-21: Consideration and possible action to authorize the execution of a Memorandum of Understanding regarding participation in the ownership and operation of Cambridge Villas Apartments, a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660; and containing other provisions related thereto

Item VI.E. Resolution No. SHFC-2025-21 **was not** discussed.

VIII. EXECUTIVE SESSION

- The Board of Directors may consider any item posted on the Agenda in Executive Session if there are issues that require consideration, and the Board of Directors announce that the item will be considered during such time in accordance with one or more of the following:
  - *Texas Government Code Annotated 551.071, Consulting with Attorney*
  - *Texas Government Code Annotated 551.072, Real Property*
  - *Texas Government Code Annotated 551.074, Personnel Matters*
  - *Texas Government Code Annotated 551.076, Security*
    Texas Government Code Annotated 551.087, Economic Development Negotiations

None at that time.

IX. ADJOURNMENT

There being no further business, the meeting adjourned at 12:47 p.m.

Respectfully submitted,

____

Dianna Grey, Executive Director and Secretary

V.A. ACTION ITEM

Resolution No. SHFC-2025-22: To consider and take action to approve Employee Code of Conduct

Strategic Housing Finance Corporation of TRAVIS COUNTY

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-22: To consider and take action to approve Employee Code of Conduct.

Background Information

The purpose of the Employee Code of Conduct is to codify expectations of behavior, ethics, and integrity. The Code of Conduct contains information around accepting and refusing gifts, protocols for employee drug and alcohol issues, and Whistleblower protections.

The employee Code of Conduct supplements existing Board approved policies that make reference to behavioral and ethical expectations, such as the Nondiscrimination and Anti-Harassment Policy, Workplace Violence Policy, and Conflict of Interest Policy.

Fiscal Impact

There is no fiscal impact of the resolution.

Attachments

A. Resolution No. SHFC-2025-22
B. Employee Code of Conduct

Approval

____

Dianna Grey, Executive Director

August 14, 2025

Resolution No. SHFC-2025-22: To consider and take action to approve Employee Code of Conduct.

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 "Employee Code of Conduct" for the Corporation, a copy of which is attached to this Resolution as Exhibit A and incorporated herein for all purposes (the "Policy"); and

WHEREAS, the Board desires to adopt the Policy.

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

Section 1: The Policy is hereby approved and adopted.

Section 3: This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ____________________________

Dianna Grey
Executive Director and Secretary

EXHIBIT A

Employee Code of Conduct

Employee Code of Conduct

The purpose of this Code of Conduct (“Code”) is to establish the standards that are expected of all personnel employed or contracted by Strategic HFC as they perform their duties.

Each employee is responsible for knowing and adhering to this Code. If you have questions or are uncertain about company policies or practices or the policies and practices in this Code, please speak with the Director of Finance & Administration, the Deputy Director or the Executive Director.

This Code supplements existing policies that make reference to the expectations and standards of the organization, such as: Equal Opportunity Policy, ADA Statement, Nondiscrimination/Anti-Harassment Policy, Workplace Violence Policy, Conflict of Interest Policy, and other policies currently in use or that may be adopted by Strategic HFC.

Although this Code cannot address every issue or provide answers to every circumstance, it defines the manner in which Strategic HFC intends to do business, and should be used as a guide for all situations.

Table of Contents:

1. General Expectations; Application

Though it is not possible to list all forms of conduct that are unacceptable in the workplace or while representing the organization, the following are examples of conduct that would be considered unacceptable. This list is not intended to be exhaustive:

- Theft or inappropriate removal or possession of organizational property or the property of a fellow employee.
- Willful destruction of organizational property or the property of a fellow employee.
- Fighting or threatening violence in the workplace.
- Sexual or other unlawful harassment.
- Using excessively abusive, threatening, or obscene language.
- Sabotaging another's work.
- Making malicious, false, and harmful statements about others.
- Intentional misrepresentation of facts or withholding of critical business information.
- Publicly disclosing another person's private information.
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.

Including but not limited to the examples above, any conduct that compromises or interferes with Strategic HFC's ability to provide a responsible and considerate workplace may result in disciplinary action, up to and including immediate termination of employment.

This Code also applies in any situations or circumstances outside of the workplace where an employee may be reasonably perceived to be representing the organization – i.e., wearing branded apparel, at a networking event, etc.

If any employee is concerned about or aware of violations of this Code, she/he/they must contact the HR department or the Executive Director as soon as possible.

2. Gifts & Benefits (“Gifts/Benefits”)

For the purposes of this policy, **gifts/benefits** includes any gift, gratuity, loan, discount, or other benefit that may be offered directly or indirectly from any person or organization that is seeking to conduct or is currently conducting business with Strategic HFC.

Limits established in this Code:

Related to the acceptance of gifts/benefits

- Gifts: up to $50 per person per instance
- Meals and Refreshments: up to $100 per person per instance
- Aggregate Annual total: up to $400 per person per entity

Related to the offering of gifts/benefits

- Gifts/Benefits, including Meals and Refreshments: up to $75 per instance

2.1 Avoiding Appearance of Impropriety/Favoritism; Associated Responsibilities

The mere impression of impropriety damages our organization’s ability to be effective in carrying out our mission and duties. Therefore, under no circumstances may any employee directly or indirectly solicit, request, or otherwise seek gifts/benefits in the course of their employment with Strategic HFC.

Employees must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the organization’s reputation for impartiality and fair dealing. Therefore, if offered gifts/benefits that could reasonably be perceived as inappropriate business inducements that would violate law, regulation, this Code or polices of Strategic HFC, an employee must refuse the offer and immediately report the associated details in writing to their direct supervisor.

An employee must never use personal funds or resources to do something on behalf of Strategic HFC that cannot be done with Strategic HFC’s own resources.

2.2 Annual Maximum for Total Gifts/Benefits; Reporting

No employee may accept gifts/benefits from a single entity that total an amount exceeding $600 per calendar year. If applicable, this limit will be prorated based on an employee’s date of hire.

Any gift/benefit accepted by a Strategic HFC employee must be reported to the employee’s direct supervisor in writing within seven (7) business days after receipt. In the event that a gift/benefit is accepted by multiple team members of Strategic HFC, such as a group meal or group event, the most senior team member is responsible for reporting, in writing, the acceptance of the gift and all other staff who participated to their direct supervisor. Any gifts/benefits accepted by the Executive Director should be reported to the Deputy Director, as well as the Director of Finance & Administration.

2.3 Accepting Gifts/Benefits

Though employees may not use their position at Strategic HFC to obtain business courtesies, and must never ask for them, Staff may accept unsolicited gifts/benefits that promote successful working relationships and foster goodwill with the organizations that Strategic HFC maintains (or may establish) a business relationship with.

Before accepting gifts/benefits, an employee must ensure the following:

- They are consistent with this Code and accepted business practices.
- They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff.
- They are not in violation of applicable law and generally accepted ethical standards, or Strategic HFC's standards of conduct.
- Public disclosure of the facts will not negatively impact or embarrass Strategic HFC.

Employees with questions about accepting business courtesies should contact their manager or the HR department prior to the transaction.

2.4 Meals and Refreshments

Strategic HFC employees may accept occasional meals and/or refreshments that are shared with the person or organization who has offered to pay for the meal and/or refreshment, provided that:

- It is not inappropriately lavish or excessive, with a maximum estimated value of $100 per person.
- It does not create the appearance of an attempt to influence business decisions (such as accepting courtesies from a party whose contract expires in the near future).
- Such courtesies are not frequent and do not reflect a pattern of acceptance of gifts/benefits from the same or related persons or entity(ies).

2.5 Gifts

Employees may accept unsolicited gifts, other than money or currency of any type, that do not exceed a maximum estimated value of $50 and that conform to the reasonable ethical practices of the marketplace.

- Flowers, food baskets, and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps, and t-shirts (or other novelty, advertising, or promotional items).
- Commemorative items such as plaques, photos, or other memorabilia

Gifts described above that are valued at greater than $50 but less than $200 may be permissible so long as they are shared among employees such that the value received by each employee is at or under the $50 limit.

2.6 No Cash or Cash Equivalents

For the purposes of this policy, **"Cash or Cash Equivalents"** includes any currency or coin, money orders, cashier's checks, wire transfers, digital currencies, stocks, marketable securities, prepaid debit cards, and any other item(s) redeemable upon demand into one of these categories.

It is never permissible to accept cash or cash equivalent of any amount. Any employee who is offered a gift of this type should refuse the gift and report the details of the offer as outlined in **"Reporting Gifts/Benefits"**.

2.7 Pre-Approval Required for Gifts/Benefits Exceeding Code Limits

Gifts/Benefits that exceed the allowances of this Code must not be accepted without written pre-approval from the Director of Finance & Administration, Deputy Director, or Executive Director.

These types of gifts/benefits (larger or more frequent) will be approved only in exceptional circumstances, which will be detailed in the authorization document.

Any employees offered gifts/benefits that could reasonably be perceived as unfair business inducements that would violate law, regulation, or polices of Strategic HFC, should refuse the offer and report the associated details to their direct supervisor.

2.8 Offering Gifts/Benefits

On occasion, and when doing so does not create the appearance of favoritism or an attempt to influence business decisions, employees may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to organizational partners. These gifts/benefits may be offered when their value does not exceed $75 per instance.

Further, members of the organization's management team may approve gifts/benefits over this amount, including meals, refreshments, or entertainment of reasonable value, provided that:

- They are consistent with accepted business practices.
- They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff.
- They are not in violation of applicable law and generally accepted ethical standards, or the standards of conduct of the recipient organization.
- Public disclosure of the facts will not negatively impact or embarrass Strategic HFC.
- The employee offering the business courtesy does so with approval in writing from their direct supervisor.

Any employee who offers a gift/benefit must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon Strategic HFC. Accounting for gifts/benefits must be done in accordance with approved company procedures.

2.9 Gifts between Employees

Management employees should not accept gifts from those under their supervision except under the following circumstances:

- Items such as food and refreshments shared in the office among several employees.
- Individual gifts given on an infrequent occasion to mark an event of personal significance (birth of a child, marriage, etc). Gifts for annual occasions (birthdays, holidays, anniversaries) are not allowable and not included under this provision.
- Individual gifts given upon an occasion that terminates the supervisory relationship, such as retirement, resignation, or transfer.
- Allowable gifts from individuals should have a total estimated value of $25 or less per occasion.

Voluntary contributions towards gifts for Strategic HFC employees may be solicited on an occasional basis according to the criteria above, and when the following criteria are also true:

- Contributions are entirely voluntary and optional
- No specific amount of contribution is requested
- Amount of contribution(s) from participants is not disclosed

3. Drugs & Alcohol

3.1 No Unauthorized Drugs or Alcohol; No Impairment in Performance of Duties

Employees should report to work fit for duty and free of any adverse effects of drugs or alcohol. Employees should also generally not consume or partake in any impairing drugs or alcohol during the normal course of business. This policy does not prohibit employees from the lawful use and possession of prescribed medications. Employees are responsible, however, for consulting with their healthcare providers about the medications' potential effects on their fitness for duty and ability to work safely, and they must promptly disclose any work restrictions to their supervisor. Strategic HFC will not allow employees to perform their duties while taking prescribed drugs that affect their ability to perform their job duties effectively, or that create a safety risk to the employee and/or others who interact with the employee.

Employees may not drink alcohol on workplace premises unless explicitly permitted by Strategic HFC's Executive Director (for example, limited alcohol consumption may be authorized in connection with certain business meetings, celebrations or other work events). In such instances, an employee who consumes alcohol must do so responsibly. Intoxication, driving under the influence, and other conduct that may be associated with alcohol misuse is strictly prohibited and can lead to disciplinary action, up to and including immediate termination.

3.2 Reasonable Suspicion of Drug or Alcohol Impairment

Observations of potential impairment that adversely affect the work of an employee or their representation of Strategic HFC should be reported to the organization's management team. An observation of potential impairment, whether ongoing or isolated in nature, may be grounds for disciplinary action.

Management must document specific observations and behaviors that create a reasonable suspicion that an employee is under the influence of illegal drugs (including prescription drugs per Section 3.1) or alcohol. Examples include and are not limited to:

- Odors (smell of alcohol, body odor, or urine).
- Movements (unsteady, fidgety, dizzy).
- Eyes (dilated, constricted, or watery eyes, or involuntary eye movements).
- Face (flushed, sweating, confused or blank look).
- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts).
- Emotions (argumentative, agitated, irritable, drowsy).
- Actions (yawning, twitching).
- Inactions (sleeping, unconscious, no reaction to questions).

When reasonable suspicion exists, both management and HR will meet with the employee to explain the documented observations. As a result of this conversation, a substantiation process may be initiated that may result in:

- Employee admission of drug or alcohol usage or impairment
- Drug or Alcohol test, required to be taken within a timeframe defined by Strategic HFC and with a vendor approved by Strategic HFC
    - If a drug or alcohol test is refused or not taken within the required timeframe or with an approved vendor, the employee may be presumed to test positive for prohibited substances
    - A negative drug test does not preclude disciplinary action for other behavior that fails to comply with Strategic HFC's Employee Code of Conduct.

Should additional disciplinary action be warranted, such actions may include but are not limited to:

- Suspension of Employment
- Termination of Employment, including immediate termination
- Other action as determined by Strategic HFC

3.3 Confidentiality on Drug & Alcohol matters

Information and records relating to positive test results, drug and alcohol dependencies, and legitimate medical explanations provided to the organization will be kept confidential to the extent required by law and maintained in secure files separate from normal personnel files. Such records and information may be disclosed among managers, supervisors, and board members based on business necessity, and may also be disclosed when relevant to a grievance, charge, claim, or other legal proceeding initiated by or on behalf of an employee.

3.4 Employee Assistance

Strategic HFC may assist and support employees who voluntarily seek help for drug or alcohol addiction before becoming subject to discipline or termination under this or other Strategic HFC policies. Such employees may be allowed to use accrued paid time off, placed on paid or unpaid leave, referred to treatment providers, and otherwise accommodated as required by law.

Employees may be required to document that they are successfully following prescribed treatment and to take and pass drug and/or alcohol tests if they hold jobs that are safety-sensitive or require driving, or if they have violated this policy previously.

Once a drug or alcohol test has been requested by Strategic HFC, unless otherwise required by the Family and Medical Leave Act or the Americans with Disabilities Act, the employee will have forfeited the opportunity to be granted a leave of absence for treatment, and may be subject to disciplinary action, up to and including termination if drug or alcohol use is substantiated.

4. “Whistleblower” Protections & Policy

Whistleblower policies are adopted to protect employees who raise concerns about an organization’s management or practices. “Whistleblower” as a term is generally associated with someone who reports illegal or fraudulent behaviors. Moreover, Strategic HFC’s Whistleblower policy is intended to also cover those who report ethical concerns, noncompliance with organizational policies, and more.

Through this policy, Strategic HFC aims to develop an organizational environment that allows staff and stakeholders to raise issues or concerns safely, with the goal of continuous improvement as an organization.

Strategic HFC expects employees to report any “whistleblower” concerns.

4.1 Definitions; Responsibilities

A whistleblower is an employee who reports on an activity they consider to be illegal, unethical, or out of compliance with established Strategic HFC policies, including this Code. Some examples of potential activities that might trigger a whistleblower report include:

- Violation of federal, state, or local laws
- Billing for services not performed or goods not delivered
- Fraudulent financial reporting
- Solicitation of gifts in exchange for business considerations
- Discrimination or harassment
- Failure to comply with organizational policies

Whistleblower reports may be in relation to Strategic HFC's staff, Board of Directors members, and individuals or organizations that do business with Strategic HFC.

Whistleblowers are responsible for making reports in good faith. For example, an employee who files a report or provides information that he or she knows to be false or who does not have a reasonable belief in the truth and accuracy of the information is subject to potential disciplinary measures up to and including termination.

The whistleblower is not responsible for investigating the activity, or for determining corrective or disciplinary actions to be taken. These responsibilities fall solely to Strategic HFC. Therefore, the best practice is for a person making a whistleblower report to keep the matter confidential, reporting to and discussing it with only the designated representative(s) within Strategic HFC.

4.2 Procedures; Retaliation Prohibited

Whistleblower reports should be made only to an employee's immediate supervisor or the Director of Finance & Administration, Deputy Director or Board President.

Upon making a whistleblower report this Code is immediately effective, including:

- Whenever possible, confidentiality of the whistleblower's identity will be maintained. In some unique circumstances, identity may be required to be disclosed – such as in the event of legal proceedings or to comply with other laws, and
- Unlawful retaliation against an employee as a consequence of good faith actions in the reporting of, or the participation in an investigation pertaining to, allegations of wrongdoing is prohibited.

Please note, however, that:

- Whistleblowers continue to be subject to personnel procedures arising from actions unrelated to the whistleblower incident; and
- The prohibition of retaliation does not include immunity for an employee's personal wrongdoing that is discovered or revealed as part of the investigation.

Any whistleblower who believes he/she/they is being retaliated against should contact the Director of Finance & Administration, Deputy Director, or Board President immediately.

Strategic Housing Finance Corporation of TRAVIS COUNTY

V.B. ACTION ITEM

Resolution No. SHFC-2025-23: To consider and take action to approve Record Management Policy

Strategic Housing Finance Corporation of TRAVIS COUNTY

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-23: To consider and take action to approve Record Management Policy.

Background Information

The purpose of Record Management Policy is to establish retention periods for common categories of documents that Strategic HFC manages and maintains. The retention periods apply to both physical and digital records and are intended to serve as a reference for goal outcomes and practices.

Fiscal Impact

There is no fiscal impact of the resolution.

Attachments

A. Resolution No. SHFC-2025-23
B. Record Management Policy

Approval

____

Dianna Grey, Executive Director

Strategic Housing Finance Corporation of TRAVIS COUNTY

August 14, 2025

Resolution No. SHFC-2025-23: To consider and take action to approve Record Management Policy.

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 "Record Management Policy" for the Corporation, a copy of which is attached to this Resolution as Exhibit A and incorporated herein for all purposes (the "Policy"); and

WHEREAS, the Board desires to adopt the Policy.

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

Section 1: The Policy is hereby approved and adopted.

Section 3: This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________

Dianna Grey
Executive Director and Secretary

EXHIBIT A

Record Management Policy

Record Management Policy: Maintenance, Retention, & Destruction

Background

As a public nonprofit corporation in Travis County, Texas, Strategic HFC has established Record Management Policy in compliance with Texas Business Organizations Code, Chapter 22. Under this policy, Strategic HFC shall use reasonable business efforts to retain records for the period of their immediate or current use and in accordance with these periods – unless longer retention is necessary to comply with contractual, legal, public information request, or other requirements. The policy is intended to cover both physical files as well as digital or electronic files maintained by the organization or on organizationally owned/maintained equipment.

Below is an outline of Strategic HFC's retention periods for common categories of documents. Unless otherwise stated, retention periods are calculated in calendar years from the record creation date. Documents that have been retained beyond the period indicated in the chart below may be destroyed without notice unless required by contract or law

This policy is intended to apply to files that Strategic HFC has within its custody and/or controls access to and maintains, with an emphasis on good faith records management. Strategic HFC acknowledges that this policy will be used to represent goal outcomes and practices.

Record Types and Retention Periods

Table of Contents:

I. Employee Documents

Type	Description (non-exhaustive)	Retention Period
Pre-Employment/Employment Documents	Application materials, Form I-9, Policy Acknowledgements, COBRA notice, Position/Pay History Records, Unemployment Claim Records, Termination Forms, Exit Interviews, etc.	Termination + 3 yrs.
Health & Benefits Records	Benefit Plan Elections, Beneficiary Information, Worker's Compensation Claims, Reasonable Accommodation Records, etc.	Termination + 3 yrs.
General Retirement Records	401(k) Allocation Reports, 401(k) Loan Payment Forms	Termination + 3 yrs.
Retirement Beneficiary Forms	ERISA mandates long term storage of files that may determine benefits entitlements	Termination + 60 yrs.
Payroll and Tax Documents	Paystubs, W-2s, W-4s, Withholding Records, Expense/Reimbursement Reports, 1099 Forms, Direct Deposit Records, Garnishment Records, etc.	Termination + 3 yrs.
HR Policies and Reports	Board approved organizational HR policies, State New-Hire Reports, etc.	While current + 3 yrs.
Employee Grievances	Records and outcomes of reported employee grievances with policies, working conditions, or management of reported concerns	Final decision on the grievance + 3 yrs.

II. Organizational Documents

Type	Description (non-exhaustive)	Retention Period
Business Entity Documents	Articles of Incorporation, Resolution of Creation, Certificate of Incorporation, Bylaws, etc.	Permanent
Contracts, Leases, and Agreements	Contracts, Leases, Agreements, Letters of Engagement, Amendments, Renewals, Terminations, etc.	Expiry/Completion + 5 yrs.
Insurance Policies	Policy documents for any organizational insurance	Expiry + 10 yrs.
Insurance Claim Records	Records associated with any insurance claim made	Resolution of Claim + 5 yrs.
Bids and Bid Documentation	Requests for Proposals (RFPs) and responses, informal requests for estimates, quotes, purchase orders, etc	Final decision on bid + 3 yrs.
W-9 Forms	W-9 Forms received from vendors who have provided services to the organization	Close of fiscal year + 3 yrs.
Public Information Requests	All correspondence and documentation relating to records requests under Chapter 552	Date of request filled + 3 yrs.
Notarization Records	All records related to the notarization of organizational documents, contracts, etc., including remote notarization videos, recordings, etc.	Close of fiscal year + 5 yrs.

III. Board and Governance Documents

Type	Description (non-exhaustive)	Retention Period
Board Meeting Documents	Official agendas, minutes, documentation associated with agenda items, etc.	Permanent
Board Resolutions	Signed Resolution Documents passed by the Board	Permanent
Board audio and/or visual recordings	Any audio or visual recordings of Board Meetings	Permanent
Open Meeting Notices	Public postings of meetings held under the Texas Open Meetings Act	Permanent
Public Board Business	Public Comment Forms, Board Forum Postings, etc.	Permanent

IV. Financial Documents

Type	Description (non-exhaustive)	Retention Period
Financial Statements	Monthly financial statements/reports, bank statements, investment statements, credit card or purchasing card statements, cancelled checks, General Ledger, Bank Reconciliations, etc.	Close of fiscal year + 5 yrs.
Annual Financial Statements	Year end financial statements	Permanent
Auditor Reports	Independent auditor reports, auditors' letter to management, etc.	Permanent
Budget Documents	Organizational Budgets, amendments, special budgets, etc	Close of fiscal year + 15 yrs.
Capital Assets Records	Equipment, property, or other asset schedules, associated data on anticipated useful life, initial cost, etc.	Disposal of asset + 5 yrs.
Financial Policies and Procedures	Board approved organizational financial policies, internal financial procedures, etc.	While current + 5 yrs.
Journal Entries	Journal entries into general or subsidiary ledgers and associated support	Close of fiscal year + 5 yrs.
Expense support	Receipts, invoices, bills, etc. for expenses incurred by the organization	Close of fiscal year + 3 yrs.

V. Real Estate Documents

Type	Description (non-exhaustive)	Retention Period
Bond Forms	Applications, Issuances, Inducements, Transactions, TEFRA records, and other records associated with Strategic HFC's issuance of private activity or other bond types	Life of the obligation + 3 yrs.
Compliance Reports	Regular reports, physical conditions, risk assessments, insurance policies, and any associated supporting documentation as relating to properties in the Strategic HFC portfolio	While in Strategic's portfolio + 6 yrs.
Financial Documents	Due diligence financials, Operating financials, audit files payment remittance or invoices, loan documents, Proformas	While in Strategic's portfolio + 6 yrs.
Tax records	Partnership filings, franchise tax filings, other applicable tax records	Close of fiscal year in which filed + 6 yrs.
Litigation Records	Documents related to any litigation where Strategic HFC is/was a party.	Final resolution of litigation + 5 yrs.
Entity Documents	Articles of incorporation, certificates of formation, EIN records, affiliate entity records	While in Strategic's portfolio + 6 yrs.
Partnership Records	Applications, Contracts, agreements (LPAs, Development Agreements, MOUs, etc.), closing documents, conversion, refinancing, or disposition records, ground leases, term sheets	While partnership is active + 6 yrs.
Purchase and Sale Documents	Purchase & Sales agreements, loan applications, letters of intent, commitment letters, offers, closing statements, and any other documents relating to the purchase/sale of real estate	Disposition of the property + 6 yrs.
Construction Records	Construction draws, site plans & drawings, construction monitoring and status reports, change orders, entitlements and permitting, certificate of occupancy, agreements or contracts relating to construction	While in Strategic's portfolio + 6 yrs.

Maintenance of Employee Records

The following employee information records are maintained in segregated personnel files:

1) Pre-employment testing results and background check information.
2) I-9 forms.
3) Benefits plan and employee medical records.
4) Health and safety records.
5) General employee personnel records.

Destruction of Employee and Applicant Records

All paper personnel records and confidential employee data maintained by the HR department will be destroyed by shredding after retention dates have passed; this procedure pertains to all personnel records, not just those governed by the Fair and Accurate Credit Transactions Act (FACTA).

Employment application materials submitted by applicants who were never employed are also to be shredded.

When a confidential record must be discarded or destroyed, it shall be marked as confidential and given to the Finance and Administration Department to be destroyed in accordance with the record destruction policies.

Personnel records include electronic as well as paper records. The HR department will work with the IT department periodically and no less than biennially (every two years) to review and ensure that the HR department's electronic records relating to employee information and compliance reports are properly purged.

Strategic Housing Finance Corporation of TRAVIS COUNTY

V.C. ACTION ITEM

Resolution No. SHFC-2025-24: To consider and take action to approve Revised Bylaws

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-24: To consider and take action to approve Revised Bylaws

Background Information

Strategic HFC has held Board of Directors meetings consistent with the Texas Open Meetings Act (TOMA) for years. With the passage of House Bill 21 in the 89th Texas Legislative Session, all Housing Finance Corporations are now required to comply with TOMA. These revisions in the bylaws are intended to bring Board of Directors meetings and committees into full compliance with TOMA.

Notable revisions include:

- Sections 4.2 and 4.3: Revising “consistent with the Texas Open Meetings Act” to “in compliance with the Texas Open Meetings Act”
- Section 4.4: Clarifying that a quorum of the Board of Directors is determined by a majority of the Directors who are appointed, hold office, and have been sworn into the Oath of Office
- Section 4.5: Removing language that is inconsistent with TOMA for committees that can exercise the authority of the Board of Directors, and adding language regarding public notice requirements.
- Section 4.6: Renaming this section from “Standing Committees” to “Standing Advisory Committees”, and clarifying that these types of committees cannot consist of a quorum of the Board of Directors
- Section 4.6.3: Changing “shall establish policies” to “shall recommend to the Board of Directors policies” to reflect this committee’s advisory role

Fiscal Impact

There is no fiscal impact of the resolution.

Attachments

A. Resolution No. SHFC-2025-24
B. Revised Bylaws, blacklined

Approval

____
Dianna Grey, Executive Director

August 14, 2025
Resolution No. SHFC-2025-24

RESOLUTION OF BOARD OF DIRECTORS TO APPROVE AND ADOPT THE CORPORATION'S AMENDED BYLAWS

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 Corporation's bylaws were last amended November 21, 2024; and

WHEREAS, the Board of Directors of the Corporation (the "Board") has determined it is in the best interest of the Corporation to amend its bylaws to, among other things, maintain compliance with the "Texas Open Meetings Act", as reflected in the Amended and Restated Bylaws of the Corporation, attached hereto as Exhibit A (the "Amended Bylaws"); and

WHEREAS, the amended bylaws, attached hereto as Exhibit A, do not conflict with the Texas Local Government Code, nor any other applicable laws.

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

Section 1: The Board hereby approves the Amended Bylaws and adopts the Amended Bylaws as the bylaws of the Corporation.

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

PASSED AND APPROVED this 14th day of August, 2024.

Janet 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 14th day of August, 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 14th day of August, 2025.

By: ________________________________
Dianna Grey, Executive Director

EXHIBIT A

AMENDED AND RESTATED BYLAWS

BYLAWS
OF
STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

As in effect on ~~November 21, 2024~~August 14, 2025

ARTICLE I
NAME, PURPOSE AND OFFICES

Section 1.1 Name. The name of the Corporation is Strategic Housing Finance Corporation of Travis County.

Section 1.2 Purpose. The Corporation is organized solely to carry out the purposes of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394.

Section 1.3 Principal Office. The principal office of the Corporation shall be located within Travis County.

Section 1.4 Other Offices. The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may determine or the business of the Corporation may require.

ARTICLE II
DIRECTORS

Section 2.1 Powers, Number, and Term of Office. Subject to any restrictions imposed by statute, the Articles of Incorporation of the Corporation, or these Bylaws, all powers of the Corporation shall be vested in a Board of Directors consisting of seven persons, each of whom shall be appointed and hold office according to the provisions of Article VI of the Articles of Incorporation. One person serving on the Board of Directors must be a current resident of an affordable housing property in which a local government, local public non-profit corporation, or housing authority within Travis County has an ownership interest. One person serving on the Board of Directors must be a current or former resident of an affordable housing property in which the Corporation has an ownership interest.

Section 2.2 Compensation. Directors shall not receive any salary or compensation for their service to the Board. Directors shall be reimbursed for actual expenses incurred in the performance of their duties hereunder and may receive a reasonable allowance for transportation and care expenses.

Section 2.3 Resignations. Any Director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE III
OFFICERS

Section 3.1 Election. Number. Qualification. Term. The officers of the Corporation shall be elected or appointed by the Board of Directors and shall consist of a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also elect or appoint additional Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall deem necessary, who shall hold their offices for a one-year term. The offices of Secretary and Treasurer may be filled by a Director or member of the Corporation's staff. Each officer so appointed shall serve until his or her successor shall have been elected or appointed and qualified, unless sooner removed. Two or more offices may be held by the same person, except that the offices of President, Vice President, Secretary and Assistant Secretary may not be held by the same person. The term of office for any officer position is one year. No Director may serve in an Executive Committee position (i.e., President, Vice President) for more than two consecutive years. This would include cases whereby a Director is re-appointed to serve on the Board for one or more consecutive terms.

Section 3.2 Removal. The officers of the Corporation shall hold office until their successors are elected or appointed and qualified, or until their death or until their resignation or removal from office. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board whenever in its judgment the best interests of the Corporation will be served thereby. Resignation or removal as a Director shall also constitute, without further action, removal or resignation as an officer of the Corporation.

Section 3.3 Vacancies. Any officer vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors.

Section 3.4 Authority. Officers and agents shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws.

Section 3.5 President. The President shall have general oversight of the affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President is responsible for ensuring the integrity of Board process. He or she shall preside at all meetings of the Board of Directors.

Section 3.6 Vice President. The Vice Presidents, in order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. They shall perform such other duties and have such other authority and powers as the Board of Directors may prescribe or as the President may delegate.

Section 3.7 Secretary. The Secretary shall attend all meetings of the Board of Directors and record all of the proceedings of the meetings of the Board of Directors and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings, consistent with the Texas Open Meetings Act, of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he or she shall be.

Section 3.8 Treasurer.

(a) Except as otherwise provided by the Board of Directors, the Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

(b) The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render the President and the Board of Directors, at its regular meetings, or when the President or Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

(c) If required by the Board of Directors, the Treasurer shall give the Corporation a bond of such type, character and amount as the Board of Directors may require.

Section 3.9 Assistant Secretary and Assistant Treasurer. In the absence of the Secretary or Treasurer, an Assistant Secretary or Assistant Treasurer, respectively, shall perform duties of the Secretary or Treasurer. Assistant Treasurers may be required to give bond as in Section 3.8(c) hereof. The Assistant Secretaries and Assistant Treasurers, in general shall have such powers and perform such duties as the Treasurer or Secretary, respectively, or the Board of Directors or President may prescribe.

ARTICLE IV
MEETINGS OF THE BOARD OF DIRECTORS

Section 4.1 Place. Meetings of the Board of Directors, regular or special, may be held at any place within or without the State of Texas.

Section 4.2 Regular Meetings. Regular, monthly meetings of the Board of Directors may be held with proper public notice ~~consistent~~ in compliance with the Texas Open Meetings Act at such time and at such place as shall be determined by the Board.

Section 4.3 Special Meetings. Special meetings of the Board of Directors may be called by the President, at the request of the Travis County Commissioners Court, or on the written request of two Directors with proper public notice, ~~consistent~~ in compliance with the Texas Open Meetings Act.

Section 4.4 Quorum of Directors. A majority of Directors who are appointed, hold office, and have been sworn into the Board of Directors' Oath of Office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors and the act of a majority of the Directors present at any meeting at which there is a Quorum shall be the act of the Board of Directors. ~~At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a Quorum shall be the act of the Board of Directors.~~

Section 4.5 Committees. The Board of Directors, by resolution adopted by majority of the Directors in office or by the President, may designate one or more standing committees, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. ~~Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by resolution adopted by majority of the Directors at a meeting at which a quorum is present or by the President.~~ Committee meetings may be held ~~in person, by telephone, videoconference, or any combination thereof that allows all persons in the meeting to communicate with one another~~with proper public notice in compliance with the Texas Open Meetings Act at such time and at such place as shall be determined by the board.

Section 4.6 Standing Advisory Committees. The Board of Directors or the President shall create Standing Advisory Committees whose primary purpose shall be to consider and recommend to the Board action on resolutions referred to such Standing Advisory Committees. Each Standing Advisory Committee shall not be composed of ~~no more than three~~a quorum of the Board of Directors. Directors shall be appointed by the President of the Board of Directors. The President of the Board of Directors shall also appoint the Chairs of each Standing Advisory Committee. Standing Advisory Committees shall hold meetings as they deem necessary. The Chair of each Standing Advisory Committee shall present their report and make recommendations on applicable resolutions to the Board of Directors as deemed necessary. No committee may act for the Board regarding resolutions. Any S~~s~~tanding Advisory C~~c~~ommittee may be composed of Directors, staff, and/or other persons.

Section 4.6.1. Executive Committee. The Executive Committee, composed of both the President and Vice President(s) shall be responsible for the review and oversight of the Board agenda development, in addition to providing general guidance related to Board engagement; oversight of outreach and public relations for the Corporation; the nomination and election of officers; and matters of governance and strategic planning.

Section 4.6.2. Finance and Administration Committee. The Finance and Administration Committee shall be responsible for review and oversight of (i) budgets, operating statements and other financial reports including an independent annual agency audit and recommending to the Board of Directors financial policy, financial development and investment strategies; and (ii) administrative matters concerning the Corporation. Additionally, this committee shall be responsible for review of the internal budget of the Board and oversight of expenditures.

Section 4.6.3. Real Estate Development Committee. The Real Estate Development Committee shall be responsible for review and oversight of the Corporation's redevelopment and community revitalization efforts, in addition to new projects, and shall ~~establish~~ recommend to the Board of Directors policies regarding the purchase, sale and development of real estate by the Corporation.

Section 4.7. Other Committees. The Board President, or the Board of Directors by resolution, shall create such other committees as may be needed to carry on the business of the organization, and shall designate the size, composition, duties, organization, administration, and duration of such committees. Other committees may be composed of Directors, staff, and/or any other persons. No committee shall exercise the power of the Board except as allowed by Section ~~3.5~~4.5.

Section 4.8 Notice. Any notice to Directors shall be in writing by email.

ARTICLE V
PROTECTION OF OFFICERS, DIRECTORS AND EMPLOYEES

Section 5.1 Indemnification. The Corporation shall indemnify any Director or officer or former Director or officer of the Corporation against expenses actually and necessarily incurred by him or her in connection with any claim against him or her by action in court or otherwise by reason of being or having been such Director or officer, except in relation to matters as to which he or she shall have been guilty of misconduct in performance of duty. The Corporation shall also reimburse any such Director or officer or former Director or officer for the reasonable cost of compromise of any such claim if it shall be found by a majority of the Directors not involved in the matter in controversy, whether or not a quorum, that it was in the best interest of the Corporation that such compromise be made, and that such Director or officer or former Director or officer was not guilty of misconduct in performance of duty.

Section 5.2 Expenses Advanced. The Corporation may pay in advance any expenses which may become subject to indemnification if the Board of Directors authorizes the specific payment, and the person receiving the payment undertakes in writing to repay unless it is ultimately determined that he or she is entitled to indemnification by the Corporation.

Section 5.3 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under these Bylaws or the laws of the State of Texas.

Section 5.4 Other Protection and Indemnification. The protection and indemnification provided hereunder shall not be deemed exclusive of any other rights to which such Director or officer or former Director or officer may be entitled, under any agreement, insurance policy or otherwise.

ARTICLE VI
GENERAL PROVISIONS

Section 6.1 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6.2 Seal. The corporate seal shall be in such form as may be prescribed by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 6.3 Amendment. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors, subject to repeal or change by action of the Travis County Commissioners Court, at any meeting of the Board of Directors at which a quorum is present.

Section 6.4 Books and Records; Approval of Program and Financial Statements. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any Director or his or her agent or attorney for any proper purpose at any reasonable time; and at all times the County will have access to the books and records of the Corporation. The County shall be entitled to approve all programs and expenditures of the Corporation and annually review any financial statements of the Corporation.

Section 6.5 Approval or Advice and Consent of the County. To the extent that these Bylaws refer to any approval by the Travis County Commissioners Court, such approval shall be evidenced by resolution, order or motion duly adopted by the Travis County Commissioners Court.

Section 6.6 Organizational Control. The Travis County Commissioners Court may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Corporation (including the power to terminate the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation.

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Secretary

Strategic Housing Finance Corporation of TRAVIS COUNTY

V.D. ACTION ITEM

Resolution No. SHFC-2025-25: To consider and take action to approve Procurement and Purchasing Standards

Strategic Housing Finance Corporation of TRAVIS COUNTY

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-25: To consider and take action to approve Procurement and Purchasing Standards.

Background Information

The purpose of the Procurement and Purchasing Standards is to establish organizational purchasing requirements, delegated authority, and standards of documentation. The standards serve to ensure fairness, transparency, cost-effectiveness, and accountability is practiced by Strategic HFC in all purchasing and contracting activities.

Fiscal Impact

There is no fiscal impact of the resolution.

Attachments

A. Resolution No. SHFC-2025-25
B. Procurement and Purchasing Standards

Approval

____

Dianna Grey, Executive Director

August 14, 2025

Resolution No. SHFC-2025-25: To consider and take action to approve Procurement and Purchasing Standards.

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 "Procurement and Purchasing Standards" for the Corporation, a copy of which is attached to this Resolution as Exhibit A and incorporated herein for all purposes (the "Policy"); and

WHEREAS, the Board desires to adopt the Policy.

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

<u>Section 1</u>: The Policy is hereby approved and adopted.

<u>Section 3:</u> This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________
Dianna Grey
Executive Director and Secretary

EXHIBIT A

Procurement and Purchasing Standards

Strategic Housing Finance Corporation of TRAVIS COUNTY

Procurement and Purchasing Standards

Introduction and Purpose

Strategic HFC is committed to responsible and transparent procurement and purchasing practices. The standards set forth in this document provide guidelines and procedures for buying goods and services, from vendor selection to the formal bidding process.

As a public nonprofit corporation in Travis County, Texas, Strategic HFC has established *Procurement and Purchasing Standards* in compliance with Texas Local Government Code, Chapter 394 – Housing Finance Corporations in Municipalities and Counties, and Texas Business Organizations Code, Chapter 22 – Nonprofit Corporations.

Additionally, the following standards are consistent with principles found in federal procurement standards (Uniform Administrative Requirements 2 CFR Part 200) as a framework of best practice, although not legally required unless and until Strategic HFC receives federal funding.

Texas Local Government Code Chapter 262 – Purchasing and Contracting Authority of Counties and other related procurement statutes and policies are not applicable to Strategic HFC's operations due to its status as a public nonprofit housing finance corporation, rather than a municipality, county or other political subdivision of the State.

By adhering to these Procurement and Purchasing Standards, Strategic HFC will uphold the principles of fairness, transparency, cost-effectiveness and accountability in all purchasing activities. These standards serve as a guide for all staff members involved in procurement and/or purchasing, ensuring compliance with legal and ethical standards. Regular review and updates to these standards will incorporate changing needs and best practices in the field of procurement.

Authorization for Use of Funds

1.1. Prior to the start of the fiscal year (January 1st), the Strategic HFC Board of Directors approves the annual Operating Budget. Staff are authorized to make purchases under the following conditions:

- Funding is available in the approved Operating Budget
- Expenses reasonably correspond to programs and purposes in the approved Operating Budget
- Expenses are identifiable, reasonable, justifiable and documented
- Purchases will not result in unnecessary or duplicative items

1.2. Funds corresponding to budgets other than Strategic HFC's annual Operating Budget (such as Board designated funds, special grants, special programs, etc.) may be subject to additional or different procurement and purchasing requirements. Unless otherwise stated, the standards within this document apply.

1.3. Per *Resolution SHFC-2024-56*, the Board of Directors has delegated authority to the Executive Director to obligate the organization for amounts of up to $76,000 annually without requiring additional approval by the Board of Directors. This authority extends to all purchases made on behalf of the corporation. The authorized threshold may change during the annual budget process and/or by resolution passed by the Board of Directors. Any updates to the Executive Director's delegated authority threshold will be utilized by this policy when considering purchasing ranges.

1.5. Any employee who engages in unauthorized purchases may be subject to disciplinary action and/or restriction of purchasing authority.

Ethical Standards

2.1. All procurement and purchasing activities will be conducted with integrity, honesty, and fairness, avoiding conflicts of interest and improper practices. Staff involved in any procurement or purchases as a matter of corporation operations will adhere to the Strategic HFC Code of Conduct.

2.2. Employees involved in procurement shall not accept gifts, favors, or incentives from vendors that may compromise impartial decision-making. Specific guidance and details may be found in Strategic HFC's Code of Conduct.

2.3. Any actual or potential conflicts of interest involving employees, board members, or their immediate family members must be disclosed and appropriately addressed (see Conflict of Interest Policy and annual disclosure form).

2.4 All financial transactions are representative of Strategic HFC's commitment to accountability, transparency and furthering public benefit to the community. Procedures for spotlighting and addressing concerns related to purchasing and procurement fall under Strategic HFC's Whistleblower Policy.

Vendor Selection

3.1. Vendor selection is based on objective criteria such as quality, price, delivery capability, sustainability and compliance with relevant laws and regulations.

3.2. All vendors are treated fairly and without discrimination or bias based on race, gender, nationality, religion, or any other protected characteristic.

Procurement Methods

4.1. For routine purchases of goods and services up to $15,000, a single, informal price quote over the telephone, fax, email, internet, etc. is acceptable. Such purchase transactions may occur using a purchasing Card, invoice payment through Strategic HFC's accounts payable system using Bill.com, check payment, ACH or electronic payment, or wire transfer if necessary. Estimates or purchase orders in advance of the transaction are preferred and invoices or other proof of charge and payment are considered necessary.

4.2. For purchases of goods and services (both one-time purchases and anticipated recurring purchases) annually totaling between $15,000.01 and $76,000, staff will obtain at least two comparative quotes or bids comporting with project or purchase specifications to ensure cost-effectiveness is standard practice. Approval by the Executive Director is required. Estimates or purchase orders in advance of the transaction are preferred and invoices or other proof of charge and payment are considered necessary.

4.3. Contracts or purchases over $76,000.01 up to $250,000 must be solicited via formal written quotes (as described in Section 4.2) or a written competitive bidding or proposal process, at the Executive Director's discretion.

4.4 Purchases or contracts of $250,000.01 or more require a competitive bidding or proposal process. The formal solicitation will be conducted in a fair, open, and transparent manner, providing all eligible vendors with an equal opportunity to participate. Written documentation of the bid/proposal is required.

4.5. Exemptions to the process(es) above may be made in cases of public emergency, sole-source suppliers, professional service providers, or for other reasons deemed in the best interest of the organization. Such exemptions must be documented and approved in advance by the Executive Director or Deputy Director.

4.6 These guidelines also apply to transactions where Strategic HFC selects the vendor or consultant, but payment is made through another party, such as legal costs paid by developer partners or real estate brokerage services.

Purchase Authorization and Delegation of Approval

5.1. All purchases must be authorized in advance by designated individuals with appropriate authority. Strategic HFC's Executive Director currently maintains sole purchasing authority for the organization.

The tables below indicate where and when this purchasing authority is delegated from the Executive Director to certain designees. This delegation may be modified at any time, at the discretion of the Executive Director.

Positions Granted Delegated Purchasing Approval	
ED = Executive Director	EC = Executive Coordinator
DD = Deputy Director	OA = Operations Assistant
DRE = Director of Real Estate	AHA = Affordable Housing Assistant
DFA = Director of Finance & Administration	
DPEA = Director of Planning & External Affairs	
Directors = includes ED, DD, DRE, DFA, DPEA	**Admins** = includes EC, OA, AHA

5.2. Price thresholds, delegated purchasing authority and required approvals are clearly defined in the table below, ensuring standardized review and oversight while maintaining efficiency.

5.3. Proper documentation including quotes, invoices, receipts, and evidence of goods delivered or services rendered will be maintained for each purchase to facilitate accountability and accurate record-keeping.

Purchasing Thresholds & Requirements

Amount	Delegated Purchase Authority	Method	Documentation	Expense Approval	Contract	Notes
Under $5,000	Admins, Directors	Purchasing Card, Bill.com Payment, Check payment, ACH payment, electronic payment	Invoice and Quote(s), if any	Purchasing Card policy OR 1-level approval of payment by 1) Director	Optional	Strategic HFC staff purchase based on a single quote obtained informally by phone, internet, fax, email, etc. Approvals by Director may also be obtained informally – in person, via phone, or email.
$5,000 to $15,000	Directors	Purchasing Card, Bill.com Payment, Check payment, ACH payment, electronic payment	Invoice and Quote(s), if any	Purchasing Card Policy OR 2-level approval of payment by 1) Director 2) ED	Optional	Strategic HFC staff purchase based on at least one quote obtained informally by phone, internet, fax, email, etc. Directors may choose to delegate this purchase to Administrative staff, however in such cases their approvals should be written.
$15,000.01 to $76,000	ED, DD, DFA	Purchasing Card, Bill.com Payment, Check payment, ACH payment, electronic payment	Completed Specification or Scope and 2 quotes	2-level approval of payment by 1) Director 2) ED	Optional	Strategic HFC staff purchase based on specifications and comparison of 2 written quotes.

$76,000.01 to $250,000	Resolution by Board of Directors	Board Approved Contract (Optional Competitive Procurement)	Executed resolution, Specification form, and 2 quotes OR Executed resolution and Signed Exemption	3-level approval of payment by 1) Director 2) ED 3) Board Pres	Contract required	
$250,000.01 or more	Resolution by Board of Directors	Board Approved Contract via Competitive Procurement	RFP or other Solicitation and Executed Resolution and Signed Contract OR Signed Exemption and Executed Resolution and Signed Contract	3-level approval of payment by 1) Director 2) ED 3) Board Pres	Contract required	

Contract Negotiation and Review

6.1. Contracts will clearly define the rights and obligations of both parties, including deliverables, timelines, payment terms, warranties, and dispute resolution mechanisms.

6.2. All contracts and purchase agreements will be reviewed by the Executive Director, Director of Real Estate, and/or Deputy Director before finalization.

6.3. Legal counsel may be involved in reviewing complex or high-value contracts to ensure compliance and mitigate risks.

Internal Compliance and Monitoring

7.1. These standards comply with all applicable laws, regulations, and ethical standards governing procurement and purchasing activities, as well as with Strategic HFC's Code of Conduct policies.

7.2. Regular internal audits and reviews will be conducted to assess compliance with these standards and identify areas for improvement.

7.3. Any violations of these standards should be reported through the organization's designated reporting channels, and appropriate disciplinary action will be taken.

Record-Keeping, Reporting and Records Retention

8.1. Accurate and comprehensive records of all procurement and purchasing transactions will be maintained, including documentation of vendor selection, bids received, contracts, purchase orders, invoices, and payment details. Records will be kept for time periods outlined in the Strategic HFC Record Management Guidelines.

8.2. Financial staff will provide reporting on procurement activities – including expenditure analysis, vendor performance, and compliance with policies and procedures – to the Executive Director and the Finance & Administration Committee of the Board of Directors upon request.

Policy Revisions

9.1 The Strategic HFC Treasurer will review this policy and recommend revisions to the Finance & Administration Committee of the Board of Directors, if necessary.

Strategic Housing Finance Corporation of TRAVIS COUNTY

V.E. ACTION ITEM

Resolution No. SHFC-2025-26: Consideration and possible action to authorize the execution of a Memorandum of Understanding regarding participation in the ownership and operation of Cambridge Villas Apartments, a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660; and containing other provisions related thereto

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-26: Consideration and possible action to authorize the execution of a Memorandum of Understanding regarding participation in the ownership and operation of Cambridge Villas Apartments, a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660; and containing other provisions related thereto

Background Information

This resolution authorizes the execution of a Memorandum of Understanding ("MOU") to support the restructuring of Strategic HFC's existing Cambridge Villas partnership with a new partner.

In July 2024, Alden Torch, the Investor Limited Partner (ILP) in the Cambridge Villas limited partnership, initiated the remarketing of Cambridge Villas, a right granted to them by the Limited Partnership Agreement.

The property was listed for sale on March 6, 2025, and attracted significant interest, with the offer from Fairfield Residential selected as the most favorable.

The Board authorized the Executive Director to negotiate a Purchase and Sales Agreement ("PSA") and a MOU for a new Strategic HFC partnership with a prospective Purchaser at the April 10, 2025 board meeting through Resolution No. SHFC-2025-11. This resolution defined key terms under which Strategic HFC would be willing to enter into a new partnership with a prospective Class B Partner and thus provide the ad valorem tax exemption support ongoing affordability.

Key Terms

A summary of Board-approved financial terms is included in the table below:

Financial Partnership Terms

Ground Lease	20% of estimated property tax with 3% annual increase. First in cash flow waterfall and accrues with compounding interest of 3% if not paid
Cash Flow	10%
Refi/Sales	10% of net proceeds and 10% of reserve accounts in event of property sale or refinance
Capital Expenditures	Limited Partnership Agreement will guarantee at a minimum $10,000/unit of planned capital expenditures supported by new financing of property*

**Note that Fairfield is currently projecting $16,000 in capital improvements per unit*

Key non-financial terms include tenant protections, partner guarantees, indemnification for Strategic HFC, delineation of authority/consent for key decisions, and a right of first refusal.

Strategic HFC has been in negotiations with Fairfield, and a draft Memorandum of Understanding has been prepared that will meet the threshold terms authorized by the board through Resolution No. SHFC-2025-11. As the draft MOU moves toward substantially final, an updated version may be provided before the Board meeting.

Note that a separate resolution has been presented to the Board to authorize the sale of the property to the to-be-constituted partnership.

Fiscal Impact

Please note that work is underway to finalize the draft MOU and pro forma projections. These figures may be updated at the time of presentation to the Board of Directors.

Ground Lease: The ground lease is expected to be approximately $70,531 in Year 1, with a 3% annual increase.

Cash Flow: The current pro forma projects Strategic HFC's 10% cash flow distribution at approximately $19,000 in Year 1.

Sale/Refinance: The current pro forma contemplates a refinance or sale in Year 10, with Strategic HFC receiving 10% of net proceeds. Current projections indicate that the organization's share of proceeds would be approximately $1.3M.

Attachments

1. Resolution SHFC-2025-26

Resolution No. SHFC-2025-26

RESOLUTION (THE "RESOLUTION") OF THE BOARD OF DIRECTORS OF STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE "CORPORATION") APPROVING A MEMORANDUM OF UNDERSTANDING REGARDING THE CORPORATION'S PARTICIPATION IN THE OWNERSHIP AND OPERATION OF CAMBRIDGE VILLAS APARTMENTS, A MULTIFAMILY RESIDENTIAL DEVELOPMENT LOCATED AT 15711 DESSAU ROAD, PLUGERVILLE, TEXAS 78660 (THE "DEVELOPMENT"); AND CONTAINING OTHER PROVISIONS RELATED THERETO

A. APPROVAL OF MEMORANDUM OF UNDERSTANDING

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, Jan Wenig is President of the Board of Directors of the Corporation (the *"President"*); and

WHEREAS, Dianna Grey is Executive Director of the Corporation (the *"Executive Director"*); and

WHEREAS, the Corporation owns fee title to the land (the *"Land"*) on which the multifamily residential development known as "Cambridge Villas Apartments" (the *"Development"*) is located and, in the Corporation's capacity as landlord under that certain Ground Lease dated as of May 1, 2006 (the *"Ground Lease"*) between the Corporation and Cambridge Villas Apartments Limited Partnership, a Texas limited partnership (the *"Partnership"*), the Corporation has leased the Land to the Partnership in connection with the Partnership's operation of the Development; and

WHEREAS, the Corporation is the sole member of SHFC Cambridge Villas, LLC, a Texas limited liability company (the *"General Partner"*) of the Partnership, which is governed by that certain Amended and Restated Agreement of Limited Partnership, dated as of May 1, 2006, and as amended (the *"Partnership Agreement"*); and

WHEREAS, the Development is subject to affordability restrictions set forth in that certain Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits, dated as of September 13, 2007 and as amended (the *"Affordability Restrictions"*); and

WHEREAS, the structure described herein has allowed the Development to receive a full abatement of ad valorem taxes pursuant to the Act (the *"Exemption"*); and

WHEREAS, the Special Limited Partner, a subsidiary of Alden Torch (the *"Special Limited Partner"*), has exercised its right under the Partnership Agreement to require a sale of the Development; and

WHEREAS, FRH Realty LLC, a Delaware limited liability company (the *"Purchaser"*) and the Partnership intend to enter into a Purchase and Sale Agreement and Escrow Instructions (the *"PSA"*), setting forth the terms and conditions for the Partnership to sell and the Purchaser to purchase the Development; and

WHEREAS, pursuant to SHFC Resolution No. SHFC-2025-11, the Board previously authorized the Executive Director, on behalf of the Corporation, to negotiate a Memorandum of Understanding (the *"MOU"*) setting forth the proposed terms and conditions of the Corporation's participation in the Development in order to continue the Exemption; and

WHEREAS, pursuant to the Corporation now intends to enter into the MOU with the Purchaser or an affiliate of the Purchaser.

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

<u>Section 1</u>: The Executive Director, on behalf of the Corporation, acting on its own behalf, is hereby authorized to execute and deliver the MOU, and such other documents and instruments that may be necessary and desirable to effectuate the MOU.

<u>Section 2</u>: That the President, Secretary and Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing Resolution.

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

[Signature page and certification to follow]

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________
Dianna Grey
Executive Director and Secretary

MEMORANDUM OF UNDERSTANDING

BETWEEN

STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

AND

[FAIRFIELD – NEED PARENT ENTITY]

"CAMBRIDGE VILLAS"

THIS MEMORANDUM OF UNDERSTANDING (this *"MOU"*) is between STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (the *"Strategic HFC"*), a public, nonprofit housing finance corporation organized under Chapter 394 of the Texas Local Government Code, and [FAIRFIELD] (the *"Fairfield"*), a [_________], and is dated and effective as of [August 14], 2025.

Fairfield and its affiliates are a developer of affordable housing in the State of Texas. Strategic HFC is a public, nonprofit housing finance corporation whose mission is to provide safe, decent and sanitary housing for persons of low and moderate income. Fairfield and Strategic HFC hereby agree to work cooperatively to own and operate Cambridge Villas, a 208-unit development located at 15711 Dessau Road, Pflugerville, Travis County, Texas 78660 (the *"Project"*) in accordance with the terms of this MOU.

In order to accomplish this purpose, the parties agree as follows:

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. Fairfield has formed or will form a limited partnership named Fairfield Cambridge Villas LP, a Texas limited partnership (the *"Partnership"*) for the purpose of owning the Project. SHFC Cambridge Villas, LLC, Texas limited liability company that is wholly-owned by Strategic HFC will be admitted into the Partnership as the sole general partner (the *"General Partner"*) at Closing (as defined herein).

2. Fairfield will designate an affiliate, Cambridge Villas SLP LLC, a to-be-formed Delaware limited liability company, to serve as a special limited partner of the Partnership (the *"Special LP"*), with certain oversight and approval rights (subject at all times to the Major Decision rights of Strategic HFC set forth in *Exhibit B*).

3. The duties of the General Partner and the Special LP shall be set forth in a partnership agreement (the *"Partnership Agreement"*) to be entered into among the General Partner, the Special LP, and an equity investor, which will be a fund managed by an affiliate of Fairfield, as the limited partner (the *"Investor LP"*). The parties will cooperate in good faith to cause the

Partnership Agreement to contain terms consistent with *Exhibit B* hereto, it being recognized that approval of Strategic HFC's Board of Directors is contingent upon the Partnership Agreement containing terms consistent with *Exhibit B*.

The General Partner's execution of the Partnership Agreement shall be subject to the following terms:

(i) The General Partner's representations shall be limited to the General Partner's actual knowledge and in no case shall due inquiry be required, it being understood and agreed that the General Partner will not be looked upon by the Special LP or the Investor LP to conduct Project-related diligence, and any such diligence conducted by Strategic HFC is solely for its own benefit;

(ii) The General Partner shall be indemnified by the Partnership (only to the extent of its assets), the Special LP and Fairfield and the for any liabilities incurred under the Partnership Agreement or in connection with the Project, except for (a) liabilities incurred as a result of the General Partner's gross negligence or willful misconduct and (b) liabilities incurred or arising from the period of time prior to Fairfield's ownership interest in the Project and the Partnership, and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iii) The Ground Lessor (as defined herein) shall be indemnified by the Partnership (only to the extent of its assets), Special LP and Fairfield for any liabilities incurred under the Ground Lease (as defined herein) and in connection with the Project, except for (a) liabilities incurred as a result of the respective gross negligence or willful misconduct of the Ground Lessor and (b) liabilities incurred or arising from the period of time prior to Fairfield's ownership interest in the Project and the Partnership, and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iv) If Fairfield seeks a sales tax exemption with respect to any rehabilitation materials, the Contractor (as defined herein) shall be indemnified by the Partnership, Special LP and Fairfield for any liabilities incurred under the Construction Contract (as defined herein) in connection with the Project, except for (a) liabilities incurred as a result of the respective gross negligence or willful misconduct of the Contractor and (b) liabilities incurred or arising from the period of time prior to Fairfield's ownership interest in the Project and the Partnership, and in no event shall such indemnification be contingent upon a ruling of a court of law;

(v) The General Partner shall not be required to covenant to undertake actions or obligations that the Special LP will be required to take under the Partnership Agreement; and

(vi) The Partnership Agreement shall contain a provision wherein the Special LP and Investor LP acknowledge that the obligations of the General Partner under the Partnership Agreement are obligations solely of the General Partner and not the owner of the General Partner.

4. Certain rights and obligations of Strategic HFC, Fairfield, the Partnership, the General Partner and the Special LP and certain of the indemnifications described in Paragraph A.3 above shall be outlined in a Master Agreement, which shall be executed as of the closing of the Project financing described in Section C. below (the *"Closing"*).

5. Title to the land on which the Project is located shall be taken in the name of a subsidiary of Strategic HFC (the *"Ground Lessor"*), and the Ground Lessor shall then enter into a long-term ground lease (the *"Ground Lease"*) with the Partnership, as tenant, holding title to the improvements that constitute the Project. The Ground Lessor will require delivery by the title company of a title policy showing the Ground Lessor as a named insured. Funding for the acquisition of the land will come from the financing of the Project, and may be paid to the Ground Lessor in the form of an up-front Ground Lease payment. Upon expiration of the term of the Ground Lease, ownership of the improvements constituting the Project shall revert to the Ground Lessor. In the event that the Project is sold, the Ground Lease shall provide for a transfer of title to the land to a purchaser upon payment to the Ground Lessor of a nominal cost. At all times during the term of the Ground Lease, the Partnership will own the improvements that constitute the Project.

B. DUE DILIGENCE

As a condition to Strategic HFC's participation in the Project, Strategic HFC requires Fairfield to provide due diligence information about the Project and its proposed financing and operations pursuant to the due diligence checklist (the *"Checklist"*) attached hereto as *Exhibit A*. Fairfield shall deliver the due diligence items on the Checklist within a reasonable time after such due diligence items are available to Fairfield. Failure of Fairfield to deliver to Strategic HFC due diligence items acceptable to Strategic HFC shall be grounds for Strategic HFC to terminate this MOU in its discretion.

C. FINANCING

1. On behalf of the Partnership, Fairfield will apply for loan financing (the *"Loan"*). Fairfield shall be responsible for selecting the lender and negotiating the Loan terms on behalf of the Partnership; *provided*, that Strategic HFC shall have the right to review and approve the financing arrangements and the terms and conditions of any Loan documents. The Loan is expected to be provided through an expansion of an existing credit facility provided by Fannie Mae and serviced by Berkadia, in an estimated amount of $16,266,806, with an estimated 5.95% fixed interest rate (the "*Proposed Loan*"). The Proposed Loan amortizes over 35 years, requires a 1.20 debt service coverage ratio, and interest-only payments are due during its term with a balloon at maturity.

2. A fund managed by an affiliate of Fairfield will provide the equity investment (the *"Equity"*) for the Project, the terms of which Equity financing will be contained within the

Partnership Agreement. Strategic HFC will have the right to review and approve any additional Equity financing documents to which it will be a party.

3. Fairfield shall pay all costs and fees associated with applying for the Loan and facilitating the Equity financing (if any costs or fees are applicable), which costs, along with all other pre-development costs incurred by Fairfield (to the extent included within the approved budget), shall be reimbursed at Closing from the proceeds of the Loan and Equity. In the event this MOU is terminated or the transaction fails to close as contemplated herein, Fairfield shall be solely responsible for all costs described above, and Strategic HFC and its affiliates shall have no responsibility for payment or reimbursement of such costs.

4. THE SPECIAL LP OR ITS DESIGNATED AFFILIATE SHALL PROVIDE ANY GUARANTEES OF OPERATING EXPENSES, RETURN ON EQUITY (IF REQUIRED), AND THE LIKE THAT MAY BE REQUIRED IN CONJUNCTION WITH THE LOAN FINANCING OR THE EQUITY FINANCING. STRATEGIC HFC, THE GENERAL PARTNER AND/OR ANY OF THEIR AFFILIATES SHALL NOT PROVIDE ANY GUARANTEES OR INDEMNITIES IN CONNECTION WITH THE FINANCING OF THE PROJECT AND SHALL NOT BE LISTED AS A SECTION 50 GUARANTOR SHOULD THE PROJECT BE FINANCED WITH A HUD-INSURED LOAN.

D. DESIGN AND REHABILITATION/CONSTRUCTION

1. Fairfield and Strategic HFC anticipate that the Partnership will provide capital expenditures of approximately $16,000 per residential unit to rehabilitate the Project, to be expended over a five-year period following Closing, the scope of which expenditures are to be determined by Fairfield. In connection with such rehabilitation, Fairfield Development L.P. ("*Construction Manager*") may provide construction management services to the Partnership pursuant to the Property Management Agreement (the *"PMA"*) to be entered into by the Partnership and FF Properties L.P. (the *"Property Manager"*). The Construction Manager will receive a fee of 7.5% plus any reimbursable costs, as more fully identified in the PMA. The capital expenditure budget is attached as Exhibit C to this MOU and is incorporated herein by reference. ***– please provide for SHFC review***

2. If requested by Fairfield to secure an exemption from state sales tax for the acquisition of building materials, Strategic HFC or its designated affiliate shall enter into a construction agreement with the Partnership to serve as the general contractor (the *"Contractor"*) and a master subcontractor agreement with the master subcontractor (anticipated to be an affiliate of Fairfield) (such agreements, collectively, the *"Construction Contract"*). For its services in connection with the Construction Contract, the Contractor shall be entitled to a fee to be agreed upon by Fairfield and Strategic HFC. Such fee shall be a contractual obligation of the Partnership payable to the Contractor, half of which fee shall be payable at Closing and the remainder of which fee shall be payable upon issuance of the final certificate of occupancy for the Project.

3. Fairfield shall prepare and promptly provide Strategic HFC a detailed development budget for the Project.

4. Fairfield shall be responsible for obtaining all governmental approvals and permits needed in order to construct and operate the Project.

E. MANAGEMENT AND OPERATION

1. The parties anticipate that FF Properties L.P. will be the property manager for the Project, which arrangement will be memorialized in the PMA in form and substance acceptable to Strategic HFC. The PMA will include industry-standard terms and conditions, including the right to replace the Property Manager in the event of Property Manager's default under the PMA.

2. Annually, by no later than December 1 of the preceding calendar year, the Property Manager shall provide the General Partner and the Special LP with a proposed annual operating and capital budget (the *"Annual Budget"*). The proposed budget shall be subject to the written approval of the General Partner and the Special LP; *provided, that* any section of the proposed Annual Budget not objected to by the General Partner within 30 days of receipt shall be deemed to be approved. To the extent any items in the proposed Annual Budget are in dispute, the Partnership shall continue to operate under the Annual Budget for the previous year, with adjustments to the Annual Budget as may be necessary to reflect (i) deletions for non-recurring expense items set forth in the previous Annual Budget, (ii) increases or decreases to account of actual changes in non-discretionary expenses (including, without limitation, debt service payments, taxes and insurance costs), and to reflect all contractual obligations of the Partnership, and (iii) a 5% increase for all other costs.

3. Notwithstanding anything to the contrary, the PMA will automatically renew upon its scheduled termination unless either party gives ninety (90) days' notice to renegotiate the terms or terminate the PMA.

4. The Strategic HFC Lease Addendum shall be attached and made a part of every residential lease signed, including lease renewals, during the period of Strategic HFC's ownership in the Project, as described in this MOU.

F. COMMUNITY SUPPORT

Fairfield shall be primarily responsible for interfacing with the local governmental officials in connection with support for the Project and Strategic HFC shall provide reasonable cooperation in connection with such matters. The parties will consult with each other and coordinate the response to any media inquiries and/or public opposition to the Project that may arise.

G. TAX EXEMPTION

The ownership structure contemplated herein is expected to generate an ad valorem tax exemption for the Project (the *"Exemption"*). Strategic HFC makes no representations or guaranties that the Exemption will be obtained and will take no responsibility for maintaining the

Exemption after Closing other than to reasonably provide cooperation to and at the direction of the Special LP. Notwithstanding the foregoing, in the event that the Exemption is lost, such that any ability to pursue recourse or appeal is either unavailable or has been exhausted and the Partnership incurs actual tax liability (the *"Exemption Loss"*), for any reason other than the action or inaction of the Special LP or the Property Manager, the Ground Lessor shall transfer the land on which the Project is located within thirty (30) days of such Exemption Loss for $100. Unless such Exemption Loss and subsequent transfer is caused by the gross negligence or willful misconduct of the General Partner or any other affiliate of the Strategic HFC, the General Partner shall receive any accrued but unpaid fees (as described in H below) for the period of time in which the Exemption was in effect.

H. FEES AND EXPENSES

1. The General Partner shall be entitled to receive an annual ground lease payment, payable by the Partnership on each January 1 following Closing, in the initial amount of $70,531 and increasing by 3% annually. Such fee shall be payable as the first item in the cash flow waterfall under the Partnership Agreement and shall accrue with 3% interest annually compounding in the event Net Cash Flow (defined below) is insufficient to pay such fee in any year.

2 For its services as General Partner, the General Partner shall be entitled to receive a share equal to 10% of remaining Net Cash Flow available for distribution at the bottom of the cash flow waterfall following a Preferred Equity (as defined below) return to the Investor LP. In the event the financing structure does not allow the General Partner to receive the full Net Cash Flow share, then other fees payable or the share of Net Cash Flow distributed to the General Partner or its affiliates shall be adjusted to provide an equivalent amount as set forth more fully in the Partnership Agreement. "Net Cash Flow" shall be defined as revenues from Project operations less all operating expenses, capital expenditures, allowance for reserves and hard debt service payments. "Preferred Equity" shall mean a preferred return payable to the Investor LP in an amount equal to 7% of its capital contributions made to the Partnership.

3. The General Partner shall be entitled to receive a fee equal to (i) 10% of the net sales price or loan proceeds available for distribution pursuant to a sale or refinance of the Project (after repayment of all debt and Preferred Equity return to the Investor LP as applicable *plus,* (ii) in the event of a sale, 10% of the Partnership's reserve account balance.

4. Neither party shall enter into any contractual relationship or agreement relating to the Project that would cause either financial or legal liability to the other, without the other party's prior written consent.

5. The Partnership will make quarterly distributions of Net Cash Flow.

6. All out-of-pocket expenses incurred by Strategic HFC in connection with this MOU, including but not limited to third-party reports, GP Counsel (as defined below), special real estate

counsel (if applicable), and other expenses incurred by Strategic HFC in connection with the proposed Project (the *"Costs"*) and Fairfield's costs, shall be included in the Project's development budget and reimbursed by the Partnership to Strategic HFC concurrently with Closing.

7. If, upon termination of this MOU or the Project, Strategic HFC has unreimbursed Costs, Strategic HFC or GP Counsel, as applicable, shall invoice Fairfield for these Costs and Fairfield shall reimburse Strategic HFC or such third party directly for these Costs within sixty (60) days of receipt of such invoice.

8. Fairfield acknowledges and agrees that it is the intent of the parties hereto that Strategic HFC shall bear no out-of-pocket costs or expenses in connection with the Project.

I. LONG TERM OWNERSHIP

1. The Special LP shall have the right to market the Project for sale following the fifth anniversary of Closing. In the event the Special LP has determined to cause the Partnership to sell the Project to a third party buyer, the General Partner, Strategic HFC, or Strategic HFC's designated affiliate shall have a right of first refusal to acquire the Project on the same terms as the third-party offer. In addition, as of the Closing date, the General Partner, the Ground Lessor, or other Strategic HFC affiliate shall have an option to acquire the interests of the Special LP and an option to acquire the Project at the greater of fair market stabilized value or an 18% IRR return to the Investor LP, plus payment of any exit taxes owed by the Special LP or Investor LP.

2. The General Partner shall not have the right to market or sell the Project or the leasehold interest held by the Partnership.

3. In no event shall the Special LP have the right to sell or assign its interests in the Partnership without the written consent of the General Partner, which consent may be granted or withheld in the sole discretion of the General Partner; *provided further*, that the Special LP may not sell or assign its interest in the Partnership during the five-year period following Closing.

The General Partner may consider the following factors when determining whether to provide such consent for admission of a substituted Special LP, provided that such factors shall not limit the General Partner's sole discretion under any circumstances: the General Partner's and/or SHFC's prior business relationship with the proposed Special LP (the "*Assignee*"), the Assignee's experience and track record as an operator of affordable housing, including of comparable projects withing the state of Texas, the financial condition of the Assignee, the Assignee's ability and willingness to provide equivalent indemnities to the General Partner as described in this MOU, the potential financial and reputational cost and impact to the General Partner and its affiliates associated with such admission, and any other factors that would be commercially reasonable for the General Partner and SHFC to assess in connection with such admission, in keeping with the public purpose of SHFC.

J. REGULATORY RESTRICTIONS; COMPLIANCE

1. The Project is subject to that certain Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits between Cambridge Villas Apartments Limited Partnership and the Texas Department of Housing and Community Affairs ("*TDHCA*"), recorded on September 13, 2007, Document No. 2007171080 in the Official Public Records of Travis County, Texas (the *"LURA"*). Pursuant to the LURA, Fairfield and Strategic HFC agree that at least 96% of the units in the Project (the *"Restricted Units"*) will be restricted for rent to individuals and families earning less than 60% of the area median income (as published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, as amended) (the *"AMI"*). The Project will be subject to any such other restrictions as shall be required under Chapter 394 of the Texas Local Government Code.

The Special LP shall, at the Partnership's expense and with reasonable cooperation from the General Partner and SHFC, take all steps to obtain any necessary approvals from TDHCA in connection with the transactions described herein. Following Closing, the Special LP shall, at the Partnership's expense, cause the Partnership and the Project to comply with any ongoing TDHCA requirements, including any audits, as applicable pursuant to the LURA and/or Chapter 394 of the Texas Local Government Code.

K. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. This MOU is a contract and not merely an "agreement to agree."

2. If consent or approval is required from Strategic HFC (or any of its affiliates or assignees) for any action or inaction set forth in any Project Documents (defined below), Strategic HFC (or its relevant affiliate or assignee) shall have fourteen (14) calendar days from receipt of a written request to respond in writing. If no response is provided within this period, consent or approval shall be deemed granted; *provided, however*, this provision will not apply if Strategic HFC response requires the approval of its governing board, in which case, if written request for consent or approval is received by Strategic HFC at least fourteen (14) days prior to the next regular or special meeting of Strategic HFC's governing board, Strategic HFC shall have fourteen (14) days after such meeting to provide its response. Unless otherwise specified as consent in Strategic HFC's sole discretion, all consents required from Strategic HFC shall not be unreasonably withheld, conditioned or delayed.

3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the development of the Project and the consummation of the agreements set forth herein.

4. Strategic HFC's execution of this MOU is subject to approval by Strategic HFC's Board of Directors.

5. This MOU may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one contract binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart

6. THIS MOU SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUSIVE OF CONFLICT OF LAWS PRINCIPLES.

7. In case any one or more of the provisions contained in this MOU for any reason is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof, and this MOU will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8. The parties hereto submit exclusively to the jurisdiction of the state and federal courts of Travis County, Texas, and venue for any cause of action arising hereunder shall lie exclusively in the state and federal courts of Travis County, Texas.

9. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this MOU, or to recover damages for the breach of this MOU, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

10. The subject headings contained in this MOU are for reference purposes only and do not affect in any way the meaning or interpretation hereof.

11. This MOU shall continue until terminated upon the occurrence of any one of the following conditions:

(a) Strategic HFC and Fairfield sign a mutual consent to terminate this MOU;

(b) Loan and Equity financing for the Project are not closed by within one year of the Effective Date;

(c) The terms of the Loan and Equity financing for the Project are unacceptable to Strategic HFC, in its sole discretion, and Strategic HFC provides Fairfield notice of such fact and a 30-day opportunity to provide financing terms that are acceptable to Strategic HFC and Fairfield, but Fairfield does not do so;

(d) Strategic HFC's Board of Directors takes action to disapprove the Project;

(e) Developer fails to deliver Checklist items as required herein;

(f) Either party breaches its obligations under this MOU, the non-breaching party provides the breaching party notice of such fact and a 15-day opportunity to cure, and the breaching party fails to do so; or

(g) Either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent.

12. Upon termination of this MOU for any of the reasons cited above, neither party shall have any ongoing obligation to the other with respect to this MOU nor the Project, except for the obligation of Fairfield to reimburse Strategic HFC for Costs as provided herein.

13. In addition, the provisions of this MOU with respect to the Project will be terminated when the General Partner is admitted to the Partnership and Strategic HFC and Fairfield and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the management, financing, leasing and operation of the Project as contemplated herein (collectively, the *"Project Documents"*).

14. The parties acknowledge that Strategic HFC, the General Partner and certain affiliates will be represented in this transaction by Chapman and Cutler LLP (*"GP Counsel"*) in a legal capacity. The Partnership, Fairfield, the Special LP and their affiliates will be represented by separate legal counsel, will not be entitled to rely on GP Counsel for legal representation in this matter.

15. Any notice, request, demand, instruction or other document to be given or served hereunder shall be in writing and shall be (a) delivered personally, (b) sent by overnight express courier, postage prepaid, or (c) sent by facsimile or electronically (e-mail), each addressed to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, by overnight courier or by facsimile or electronically (with proof of delivery). A party may change its address for receipt of notices by service of a notice of such change in accordance herewith. If any deadline under this MOU falls on a Saturday, Sunday or legal holiday, the deadline shall be extended to the next business day.

Strategic HFC: Strategic Housing Finance Corporation of Travis County
1033 La Posada Drive, Suite 180
Austin, Texas 78752
Attention: Dianna Grey, Executive Director

With a copy to: Chapman and Cutler LLP
320 South Canal Street, 27th Floor
Chicago, Illinois 60606

Attention: Ryan J. Bowen

Fairfield: [Fairfield]
5355 Mira Sorrento Place
Suite 100
San Diego, California 92121
Attention: Jenna Woods and Paul Kudirka

[Signature Page Follows]

EXECUTED to be effective as of the date above shown.

STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

By ______________________________
Name: ____________________________
Title: _____________________________

[FAIRFIELD]

By ______________________________
Name: ____________________________
Title: _____________________________

EXHIBIT A

STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY
CHECKLIST OF DUE DILIGENCE

FINANCING ITEMS		
RECEIVED	ITEM	NOTES
	15-year Pro Forma	
	Debt financing commitment	
	Description of all other sources of financing	
	Application for debt financing	
OPERATIONAL ITEMS		
RECEIVED	ITEM	NOTES
	Resume of property management company, with evidence of experience	
	Proposed Rent Schedule, with tenant income restrictions	
ORGANIZATIONAL ITEMS		
RECEIVED	ITEM	NOTES
	Organizational documents for limited partnership	

EXHIBIT B

PARTNERSHIP AGREEMENT TERMS

The following is a summary of terms that Strategic HFC will require in the Partnership Agreement. The following list is not intended to be exhaustive and is intended to supplement and not limit the terms of the MOU.

REPRESENTATIONS

- The General Partner will make representations only as to its due formation and existence, good standing, and due authorization and execution of Partnership documents and any other documents executed in connection with the transactions contemplated by this MOU, and the validity and binding nature thereof.
- The General Partner will become a partner in the Partnership at Closing, therefore pre-closing items must be addressed by the Special LP or other Fairfield affiliate. Under no circumstances will the General Partner execute documents on behalf of the Partnership that are effective prior to the General Partner's admission to the Partnership.
- The General Partner will provide reasonably requested due diligence on the Project prior to Closing. Any ongoing representations regarding the Project (except as agreed by the General Partner related to matters that arise prior to Closing) must be provided by the Special LP.
- The General Partner's representations are generally as to its own knowledge. The knowledge of the General Partner may not be qualified by phrases such as "after due inquiry" other than with respect to its due formation and existence, good standing, and due authorization to enter into the transactions contemplated by this MOU. The General Partner will make no inquiry.

COVENANTS

- The General Partner may covenant not to take affirmative actions, but the General Partner cannot covenant not to permit or allow others to do things.
- The General Partner cannot covenant to maintain the Exemption, but the General Partner will agree to reasonably cooperate with the Special LP in making any required filings.
- Any covenants relating to the operation of the Partnership or operation of the Project following Closing shall be made by the Special LP.
- The General Partner will not covenant to maintain adequate capital.
- The General Partner and Strategic HFC cannot covenant to seek lender approval of any changes to the Board of Directors of Strategic HFC. Any lender-imposed fees associated with such changes shall be the responsibility of the Partnership and not of the General Partner or Strategic HFC.

INDEMNITIES AND GUARANTEES

- The General Partner shall be indemnified for all losses other than those caused by the General Partner's gross negligence or willful misconduct, or those that occur or arise from the period of time prior to Fairfield's ownership interest in the Project and the Partnership.
- The General Partner's indemnification shall not be conditioned on a court determination.
- The General Partner will indemnify only for its own gross negligence or willful misconduct. The General Partner will not indemnify for actions or inactions of the Special LP.
- The General Partner will not provide completion guarantees, environmental guarantees, credit guarantees, or covenant to make up for cash flow shortfalls.
- The General Partner will not be required to make loans to the Partnership.
- If the Partnership is required to provide a guarantee, the guarantee should either be limited to the assets of the Partnership or should explicitly state that the guarantee is not intended to be recourse to the General Partner.

DUTIES AND OBLIGATIONS FOR ADMINISTRATION OF PARTNERSHIP

- The General Partner will make a broad delegation to the Special LP with respect to the administration of the Partnership and the operation of the Project, subject to the General Partner's Major Decision rights (as set forth below).
- The Special LP will be responsible for obtaining any insurance required by the Partnership Agreement or other Partnership documents and will name the General Partner and Contractor as additional insured parties where applicable.
- The Special LP will be responsible for ensuring any requirements for maintaining the ad valorem tax exemption are met, including any ongoing correspondence with the applicable appraisal district. The Special LP shall cause its counsel or third-party counsel, at the expense of the Partnership, to deliver an opinion regarding the ad valorem exemption, which opinion must be addressed to and in form and substance acceptable to Strategic HFC and the Ground Lessor. The General Partner will agree to provide reasonable cooperation at the direction of the Special LP with respect to the ad valorem tax exemption.
- All reports that are required by the Investor LP, TDHCA or any lender shall be made by the Special LP, and any penalties imposed for late reports shall be imposed only on the Special LP.
- Notices required by the Investor LP, TDHCA or any lender shall be made by the Special LP.

MAJOR DECISIONS

- The General Partner shall have the right to grant or withhold its consent to the following items (each a *"Major Decision"*), which consent shall not be unreasonably withheld, conditioned or delayed, except where otherwise noted:
    - Approval of any arrangements between the Partnership and affiliates of any partner, other than pre-approved arrangements memorialized in the Partnership Agreement;
    - Approval of the Annual Budget;
    - Causing or consenting to any event of bankruptcy with respect to the Partnership;
    - Causing or consenting to a merger involving the Partnership;

  - Capital expenditures for the Project that exceed $250,000 (unless otherwise approved in the Annual Budget);
  - Termination and replacement of the Property Manager; and
  - Other decisions relating to the Property Manager that require approval from the Partnership as may, from time to time, be mutually agreed upon by the General Partner and Special LP.

  The General Partner's consent for the following Major Decisions may be granted or withheld in the General Partner's sole discretion:
  - Modifying or amending the Partnership Agreement;
  - Refinancing any Loan; and
  - Admission of a substituted Special LP to the Partnership.

OPTIONS/RIGHTS OF FIRST REFUSAL

- Strategic HFC will be granted the purchase option and right of first refusal described in the MOU.
- Under no circumstances shall the Special LP be granted an option to purchase the Project or the General Partner's Partnership interests.
- The General Partner shall not have a right to market the Project or the leasehold interest held by the Partnership.
- The Special LP shall have the right to market and sell the Project, subject to Strategic HFC's purchase option and right of first refusal as described in the MOU.

TAXES AND ALLOCATIONS

- The Special LP will be responsible for the preparation of the tax return and tax filings. The General Partner will cooperate with the Special LP to the extent its signature is required.
- Losses in excess of capital accounts are allocated to the Special LP rather than the General Partner.
- The General Partner will not have a deficit restoration obligation either annually or on liquidation.
- The Special LP will be the "partnership representative" for the purposes of tax audits.
- If the Partnership has an adjustment on audit, the General Partner will pay its allocated share but will not put additional funds into the Partnership.

REMOVAL

- Unless a removal is caused by its own gross negligence or willful misconduct, the General Partner will not be liable for the costs related to removal or replacement.
- The General Partner will not be liable for events after removal.

MISCELLANEOUS

- All debt documents and the Partnership Agreement will be governed by Texas law, and jurisdiction and venue for such documents will be in Travis County, Texas.

- Availability of Restricted Units must be marketed on the website of the Project and may be marketed by Strategic HFC.

EXHIBIT C
CAPITAL EXPENDITURE BUDGET

[TO BE INSERTED]

V.F. ACTION ITEM

Resolution No. SHFC-2025-27: Consideration and possible action to authorize the formation of SHFC Cambridge Villas Land, LLC (The “Ground Lessor”); Authorizing the designation of the corporation as the sole member of the ground lessor; Approving the form and substance of a limited liability company agreement and the execution therefore; ratifying certain actions heretofore taken in connection with the ground lessor; Authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution; and containing other provisions related thereto

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-27: Resolution (The "Resolution") of the Board of Directors of Strategic Housing Finance Corporation of Travis County (The "Corporation") Authorizing the formation of SHFC Cambridge Villas Land, LLC (The "Ground Lessor"); Authorizing the designation of the corporation as the sole member of the ground lessor; Approving the form and substance of a limited liability company agreement and the execution therefore; ratifying certain actions heretofore taken in connection with the ground lessor; Authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution; and containing other provisions related thereto

Background Information

This resolution authorizes the formation of SHFC Cambridge Villas Land, LLC (the "Ground Lessor"), a limited liability company to be formed by Strategic Housing Finance Corporation (SHFC) as the sole member.

The purpose of the Ground Lessor formation is to support the restructuring and continued ownership participation of Strategic HFC in the existing Cambridge Villas partnership with a new partner. The Ground Lessor will acquire fee title to the land underlying Cambridge Villas and will enter into a ground lease with Fairfield Cambridge Villas LP (the "Borrower"), which will acquire, refinance, and operate the property.

In July 2024, Alden Torch, the Investor Limited Partner (ILP) in the Cambridge Villas limited partnership, initiated the remarketing of Cambridge Villas, a right granted to them by the Limited Partnership Agreement. The property was listed for sale on March 6, 2025, with the offer from Fairfield Residential selected as the most favorable.

Strategic HFC has been in negotiations with Fairfield to prepare a Ground Lease agreement that will meet the board-approved financial terms, as outlined in the Memorandum of Understanding (MOU). As the draft Ground Lease moves toward substantial final, an updated version may be provided before the Board meeting.

A separate resolution to authorize the execution of the MOU for the new Cambridge Villas partnership has been prepared and will be presented for board consideration.

Fiscal Impact

The ground lease is expected to be 20% of the estimated property tax, and the projected payment in year 1 is approximately $70,531, with a 3.00% annual increase.

Please note that work is underway to finalize the draft MOU, and the ground lease terms may be updated at the time of the presentation to the Board of Directors.

Attachments

1. Resolution SHFC-2025-27

Resolution No. SHFC-2025-27

RESOLUTION (THE "RESOLUTION") OF THE BOARD OF DIRECTORS OF STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE "CORPORATION") AUTHORIZING THE FORMATION OF SHFC CAMBRIDGE VILLAS LAND, LLC (THE "GROUND LESSOR"); AUTHORIZING THE DESIGNATION OF THE CORPORATION AS THE SOLE MEMBER OF THE GROUND LESSOR; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE GROUND LESSOR; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATED THERETO

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, Jan Wenig is President of the Board of Directors of the Corporation (the *"President"*); and

WHEREAS, Dianna Grey is Executive Director of the Corporation (the *"Executive Director"*); and

WHEREAS, the Corporation intends to continue its participation in the ownership of a multifamily residential development known as "Cambridge Villas Apartments" (the *"Development"*), located at 15711 Dessau Road, Pflugerville, Texas 78660, which development will be acquired, refinanced and operated by Fairfield Cambridge Villas LP, a Texas limited partnership (the *"Borrower"*); and

WHEREAS, in furtherance of the transactions described herein, the Corporation finds it necessary and desirable to authorize the formation with the Texas Secretary of State of SHFC Cambridge Villas Land, LLC (the *"Ground Lessor"*), a limited liability company that will be take fee title to the land on which the Development is located and enter into a ground lease with the Borrower (the *"Ground Lease"*); and

WHEREAS, as the sole member of the Ground Lessor, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions under the Ground Lease, to appoint officers of the Ground Lessor; to approve of the Ground Lessor's formation and the form and substance of its Limited Liability Company Agreement (the *"Company Agreement"*); and to ratify all actions previously taken on behalf of the Ground Lessor;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD, THAT:

Section 1: The formation with the Texas Secretary of State of the Ground Lessor, with the Corporation hereby designated as the sole member of the Ground Lessor, is hereby approved and ratified.

Section 2: The form and substance of a limited liability company agreement of the Ground Lessor are hereby approved, and the officers of the Corporation, as sole member of the Ground Lessor, are hereby authorized to execute and deliver such company agreement.

Section 3: The offices of the Ground Lessor shall be assumed by the officers serving in each respective office of the Board.

Section 4: The officers of the Ground Lessor, or the Corporation as sole member of the Ground Lessor are each hereby authorized to negotiate the terms of, execute and attest to any such agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 5: That the President, Secretary and Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

Section 6: The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Ground Lessor to carry into effect the transactions contemplated by this Resolution.

Section 7: If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Signature page and certification to follow]

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________
Dianna Grey
Executive Director and Secretary

V.G. ACTION ITEM

Resolution No. SHFC-2025-28: Consideration and possible action to authorize negotiation for the acquisition of Limited Partner interests in Cambridge Villas Apartments Limited Partnership (The “Partnership”); and the execution and delivery of an assignment agreement and other necessary documents to effectuate such interests acquisition, in connection with the partnership’s operation of a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660 (The “Development:”); and containing other provisions related thereto

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-28: Consideration and possible action to authorize negotiation for the acquisition of Limited Partner interests in Cambridge Villas Apartments Limited Partnership (The "Partnership"); and the execution and delivery of an assignment agreement and other necessary documents to effectuate such interests acquisition, in connection with the partnership's operation of a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660 (The "Development:"); and containing other provisions related thereto

Background Information

Staff are recommending that the Board authorize the purchase of the Investor Limited Partner (ILP) interests for the Cambridge Villas Apartments. The current Investor Limited Partner is Alden Torch.

In July 2024, Alden Torch initiated the remarketing of Cambridge Villas to order the sale of the entire partnership and property, a right granted to them under the Limited Partnership Agreement. The property was listed for sale on March 6, 2025, and attracted significant interest, with the offer from Fairfield Residential selected as the most favorable.

Alternatively, Alden Torch has indicated a willingness to sell its interest to Strategic HFC in lieu of forcing the sale of the entire property and liquidation of the partnership. As discussed during October's Executive Session, staff believe this approach provides Strategic HFC with a better array of options for repositioning the asset for long-term hold or eventual sale.

Strategic has engaged with EisnerAmper, a CPA advisory firm, to arrive at an estimated value for Alden Torch's interest buyout. While a mutually agreed-upon purchase price has not yet been reached, the item has been placed on the board agenda to allow the transaction to move forward should negotiations establish a purchase price by the board meeting date.

Fiscal Impact

Strategic HFC staff anticipate that liquid assets would be sufficient to cover the transaction without relying on board-designated operating or housing production funds. Purchasing Alden Torch's interest would also result in SHFC receiving an additional 10% of available cash flow annually under the current Limited Partnership Agreement.

Attachments

1. Resolution SHFC-2025-28

Resolution No. SHFC-2025-28

RESOLUTION (THE "RESOLUTION") OF THE BOARD OF DIRECTORS OF STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE "CORPORATION") AUTHORIZING NEGOTIATION FOR THE ACQUISITION OF LIMITED PARTNER INTERESTS IN CAMBRIDGE VILLAS APARTMENTS LIMITED PARTNERSHIP (THE "PARTNERSHIP"); AND THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AGREEMENT AND OTHER NECESSARY DOCUMENTS TO EFFECTUATE SUCH INTERESTS ACQUISITION, IN CONNECTION WITH THE PARTNERSHIP'S OPERATION OF A MULTIFAMILY RESIDENTIAL DEVELOPMENT LOCATED AT 15711 DESSAU ROAD, PLUGERVILLE, TEXAS 78660 (THE "DEVELOPMENT"); AND CONTAINING OTHER PROVISIONS RELATED THERETO

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, Jan Wenig is President of the Board of Directors of the Corporation (the *"President"*); and

WHEREAS, Dianna Grey is Executive Director of the Corporation (the *"Executive Director"*); and

WHEREAS, the Corporation is the sole member of SHFC Cambridge Villas, LLC, a Texas limited liability company (the *"General Partner"*), the general partner of Cambridge Villas Apartments Limited Partnership (the *"Partnership"*); and

WHEREAS, the Partnership owns and operates a multifamily affordable residential development known as "Cambridge Villas Apartments" (the *"Development"*) located at 15711 Dessau Road, Pflugerville, Texas, 78660; and

WHEREAS, the Special Limited Partner, a subsidiary of Alden Torch, has offered to sell its limited partner interests in the Partnership to the Corporation (or its designated affiliate); and

WHEREAS, the Board has determined to authorize the Executive Director, on behalf of the Corporation and as sole member of the General Partner to a) enter into negotiation with the Special Limited Partner for the acquisition of the Special Limited Partner's limited partner interests in the Partnership (the *"SLP Interests Sale"*) for a purchase price not to exceed the approximate amount the Special Limited Partner would have received pursuant to an immediate sale of the Development (with appropriate adjustments including a discount based on contingent liabilities of the Partnership), and b) execute and deliver an assignment agreement regarding the SLP Interests Sale, together with any other documents and instruments that may be necessary and desirable to effectuate the SLP Interests Sale and continued operation of the Partnership by affiliates of the Corporation (collectively, the *"Assignment Documents"*).

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

Section 1: The Executive Director, on behalf of the Corporation, acting on its own behalf or on behalf of the General Partner, is hereby authorized to negotiate the SLP Interests Sale, and to execute and deliver the Assignment Documents as set forth in this Resolution.

Section 2: That the President, Secretary and Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing Resolution.

Section 3: The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Corporation and the General Partner to carry into effect the transactions contemplated by this Resolution.

Section 4: If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Signature page and certification to follow]

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________
Dianna Grey
Executive Director and Secretary

Strategic Housing Finance Corporation of TRAVIS COUNTY

V.H. ACTION ITEM

Resolution No. SHFC-2025-29: To consider and take action authorizing the Executive Director to negotiate and execute a lease agreement for office space

Strategic Housing Finance Corporation of TRAVIS COUNTY

Board Meeting Date: August 14, 2025

Resolution No. SHFC-2025-29: Authorizing the Executive Director to Negotiate and Execute a Lease Agreement for Office Space

Background Information

Strategic HFC's lease for office space at 1033 La Posada, Suite 180, Austin, TX will expire on October 31, 2025. and staff do not recommend negotiating and executing a lease extension at its current office because the experience to date has not been satisfactory. Staff have conducted an office search within Travis County for suitable space that meets the operational and budgetary requirements of the organization and have issued requests for proposals to its top two choices, La Costa Center at 6300 La Calma Drive and Centennial Towers at 505 East Huntland Drive. Time is of the essence due to the need for tenant improvements in both options and our anticipated move-out date from the current office.

Anticipated lease rates at either prospective office space will exceed the Executive Director's current board delegated spending authority of $75,000 as set in Resolution No. SHFC-2024-56.

Staff are recommending that the board authorizes the Executive Director to negotiate and execute a lease agreement and all related documents necessary to establish a leasehold interest in office space, within the bounds of the following criteria: 3,000-4,500 square feet; rental amount not to exceed $135,000 annually; for an initial term not to exceed 5 years; and with an option to extend not to exceed an additional 5 years.

Fiscal Impact

There is a fiscal impact to the organization that would not exceed $135,000 annually, which would be an increase of no more than $47,594 compared to the current fiscal impact of office lease space. The exact fiscal impact will be known at the conclusion of negotiations.

Attachment

Resolution No. SHFC-2025-29

Approval

____

Dianna Grey, Executive Director

August 14, 2025

Resolution No. SHFC-2025-29: Authorizing the Executive Director to Negotiate and Execute a Lease Agreement for Office Space

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, Texas Local Government Code, Chapter 394, as amended (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, Dianna Grey is Executive Director of the Corporation (the "Executive Director"); and

WHEREAS, the Corporation's current lease for office space at 1033 La Posada, Suite 180, Austin, Texas, rented at $27.97 per square foot per year (the "Current Office") expires on October 31, 2025; and

WHEREAS, the Corporation requires a physical office location to conduct its operations and hold meetings, including meetings of its Board of Directors; and

WHEREAS, the Corporation has conducted a search for suitable office space within Travis County and has issued requests for proposals to the owners of two properties (the "Properties"), as follows:

La Costa Center
6300 La Calma Drive
Austin, Texas 78752
Leased by Bavaria Munich

and

Centennial Towers

505 East Huntland Drive
Austin, Texas 78752
Leased by Seamless Capital; and

WHEREAS, time is of the essence due to the need for tenant improvements and the anticipated move-out date from the Current Office; and

WHEREAS, the anticipated lease rates for the Properties exceed the Executive Director's spending authority under Resolution SHFC-2024-56; and

WHEREAS, the Board of Directors desires to preserve the Corporation's ability to negotiate lease terms that are in its best interest without compromising its negotiating position.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Strategic Housing Finance Corporation of Travis County hereby authorizes the Executive Director to negotiate and execute a lease agreement and any related documents necessary to establish a leasehold interest in office space at one of the Properties, or a materially equivalent, suitable property in the commercially reasonable discretion of the Executive Director, subject to legal review and consistent with the Corporation's operational requirements, for a 3,000-4,500 square foot office space and with a rental amount not to exceed $135,000 annually (a range of $30 to $45 per square foot per year), for an initial term not to exceed 5 years, with an option to extend not to exceed an additional 5 years.

[Signature and Certification Page Follows]

PASSED AND APPROVED this 14th day of August, 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 14th day of August, 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 14th day of August, 2025.

By: ______________________________
Dianna Grey
Executive Director and Secretary

Strategic Housing Finance Corporation of TRAVIS COUNTY

VI.A. DISCUSSION ITEM

Budget: 2026 Revenue Projections

Strategic Housing Finance Corporation of TRAVIS COUNTY

VI.B. DISCUSSION ITEM

2026 Budget Board Priorities

Strategic Housing Finance Corporation of TRAVIS COUNTY

VI.C. DISCUSSION ITEM

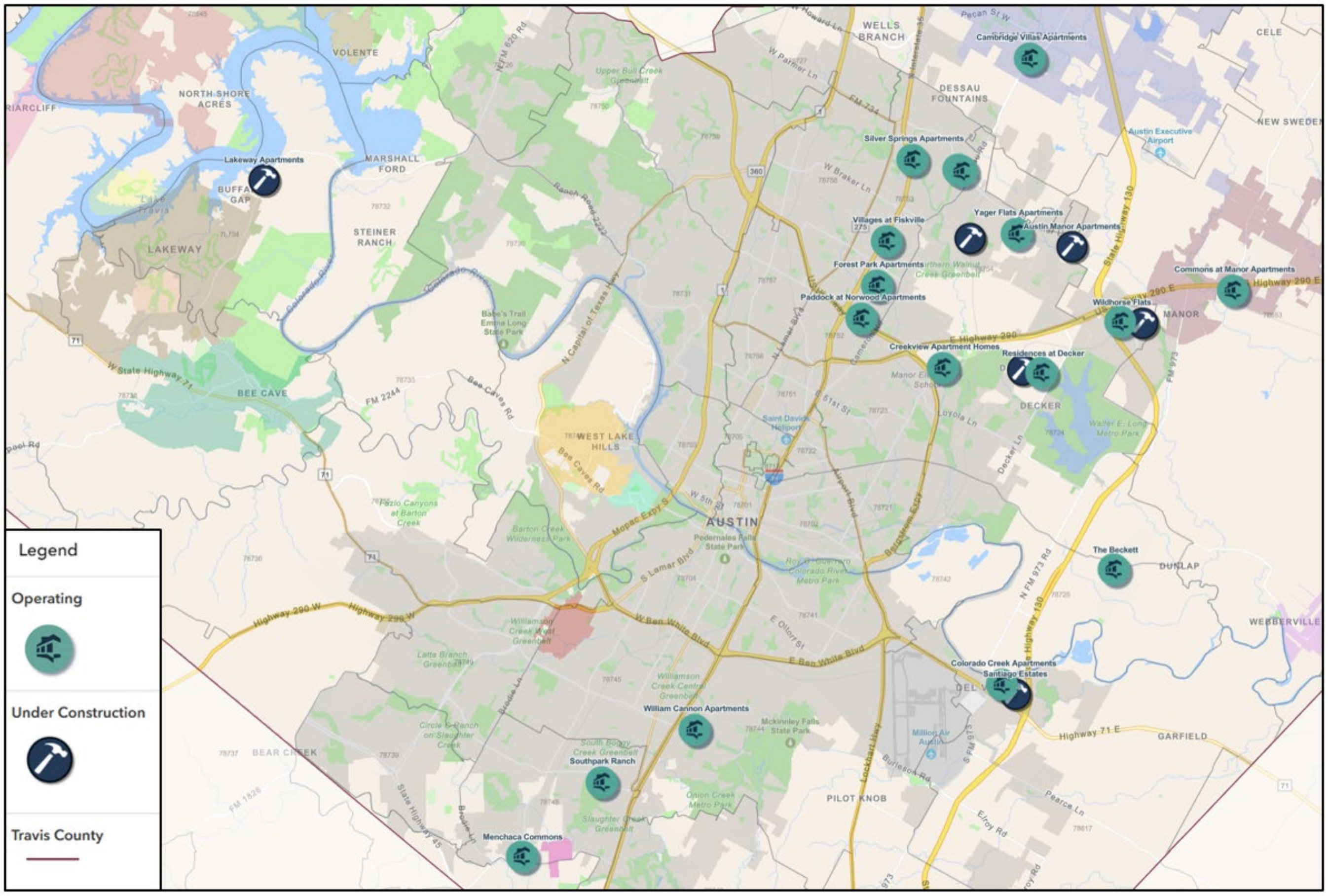
Portfolio Report 1.0

Strategic Housing Finance Corporation of TRAVIS COUNTY

2025 Mid-Year Portfolio Performance Report

Contents

The purpose of this report is to provide a mid-year overview of the Strategic Housing Finance Corporation's current multifamily housing portfolio performance, which consists of seventeen operating properties and five under-construction developments across Travis County.



Portfolio Overview

As of July 2025, Strategic HFC maintains 23 active partnerships, totaling 5,604 residential units in its portfolio.

- *16 of these partnerships are currently fully operational (3,762 units)*
- *1 of these partnerships is in lease-up (300 units)*
- *6 of these partnerships are currently under construction (1,542 units)*

OPERATING PORTFOLIO AT A GLANCE		
METRIC	**PORTFOLIO**	**MARKET**
OCCUPANCY RATE YTD (%)	83%	93% [1]
TURNOVER RATE YTD (%)	5%	4% [2]
AVERAGE OPEX (PER UNIT)	$6,454	$8,950 [3]

The operating portfolio exhibits stable fundamentals, with operating expenses per unit remaining consistent across most properties, indicating effective expense management. While overall occupancy is steady, there is room for improvement, especially when considering Austin's market averages. The average turnover rate is slightly above the preferred 3–4% range**,** suggesting an opportunity to enhance resident retention strategies. Collectively, the portfolio reflects operational stability, with ongoing focus areas around occupancy improvement and reducing turnover to align with strategic goals and market performance benchmarks.

Operating Portfolio Metrics by Property Management Company

There are nine different property management companies contracted across the Strategic HFC operating portfolio. Most companies are responsible for one to two properties; however, Pedcor manages three properties, and Solidago manages four.

The operating portfolio exhibits stable fundamentals, with operating expenses per unit remaining consistent across most properties, indicating effective expense management. While overall occupancy is steady, there is room for improvement, especially when considering Austin's market averages for affordable housing communities. The average turnover rate is slightly above the preferred 3–4% range**,** suggesting an opportunity to enhance resident retention strategies. Most properties maintain healthy receivable positions; however, a select few require targeted attention to aged receivables to sustain strong cash flow. Collectively, the portfolio reflects operational stability, with ongoing focus areas around occupancy improvement and reducing turnover to align with strategic goals and market performance benchmarks.

[1] *according to Marcus & Millichap's Austin Multifamily Q2 2025 Report*

[2] *according to 2024 RealPage National Market Analytics*

[3] *according to 2024 Yardi Matrix Multifamily Expenses Bulletin*

PROPERTY MANAGEMENT FUNDAMENTALS				
PROPERTY MANAGEMENT CO.	AVG OCCUPANCY	AVG TURNOVER	AVG AGED RECEIVABLES	AVG OPEX (PER MONTH)
Elmington	83.09%	5%	$86,432.94	$465.57
Capstone	86.65%	1%	$5,987.53	$549.05
Rise	Unavailable	Unavailable	$30,846	$405.29
Solidago	85.67%	4%	$23,445.22	$529.59
NRP	82.58%	6%	$73,798.58	$563.08
Asset Living	79.73%	12%	$468,642.33	$623.06
UAG	78.51%	5%	$5,434.43	$583.51
Pedcor	81.95%	3%	$36,398.96	$516.54
Avita	75.44%	3%	$16,176.33	$560.00

Construction Projects at a Glance

For Construction Projects the two Rise partnership projects under construction have been separated out due to the uncertainty in if they will be a part of Strategic's long-term portfolio. The overall active construction pipeline consists of four multifamily developments totaling 1,082 units and over 1.13 million SF. The average cost across these projects is approximately $174.62/SF and $182,135/unit. Construction timelines average 58.6% completion, reflecting varying stages of progress, with schedule delay reported around 22 days for these projects.

2025 ACTIVE CONSTRUCTION PIPELINE												
PROPERTY NAME	TOTAL UNITS	TOTAL SF	START DATE	TARGET END DATE	REVISED END DATE	DELAY (Days)	COMPLETE %	[a] ORIGINAL CONTRACT PRICE	[b] NET CHANGE ORDERS	[c] CONTRACT SUM TO DATE (a + b)	[c] / UNIT	[c] / SF
BANYAN AT BRAKER	214	201K	Nov-24	Aug-26	Sep-26	36	27.3%	$39.7M	$835K	$40.5M	$189K	$201.39
BLUE RIDGE	321	327K	Mar-24	Feb-26	Mar-26	30	53.6%	$55.0M	$1.1M	$56.1M	$175K	$171.73
DAFFAN FLATS	247	268K	Oct-23	Jul-25	Sep-25	57	96.0%	$45.5M	$1.2M	$46.7M	$189K	$174.28
SANTIAGO ESTATES	300	338K	Nov-23	Aug-26	Aug-26	0	55.5%	$50.0M	$3.8M	$53.7M	$179K	$158.89
TOTAL	**1,082**	**1.13M**								**$197.1M**	**$732K**	**$706.28**
AVERAGE	**271**	**292K**				**22 Days**	**58.6%**			**$50.2M**	**$182K**	**$174.62**

Cost Overruns and Delays

The active construction projects with RISE Residentials include two developments totaling 460 units and nearly 395,000 SF. Both projects have experienced significant cost overruns, with an average cost of $231.99/SF and $197,014/unit as of April 2025, indicating an approximate 43% increase from their original contract prices. Construction progress across these projects has also experienced a substantial delay, with approximately 1,188 days behind their targeted completion date.

2025 RISE RESIDENTIAL CONSTRUCTION DASHBOARD												
PROPERTY NAME	TOTAL UNITS	TOTAL SF	START DATE	TARGET END DATE	REVISED END DATE	DELAY (Days)	COMPLETE %	[a] ORIGINAL CONTRACT PRICE	[b] NET CHANGE ORDERS	[c] CONTRACT SUM TO DATE (a + b)	[c] /UNIT	[c] / SF
AUSTIN MANOR	280	253K	Jan-20	Dec-22	Aug-25	974	100.0%	$39.8M	$12.5M	$52.2M	$187K	$206.48
LAKEWAY	180	141K	Aug-19	Dec-21	Mar-26	1,521	89.4%	$23.7M	$14.7M	$38.4M	$213K	$271.67
TOTAL	**460**	**394K**								**$90.6M**	**$400K**	**$478.15**
AVERAGE	**230**	**209K**				**1,188 Days**	**95.8%**			**$46.8M**	**$197K**	**$231.99**

Strategic AIM

In July 2025 Strategic's board adopted Strategic AIM, a new metric for measuring the organization's effectiveness in producing affordable housing, The purpose of the Strategic Affordability Impact Metric is for the organization to have a quantifiable way to evaluate the productive value of a project type, going beyond the number of units created. Strategic AIM considers the depth of affordability, the duration of affordability, the number of bedrooms, the strength of the location, and the physical quality of the development. Strategic AIM is calculated as follows:

Volume x Affordability x Years x (1 + Quality Adjustments) = Strategic AIM

These factors guide how projects impact portfolio production goals from a mission perspective, valuing bedroom mix and the affordability of rents, as well as considerations for high-opportunity locations and high-quality design and construction.

The tool is meant to be used to evaluate new prospective projects and not for on-going monitoring. In order to begin establishing a baseline organizational understanding of the metric though the AIM score for the existing partnerships is calculated below.

Operating Portfolio Strategic AIM			
PROPERTY NAME	**UNITS**	**AIM TOTAL**	**AIM/UNIT/YEAR**
Southpark Ranch	192	8608.45	1.49
Silver Springs	360	19689.64	1.82
Forest Park	228	12274.33	1.79
Paddock at Norwood	228	11987.40	1.75
Colorado Creek	240	26176.23	3.64
The Beckett	172	7896.91	1.53
William Cannon	252	28794.89	3.81
Cambridge Villas	208	26115.42	4.19
Creekview	264	69938.22	8.83
Commons at Manor	172	7896.91	1.53
Manchaca Commons	240	13029.12	1.81
Residences at Decker	262	49195.91	6.26
Wildhorse Flats	310	15441.75	1.66
Villages at Fiskville	172	7857.61	1.52
Heights on Parmer	332	37493.3	3.76
OPERATING AVG	**242.13**	**22826.41**	**3.03**

Under Construction Strategic AIM			
PROPERTY NAME	**UNITS**	**AIM TOTAL**	**AIM/UNIY/YEAR**
Banyan Braker (WF)	214	40640.51	6.33
Austin Manor	280	10835.48	1.29
Lakeway	180	18747.03	3.47
Yager Flats	300	51648.60	5.74
Santiago	300	14243.70	1.58
Daffan	247	38313.48	5.17
Blue Ridge	321	16739.05	1.74
CONSTRUCTION AVG	**263.14**	**27309.69**	**3.62**

Financial Revenue Summary

Fee Revenue YTD

PROPERTY NAME	SALE/REFI	BOND ISSUER	CASH FLOW DISTRIBUTION	PARTNERSHIP MGMT FEE	CONSTRUCTION ADMIN	FEE REVENUE YTD
SOUTHPARK RANCH	-	-	115,671	37,400	-	153,071
SILVER SPRINGS	7,185,674	-	-	-	-	7,185,674
FOREST PARK	584,724	-	-	-	-	584,724
PADDOCK AT NORWOOD	-	-	-	-	-	-
COLORADO CREEK	-	-	-	-	-	-
THE BECKETT	-	-	-	-	-	-
WILLIAM CANNON	-	-	34,602	-	-	34,602
CAMBRIDGE VILLAS	-	-	-	-	-	-
CREEKVIEW	-	-	-	-	-	-
COMMONS AT MANOR	-	-	-	-	-	-
MANCHACA COMMONS	-	-	-	-	-	-
RESIDENCES AT DECKER	-	-	-	-	-	-
WILDHORSE FLATS	-	49,950	-	-	-	49,950
VILLAGES AT FISKVILLE	-	-	-	-	-	-
HEIGHTS ON PARMER	-	-	8,009	-	-	8,009
BANYAN BRAKER	-	-	-	-	-	-
AUSTIN MANOR	-	-	-	-	-	-
LAKEWAY	-	-	-	-	-	-
YAGER FLATS	-	-	-	-	10,305	10,305
SANTIAGO	-	-	-	-	-	-
DAFFAN	-	-	-	-	207,425	207,425
BLUE RIDGE	-	-	-	-	186,409	186,409
TOTALS	**7,770,398**	**49,950**	**158,282**	**37,400**	**404,140**	**8,420,170**

The overall anticipated revenue for 2025 was $4,343,147. In the first half of 2025, over $8.4 million was received, with the bulk of that coming from the restructuring of the Silver Springs partnership. Taking the Silver Springs proceeds out of received revenues leaves a total of $ 999,256 received or 23% of total anticipated annual revenue.

Second Half of 2025 Market Trends Outlook

This is a unique year in recent Austin multifamily history with an incredible amount of new units continuing to be delivered to the market. A trend that is not expected to change until sometime in 2026.

From Marcus & Millichap's Q2 2025 Austin Multifamily Report:

> "While new supply remains relatively elevated, this year's delivery volume totals just over half of 2024's additions. Strengthening renter demand is expected to modestly lower vacancy to 7.1 percent by year-end**.** After declining last year, the average effective rent is set to recover modestly, reaching $1,499 per month by December.

While interest in new project starts has declined, the Austin market has absorbed new projects at a faster rate than anticipated.

From Cushman & Wakefield's Marketbeat Austin Multifamily Q2 2025 Report:

> "While supply pressures persist, demand is keeping pace. Net absorption surged to 7,142 units during the quarter—the highest level since Q2 2021, and more than double the five-year quarterly average. Year-to-date (YTD) absorption reached 12,200 units, positioning the market to potentially surpass 2024's total of 21,062 units, signaling strong renter demand and leasing activity.
>
> On the supply side, 7,689 units delivered Q2 2025, bringing the YTD total to 12,453 units. While this represents a 26.8% decrease compared to the first half of 2024, it reflects a return to more sustainable construction levels following last year's record setting deliveries. The development pipeline continues to moderate, with 22,079 units under construction as of Q2 2025, less than half the volume during Austin's construction peak in 2023. The current under construction pipeline aligns more closely with historical norms and suggests a more balanced supply outlook moving forward."

While Austin's economy has cooled from its peak, it remains a robust market that investors expect to continue growing in the future.

From Marcus & Millichap's Q2 2025 Austin Multifamily Report:

"Of the four major Texas markets, Austin recorded the highest average per unit price in the 12 months ended in March, reaching just over $200,000 — more than $20,000 above Dallas-Fort Worth. Though the figure is down roughly 20 percent from the 2022 peak, values remain high on an absolute basis. Combined with cap rates in the mid-5 percent range, current pricing may still restrain deal flow amid ongoing economic uncertainty.

Austin's strong demographic fundamentals, especially within the fast-growing 20-to-34 age cohort, aid investor confidence despite recent market challenges. Multifamily permitting fell this year to its lowest level since 2019, indicating moderated supply growth beyond 2025. Regulatory shifts — such as the HOME Initiative, Compatibility Standards Reform and Density Bonus 90 Program — are catalyzing strategic redevelopment and higher-density housing opportunities, particularly in suburban submarkets.

Employment in Austin is set to grow 1.6 percent in 2025, marking a slowdown of 210 basis points from the long-term average, but still outpacing the national rate. As such, it secures a spot among the top ten major metros.

Austin accounts for over 5 percent of all deliveries among major U.S. markets in 2025. Cedar Park, East and North Central Austin, and Round Rock-Georgetown expect more than half of all deliveries."

The need for affordable housing has not diminished, and demographic forecasting indicates that the metro area is expected to continue experiencing steady growth in the coming decades.

The Texas Demographic Center estimates[4] that the population of Travis County on January 1st, 2024, was 1,366,769 people and is projected to grow by more than 64% by 2060

Travis County Population Projection

YEAR	ESTIMATED POPULATION	% CHANGE FROM 2024
2020	**1,290,188**	**-5.60%**
2024	***1,366,769***	***0.00%***
2030	1,572,639	15.06%
2040	1,820,417	33.19%
2050	2,035,923	48.96%
2060	2,252,137	64.78%

[4] Texas Demographic Center | 2025 Demographic Trends in Texas and the Austin Region | Population Projections for Texas Counties, 2020-2060

Portfolio Performance Takeaways

1. Operating properties are suffering from low occupancy, which is part of the current Austin market challenge
2. Under construction properties, taking out Rise partnerships have suffered relatively minor delays, with one project expected to begin lease up this year
3. Revenue is lower than anticipated, but not unsurprising due to continued low occupancy
4. Strategic AIM is a new metric that will be applied to new deals moving forward. For reference, the existing operating property average AIM score is 3.03/unit/year.
5. Market conditions continue to be challenging for operating properties, properties delivering in 2025, and the ability to close new deals, with conditions not expected to change until next year

Next Steps

In September, Staff expects to bring to the Real Estate Committee an updated Risk Rating System. The Risk Rating System will outline how and when a property performance metric triggers the need for enhanced staff evaluation of performance and specific property interventions, as well as what those interventions entail. The data presented in this report, along with continued monthly reporting, will inform which properties are prioritized for additional attention by staff.

Property Snapshots

SILVER SPRINGS

Address: 12151 N Interstate 35, Austin, TX 78753
Total Units: 360
Total Buildings: 15
Year Stabilized: 1997
Strategic HFC Role: GP, Landlord
Developer, collectively: OTH
Property Management: Asset Living
Permanent Lender: Davis-Penn Mortgage Co.
Investor Limited Partner: RS SS Impact LLC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	36	0
2 BDRM	0	180	0
3 BDRM	0	120	0
4 BDRM	0	24	0
TOTAL	**0**	**360**	**0**

Strategic AIM Summary

Total AIM	26844.48	19689.64
AIM/Unit	107.04	54.69
AIM/Unit/Year	3.57	1.82
Volume AIM	337.09	523.80
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.028
Location Quality Adjustment	0.21	0.23

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	79.73%
Turnover Rate YTD	5%	12%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $468,642.33 Per Unit: $1304.56
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $623.06 Per Unit: $1.73
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($61,808) Per Unit:($171.68)

FOREST PARK

Address: 1088 Park Plaza Dr., Austin, TX 78753
Total Units: 228
Total Buildings:10
Year Stabilized: 1997
Strategic HFC Role: GP, Landlord
Developer: OTH Capital
Property Management: Avita Property Management
Permanent Lender: Berkadia Commercial Mortgage
Investor Limited Partner: RS FP Impact LLC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	24	0
2 BDRM	0	120	0
3 BDRM	0	72	0
4 BDRM	0	12	0
TOTAL	**0**	**228**	**0**

Strategic AIM Summary

Total AIM	26844.48	12274.33
AIM/Unit	107.04	53.83
AIM/Unit/Year	3.57	1.79
Volume AIM	337.09	327.84
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.028
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	75.44%
Turnover Rate YTD	5%	3%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $16,176.33 Per Unit: $70.95
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $560 Per Unit: $2.46
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: $227,819 Per Unit: $999.21

CAMBRIDGE VILLAS

Address: 15711 Dessau Rd, Pflugerville, TX 78660
Total Units: 208
Total Buildings:52
Year Stabilized: 2007
Strategic HFC Role: GP, Contractor, Landlord
Developer: Encinas Group of Texas, Inc.
Property Management: Capstone Real Estate
Permanent Lender: Lument
Investor Limited Partner: Centerline Corporate Partners XXXI L.P

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	14	105	5
2 BDRM	9	72	3
3 BDRM	0	0	0
4 BDRM	0	0	0
TOTAL	**23**	**177**	**8**

Strategic AIM Summary

Total AIM	26844.48	26115.42
AIM/Unit	107.04	125.55
AIM/Unit/Year	3.57	4.19
Volume AIM	337.09	235.72
Affordability AIM	2.13	3.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.031
Location Quality Adjustment	0.21	0.20

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	86.65%
Turnover Rate YTD	5%	1%
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $5987.53 Per Unit: $28.79
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $549.05 Per Unit: $2.64
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($22,400) Per Unit: ($107.69)

AUSTIN COLORADO CREEK

Address: 11700 Dionda Lane, Del Valle, TX 78617
Total Units: 240
Total Buildings:10
Year Stabilized: 2015
Strategic HFC Role: GP, Contractor, Landlord
Developer: Rise Residential Development V, LLC
Property Management: Rise Property Management
Permanent Lender: IBC
Investor Limited Partner: 42EP Austin Fund, LP

Unit Distribution

Unit Size	50% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	24	80	0
2 BDRM	13	67	0
3 BDRM	9	45	0
4 BDRM	2	0	0
TOTAL	**48**	**192**	**0**

Strategic AIM Summary

Total AIM	26844.48	26176.23
AIM/Unit	107.04	109.07
AIM/Unit/Year	3.57	3.636
Volume AIM	337.09	304.58
Affordability AIM	2.13	2.33
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.029
Location Quality Adjustment	0.21	0.201

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	Unknown
Turnover Rate YTD	5%	Unknown
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $34,655 Per Unit: $180.49
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $536.46 Per Unit: $2.79
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: Unknown Per Unit: Unknown

PADDOCK AT NORWOOD

Address: 1044 Norwood Park Blvd, Austin, 78753
Total Units: 228
Total Buildings:10
Year Stabilized:
Strategic HFC Role: GP, Co-Developer, Landlord
Developer: LDG Multifamily, LLC
Property Management: Solidago Residential
Permanent Lender: Citibank
Investor Limited Partner: First Sterling Investor, LLC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	36	0
2 BDRM	0	108	0
3 BDRM	0	84	0
4 BDRM	0	0	0
TOTAL	**0**	**228**	**0**

Strategic AIM Summary

Total AIM	26844.48	11987.40
AIM/Unit	107.04	52.58
AIM/Unit/Year	3.57	1.75
Volume AIM	337.09	319.92
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.029
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	$49,007.47
Turnover Rate YTD	5%	7%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $49,007.47 Per Unit: $214.95
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $529.94 Per Unit: $2.32
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($19,670) Per Unit: ($86.27)

WILLIAM CANNON APARTMENTS

Address: 2112 East William Cannon Drive,
Austin, TX 78744
Total Units: 80
Total Buildings: 4
Year Stabilized: 2014
Strategic HFC Role: GP, GC, Landlord
Developer: Pedcor Development Services, LLC
Property Management: Solidago Residential
Permanent Lender:
Investor Limited Partner: WNC Institutional Tax Credit Fund 37, LP

Unit Distribution

Unit Size	50% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	4	68	0
2 BDRM	0	132	0
3 BDRM	0	48	0
4 BDRM	0	0	0
TOTAL	**4**	**248**	**0**

Strategic AIM Summary

Total AIM	26844.48	28794.89
AIM/Unit	107.04	114.27
AIM/Unit/Year	3.57	3.81
Volume AIM	337.09	327.72
Affordability AIM	2.13	2.33
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.027
Location Quality Adjustment	0.21	0.23

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	90.63%
Turnover Rate YTD	5%	3%
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $31,106.82 Per Unit: $125.43
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $465.57 Per Unit: $1.88
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($249,299) Per Unit: ($989.28)

SOUTHPARK RANCH

Address: 9401 S 1st St, Austin, TX 78748
Total Units: 192
Total Buildings: 9
Year Stabilized: 2008
Strategic HFC Role: GP, ILP, Landlord
Developer: GMAT Development - Southpark, Ltd.
Property Management: UAG Ventures AC, L.P.
Permanent Lender: JLL Real Estate Capital, LLC
Investor Limited Partner: SHFC Southpark Investor, LLC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	54	0
2 BDRM	0	138	0
3 BDRM	0	0	0
4 BDRM	0	0	0
TOTAL	**0**	**192**	**0**

Strategic AIM Summary

Total AIM	26844.48	8608.45
AIM/Unit	107.04	44.84
AIM/Unit/Year	3.57	1.49
Volume AIM	337.09	237.54
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.028
Location Quality Adjustment	0.21	0.18

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	78.51%
Turnover Rate YTD	5%	5%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $4,339.65 Per Unit: $22.60
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $583.51 Per Unit: $3.04
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($73,524) Per Unit: ($382)

CREEKVIEW APARTMENT HOMES

Address: 5001 Crainway Drive, Austin, TX 78724
Total Units: 264
Total Buildings:11
Year Stabilized: 2019
Strategic HFC Role: GP, Co-Developer, GC, Landlord
Developer: RRC Development Creekview Austin, LLC
Property Management: Rise Property Management
Permanent Lender: IBC
Investor Limited Partner: 42EP Austin Fund II, LP

Unit Distribution

Size	30% AMI	40% AMI	50% AMI	60% AMI
Studio	2	2	2	26
1 BDRM	3	2	1	114
2 BDRM	1	1	1	72
3 BDRM	1	2	3	31
4 BDRM	0	0	0	0
TOTAL	**7**	**7**	**7**	**243**

Strategic AIM Summary

Total AIM	26844.48	69938.22
AIM/Unit	107.04	264.92
AIM/Unit/Year	3.57	8.83
Volume AIM	337.09	310.34
Affordability AIM	2.13	6.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.027
Location Quality Adjustment	0.21	0.23

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	Unknown
Turnover Rate YTD	5%	Unknown
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $27,037 Per Unit: $102.21
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $274.11 Per Unit: $1.03
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: Unknown Per Unit: Unknown

HEIGHTS ON PARMER APARTMENTS

Address: 1500 East Parmer Lane
Total Units: 332
Total Buildings: 13
Year Stabilized: 2017
Strategic HFC Role: GP, GC, and Landlord
Developer: Pedcor Development Associates, LLC
Property Management: Pedcor Management Corp
Permanent Lender:
Investor Limited Partner: U.S. Bancorp CDC

Unit Distribution

Unit Size	50% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	1	95	0
2 BDRM	0	176	0
3 BDRM	0	60	0
4 BDRM	0	0	0
TOTAL	**1**	**331**	**0**

Strategic AIM Summary

Total AIM	26844.48	37493.34
AIM/Unit	107.04	112.93
AIM/Unit/Year	3.57	3.76
Volume AIM	337.09	429.28
Affordability AIM	2.13	2.33
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.029
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	73.27%
Turnover Rate YTD	5%	4%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $41,691.10 Per Unit: $125.58
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $567.50 Per Unit: $1.70
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($218,770) Per Unit:(658.95)

COMMONS AT MANOR

Address: 12219 US-290, Manor, TX 78653
Total Units: 172
Total Buildings:12
Year Stabilized: 2021
Strategic HFC Role: GP, Contractor, Landlord
Developer: LDG Multifamily, LLC
Property Management: Solidago Residential
Permanent Lender:
Investor Limited Partner: BF Commons at Manor Village

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	52	0
2 BDRM	0	120	0
3 BDRM	0	0	0
4 BDRM	0	0	0
TOTAL	**0**	**172**	**0**

Strategic AIM Summary

Total AIM	26844.48	7896.91
AIM/Unit	107.04	45.91
AIM/Unit/Year	3.57	1.53
Volume AIM	337.09	211.60
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.024
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	87.31%
Turnover Rate YTD	5%	2%
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $2909.89 Per Unit:$16.91
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $620.34 Per Unit: $3.60
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($8,766) Per Unit: ($50.97)

THE BECKETT

Address:14011 FM 969, Austin, TX 78724
Total Units: 302
Total Buildings: 11
Year Stabilized: 2019
Strategic HFC Role: GP, Contractor, Developer, Landlord
Developer, collectively: SHFC & NRP Lone Star
Property Management: NRP Management LLC
Permanent Lender: Key Bank
Investor Limited Partner: US Bancorp CDC

Unit Distribution

Unit Size	30% AMI	40% AMI	60% AMI
Studio	0	0	0
1 BDRM	2	0	10
2 BDRM	4	3	155
3 BDRM	3	2	91
4 BDRM	3	1	28
TOTAL	**12**	**6**	**284**

Strategic AIM Summary

Total AIM	26844.48	68168.05
AIM/Unit	107.04	225.72
AIM/Unit/Year	3.57	7.52
Volume AIM	337.09	451.78
Affordability AIM	2.13	4.67
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.027
Location Quality Adjustment	0.21	0.05

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	80.58%
Turnover Rate YTD	5%	4%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $68,976.37 Per Unit: $228.40
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $548.16 Per Unit: $1.84
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($89,130) Per Unit: ($295.13)

RESIDENCES AT DECKER

Address: 9000 Decker Ln, Austin, TX 78724
Total Units: 262
Total Buildings: 5
Year Stabilized: 2022
Strategic HFC Role: GP, GC, and Landlord
Developer: NRP Lone Star Development
Property Management: NRP Management LLC
Permanent Lender:
Investor Limited Partner: Bank of America, N.A.

Unit Distribution

Unit Size	40% AMI	60% AMI	80% AMI	MKT
Studio	0			0
1 BDRM	2	5	2	1
2 BDRM	16	66	12	2
3 BDRM	23	86	22	1
4 BDRM	2	16	5	1
TOTAL	**43**	**173**	**41**	**5**

Strategic AIM Summary

Total AIM	26844.48	49195.91
AIM/Unit	107.04	187.77
AIM/Unit/Year	3.57	6.26
Volume AIM	337.09	406.12
Affordability AIM	2.13	3.22
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.029
Location Quality Adjustment	0.21	0.23

KPI Highlights

Through June 2025	*Portfolio Average*	*Property*
Avg Occupancy Rate YTD	82.70%	84.58%
Turnover Rate YTD	5%	7%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $78,620.79 Per Unit: $500.07
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $578 Per Unit: $2.21
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($57,215) Per Unit: ($218.38)

MENCHACA COMMONS

Address: 12024 Manchaca Road, Austin, TX 78748
Total Units: 240
Total Buildings: 9
Year Stabilized: 2020
Strategic HFC Role: GP, GC, Lessor
Developer: LDG Multifamily, LLC
Property Management: Solidago Residential
Permanent Lender:
Investor Limited Partner: CITI - ESG LIHTC Partners

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	14	105	5
2 BDRM	9	72	3
3 BDRM	0	0	0
4 BDRM	0	0	0
TOTAL	**23**	**177**	**8**

Strategic AIM Summary

Total AIM	26844.48	13029.12
AIM/Unit	107.04	54.29
AIM/Unit/Year	3.57	1.81
Volume AIM	337.09	348.00
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.028
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	90.56%
Turnover Rate YTD	5%	3%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $1,482 Per Unit: $7.12
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $502.92 Per Unit: $2.44
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($17,914) Per Unit: ($86.13)

VILLAGES AT FISKVILLE

Address: 10017 Middle Fiskville Rd, Austin Texas, 78753
Total Units: 172
Total Buildings:15
Year Stabilized: 2019
Strategic HFC Role: GP, Contractor, Landlord
Developer: LDG Multifamily, LLC
Property Management: Solidago Residential
Permanent Lender:
Investor Limited Partner: Garnet LIHTC Fund XLVII, LLC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	58	0
2 BDRM	0	114	0
3 BDRM	0	0	0
4 BDRM	0	0	0
TOTAL	**0**	**172**	**0**

Strategic AIM Summary

Total AIM	26844.48	7857.61
AIM/Unit	107.04	45.68
AIM/Unit/Year	3.57	1.52
Volume AIM	337.09	209.62
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.029
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	**Portfolio Average**	**Property**
Average Occupancy Rate YTD	82.70%	73,14%
Turnover Rate YTD	5%	3%
Average Aged Receivables YTD	Overall: $63,902.80 Per Unit: $16.98	Overall: $40,382 Per Unit: $234.78
Average OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $465.17 Per Unit: $2.71
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($45,904) Per Unit: ($266.88)

WILDHORSE FLATS’

Address:14011 FM 969 Austin, TX 78724
Total Units: 310
Total Buildings: 11
Year Stabilized: 2021
Strategic HFC Role: GP, Contractor, Landlord
Developer: ECG Wildhorse Developer, LLC
Property Management: Elmington Property Mgmt
Permanent Lender:
Investor Limited Partner: U.S. Bancorp CDC

Unit Distribution

Unit Size	30% AMI	60% AMI	MKT
Studio	0	0	0
1 BDRM	0	110	0
2 BDRM	0	120	0
3 BDRM	0	52	0
4 BDRM	0	28	0
TOTAL	**0**	**310**	**0**

Strategic AIM Summary

Total AIM	26844.48	15441.75
AIM/Unit	107.04	49.81
AIM/Unit/Year	3.57	1.66
Volume AIM	337.09	412.44
Affordability AIM	2.13	1.00
Years of Affordability AIM	30.00	30.00
Design Quality Adjustment	0.03	0.028
Location Quality Adjustment	0.21	0.22

KPI Highlights

Through June 2025	***Portfolio Average***	***Property***
Avg Occupancy Rate YTD	82.70%	83.09%
Turnover Rate YTD	5%	5%
Avg Aged Receivables YTD (overall and per unit basis)	Overall: $63,902.80 Per Unit: $16.98	Overall: $86,432.94 Per Unit: $278.82
Avg OpEx Costs YTD	Overall: $537.85 Per Unit: $0.14	Overall: $644 Per Unit: $2.07
Budget Variance YTD	Overall: ($889,755) Per Unit: ($236.51)	Overall: ($253,174) Per Unit: ($816.69)

YAGER FLATS

EXECUTIVE SUMMARY

Elmington Capital has completed construction on Yager Flats, a 300-unit multifamily development at 4818 East Yager Lane in Manor, Texas. The community is now in lease-up and is located about halfway between Interstate 35 and State Highway 130, north of US Highway 290, and just south of East Parmer Lane. This project will feature twelve 3-story garden-style residential buildings with floor plans ranging from one-bedroom to four-bedroom units, along with one single-story clubhouse and swimming pool.

The property targets families earning 60% of the area median income to provide affordable housing in northeast Travis County, with nearby access to major employment centers, such as Samsung Austin Semiconductor, the Apple Austin Campus, Tesla's Gigafactory Texas, and the Tech Ridge employment hub, featuring employers such as Dell, GM, Home Depot, Amazon, and 3M. On-site amenities include a swimming pool, a playground, a putting green, and a clubhouse with a fitness center. All units feature in-unit washers and dryers, granite countertops, and stainless steel appliances.

Construction on Yager Flats commenced in August of 2021, and was completed in January 2025. As of July 2025, more than 90% of units were occupied, with occupancy expected to rise to 95% by the end of July, according to Yager Flats property management's projections.

YAGER FLATS LEASING ACTIVITY												
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
UNITS DELIVERED	48	48	48	204	276	300	300	300	300	300	300	300	300
UNITS OCCUPIED	1	6	11	26	55	78	102	133	158	179	221	263	*285
% OCCUPANCY/DELIVEREC	2%	13%	23%	13%	20%	26%	34%	44%	53%	60%	74%	88%	*95%
% OCCUPANCY - TOTAL	0%	2%	4%	9%	18%	26%	34%	44%	53%	60%	74%	88%	*95%
MONTHLY MOVE-INS	1	5	5	15	29	23	24	31	25	21	42	42	*22

**Projected occupied units based on leasing activity*

DAFFAN FLATS APARTMENTS

PROJECT DESCRIPTION			
Development	Daffan Flats Apartments		
Address	7400 Daffan Lane, Austin TX, TX 78724		
Building Type	Family Apartment Complex		
Total Units	247 Units	**Avg. Unit Size**	1,085 SF
Total Buildings	4	**NRA**	268,105 SF

UNIT DISTRIBUTION				
Bed / Bath	**30% AMI**	**60% AMI**	**120% AMI**	**Market**
1B / 1B Units	13	47	-	-
2B / 2B Units	-	115	-	-
3B / 2B Units	-	48	-	-
4B / 2B Units	-	24	-	-
Total	**13**	**234**		

EXECUTIVE SUMMARY

Construction on Daffan Flats Apartments began October 2, 2023, and has now reached approximately 91% completion as of May 2025. Elmington, the Developer/Master Subcontractor, is in the final stages of interior finishes and landscaping. The Clubhouse is complete.

As of the latest Payment Application (May 2025), the contract sum to date stands at $46,724,226, reflecting an increase of $1,216,290; (approximately 2.70%) from the original contract sum of $45,507,936.

Due to minor delays from adverse weather conditions, material delivery challenges, and pending city inspections, the revised substantial completion date is now July 8, 2025. Currently, no other major issues significantly impact construction costs or timelines.

CONSTRUCTION PROGRESS			
As of June 2025 Payment Application:			
	Per SF	Per Unit	Total
Original Contract Price	$169.74	$194,478	$45,507,936
Total Net Change by Change Orders	4.54	5,198	1,216,291
Contract Sum to Date	**$174.28**	**$199,676**	**$46,724,227**
Completed & Materials Stored to Date			$44,844,204
Construction Completion %			95.9%
Balance to Finish			$1,880,022

SCHEDULE	
Construction Start Date	10/2/2023
Target Completion Date	6/30/2025
Revised Substantial Completion Date	9/3/2025
Delays	57 Days

DEAL STRUCTURE	
Bond / 4% LIHTC	$44,519,000
Strategic HFC	GP, GC, and Landlord
Elmington Capital Group	Developer / Master Subcontractor
Red Stone Equity Partners	Investor Limited Partner
Bank of America	Construction Lender
Cedar Rapids Bank & Trust Co.	Permanent Lender

BLUE RIDGE APARTMENTS

PROJECT DESCRIPTION			
Development	Blue Ridge Apartments		
Address	9825 Wildhorse Ranch Trail, Austin TX, TX 78724		
Building Type	Family Apartment Complex		
Total Units	321 Units	**Avg. Unit Size**	1,018 SF
Total Buildings	9	**NRA**	326,762 SF

UNIT DISTRIBUTION				
Bed / Bath	**50% AMI**	**60% AMI**	**120% AMI**	**Market**
1B / 1B Units	-	57	-	-
2B / 2B Units	-	162	-	-
3B / 2B Units	-	89	-	-
4B / 2B Units	-	13	-	-
Total		**321**		

EXECUTIVE SUMMARY

The development of Blue Ridge Apartments will create a 321-unit affordable housing community located southeast of the intersection of Highway 290 and State Highway 130 in Austin, Travis County. This project will feature 3-4 story residential buildings with diverse floor plans, ranging from one-bedroom to four-bedroom units. Each apartment will include modern amenities such as 9-foot ceilings, granite countertops, in-unit washers and dryers, hard surface flooring, ceiling fans, stainless steel appliances, and covered patios or balconies with walk-in closets.

The property targets families earning 60% of the AMI to provide affordable housing within the Wildhorse Masterplan Community, with access to various employment opportunities, the airport, and distribution facilities. Residents are expected to benefit from proximity to nearby parks, schools, and public transportation. The community also plans to offer resident-supportive services (details to be determined) and on-site amenities, including a gated entry, pool, fitness center, community room, picnic area, playground, and dog park.

Construction on Blue Ridge Apartments commenced on March 25, 2024, and is now substantially underway, currently standing at approximately 48% completion as of May 2025.

CONSTRUCTION PROGRESS			
As of May 2025 Payment Application:			
	Per SF	Per Unit	Total
Original Contract Price	$168.33	$171,353	$55,004,163
Total Net Change by Change Orders	3.40	3,460	1,110,501
Contract Sum to Date	**$171.73**	**$174,812**	**$56,114,664**
Completed & Materials Stored to Date			$27,144,099
Construction Completion %			48.0%
Balance to Finish			$28,970,565

SCHEDULE	
Construction Start Date	3/25/2024
Target Completion Date	2/27/2026
Revised Substantial Completion Date	3/29/2026
Delays	30 Days

DEAL STRUCTURE	
Bond / 4% LIHTC	$50,000,000
Strategic HFC	GP, GC, and Landlord
Elmington Capital Group	Developer / Master Subcontractor
Red Stone Equity Partners	Investor Limited Partner
Bank of America	Construction Lender
Cedar Rapids Bank & Trust Co.	Permanent Lender

SANTIAGO ESTATES

PROJECT DESCRIPTION			
Development	Santiago Estates		
Address	Olivaris Blvd & Dionda Ln, Austin, TX 78617		
Building Type	Family, Garden-Style Apartments		
Total Units	300 Units	**Avg. Unit Size**	970 SF
Total Buildings	14 Buildings + 1 Clubhouse	**NRA**	291,120 SF

UNIT DISTRIBUTION		
Bed / Bath	**60% AMI**	**Market**
1B / 1B Units	108	-
2B / 2B Units	144	-
3B / 2B Units	48	-
Total	**300**	

EXECUTIVE SUMMARY

The development of Santiago Estates will create a 300-unit affordable housing community located northwest of the intersection of State Highway 71 and State Highway 130 in Austin, Travis County. This project will feature fourteen 3-story garden-style residential buildings with floor plans ranging from one-bedroom to three-bedroom units, along with one single-story clubhouse and swimming pool.

The property targets families earning 60% of the area median income to provide affordable housing in southeast Austin, with nearby access to major employment centers, such as the Austin-Bergstrom airport, Tesla's Gigafactory Texas, Oracle's Headquarters, and Austin's Saint Elmo District. On-site amenities include a swimming pool with a splash pad, a covered pavilion, a playground, a dog park, and a fully furnished clubhouse with a business center, laundry room, and fitness center.

Construction on Santiago Estates commenced in November of 2023, and is now estimated to be more than 55% complete as of June 2025.

CONSTRUCTION PROGRESS			
As of June 2025 Payment Application			
	Per SF	Per Unit	Total
Original Contract Price	$ 172	$ 166,520	$ 49,955,985
Total Net Change by Change Orders	$ 13	$ 12,592	$ 3,777,508
Constract Sum to Date	**$ 185**	**$ 179,112**	**$ 53,733,493**
Completed & Materials Stored to Date			
Construction Completion %			
Balance to Finish			

SCHEDULE	
Construction Start Date	11/30/2023
Target Completion Date	8/1/2026
Revised Substantial Completion Date	8/1/2026
Delays	0 Days

DEAL STRUCTURE	
Bond / 4% LIHTC	$ 60,000,000
Strategic HFC	GP, GC, and Landlord
Pedcor Investments	Developer
Signature Construction	Master Subcontractor
Huntington Community Development Corporation	Investor Limited Partner
First Merchants Bank	Construction Lender

BANYAN AT BRAKER

PROJECT DESCRIPTION			
Development	Banyan at Braker Lane		
Address	2611 East Braker Lane, Austin TX, TX 78754		
Building Type	Family Apartment Complex		
Total Units	214 Units	**Avg. Unit Size**	939 SF
Total Buildings	107	**NRA**	201,095 SF

UNIT DISTRIBUTION				
Bed / Bath	**60% AMI**	**80% AMI**	**120% AMI**	**Market**
1B / 1B Units	14	22	28	7
2B / 2B Units	19	28	36	8
3B / 2B Units	10	16	20	6
4B / 2B Units	-	-	-	-
Total	**43**	**66**	**84**	**21**

EXECUTIVE SUMMARY

Construction on Banyan at Breaker Apartments commenced on November 6, 2024, and is now substantially underway, currently standing at approximately 21% completion as of May 2025. Banyan, the Developer/Master Subcontractor, has completed essential infrastructure and vertical construction is scheduled to begin on 7/10/25. The foundational concrete work is almost 100% completed.

As of the latest Payment Application (May 2025), the contract sum to date stands at approximately $39,663,405, reflecting an increase of $834,787 (approximately 2.14%) from the original contract sum of $38,828,618. Due to minor delays from adverse weather conditions, material delivery challenges, and pending city inspections, the revised substantial completion date is now set for September 5, 2026. Currently, no other major issues significantly impact construction costs or timelines.

CONSTRUCTION PROGRESS			
As of June 2025 Payment Application:			
	Per SF	Per Unit	Total
Original Contract Price	$193.09	$588,312	$38,828,618
Total Net Change by Change Orders	4.15	12,648	834,787
Contract Sum to Date	**$197.24**	**$600,961**	**$39,663,405**
Completed & Materials Stored to Date			$10,828,557
Construction Completion %			27.0%
Balance to Finish			$28,834,848

SCHEDULE	
Construction Start Date	11/6/2024
Target Completion Date	9/4/2026
Revised Substantial Completion Date	9/4/2026
Delays	0 Days

DEAL STRUCTURE	
Workforce Structure	Traditional Equity and Debt
Strategic HFC	GP, GC, and Landlord
Banyan Residential	Developer / Master Subcontractor
BBR Partners	Investor Limited Partner
Arbor Realty SR, Inc.	Construction Lender
Not Determined	Permanent Lender

LAKEWAY APARTMENTS

PROJECT DESCRIPTION			
Development	Lakeway Apartments		
Address	2309 North FM 620, Austin, TX 78734		
Building Type	Garden (Up to 4-story)		
Total Units	180 Units	**Avg. Unit Size**	785 SF
Total Buildings	5	**NRA**	141,283 SF

UNIT DISTRIBUTION				
Bed / Bath	**30% AMI**	**50% AMI**	**60% AMI**	**Market**
Studio	6	-	37	-
1B / 1B Units	14	-	80	-
2B / 2B Units	5	-	25	-
3B / 2B Units	2	-	11	-
Total	**27**	**-**	**153**	-

EXECUTIVE SUMMARY

Lakeway Apartments is anticipated to be an affordable housing community featuring 180 new living units on a 5.87-acre site at the intersection of Ranch Road (620) and Storm Drive in Austin, Travis County.

The development is substantially behind schedule, over budget, and overdrawn. Construction began in August 2019, and Rise Residential Construction (RRC), the prime subcontractor, expects the project to be completed in March 2026. Additionally, the project has had significant cost overruns, with the original $23.7 million construction contract ballooning to $38.4 million as of April 2025. Several line items have been overdrawn compared to work completed on-site. While the project is not yet complete, RRC has completely drawn down its fee and overhead. To date, RRC has refused multiple requests from Strategic HFC for information on owner change orders, construction draws, and construction progress.

Based upon the April 2025 pay application, construction of Lakeway Apartments is approximately 89% complete, with leasing expected to begin in the first quarter of 2026. However, as stated above, many line items within the project are overdrawn, so the total completed and stored to date may not reflect actual completion on-site.

CONSTRUCTION PROGRESS			
As of April 2025 Payment Application:			
	Per SF	Per Unit	Total
Original Contract Price	$167.91	$131,791	$23,722,317
Total Net Change by Change Orders	103.77	81,448	14,660,683
Contract Sum to Date	**$271.67**	**$213,239**	**$38,383,000**
Completed & Materials Stored to Date			$34,310,250
Construction Completion %			89.4%
Balance to Finish			$4,072,750

SCHEDULE	
Construction Start Date	8/22/2019
Target Completion Date	12/31/2021
Revised Substantial Completion Date	3/1/2026
Delays	1,521 Days

DEAL STRUCTURE	
Bond / 4% LIHTC	$20M Tax-Exempt & $10M Taxable Bonds
Strategic HFC	GP, GC, and Landlord
Rise Residential Construction	Developer / Prime Subcontractor
42 Equity Partners	Investor Limited Partner
International Bank of Commerce	Initial Funding Lender
Rise PMC	Property Management Company

AUSTIN MANOR

PROJECT DESCRIPTION			
Development	Austin Manor		
Address	6625 East Parmer Ln, Austin, TX 78653		
Building Type	Garden (Up to 4-story)		
Total Units	280 Units	**Avg. Unit Size**	904 SF
Total Buildings	14	**NRA**	253,024 SF

UNIT DISTRIBUTION				
Bed / Bath	**30% AMI**	**50% AMI**	**60% AMI**	**Market**
Studio	-	-	32	-
1B / 1B Units	-	-	120	-
2B / 2B Units	-	-	80	-
3B / 2B Units	-	-	48	-
Total	**-**	**-**	**280**	-

EXECUTIVE SUMMARY

Austin Manor is anticipated to be an affordable housing community featuring 280 new living units located on a 15-acre site at the intersection of E. Parmer Lane and Bellingham in Austin, Travis County.

The development is substantially behind schedule, over budget, and overdrawn. Construction began in January 2020, and Rise Residential Construction (RRC), the prime subcontractor, expects the project to be completed in August 2025. Additionally, the project has had significant cost overruns, with the original $39.8 million construction contract ballooning to $52.2 million as of April 2025. Several line items have been overdrawn compared to work completed on-site. While the project is not yet complete, RRC has completely drawn down its fee and overhead. To date, RRC has refused multiple requests from Strategic HFC for information on owner change orders, construction draws, and construction progress.

Based upon the April 2025 pay application, construction is close to 100% completion, with leasing expected to begin in the third quarter of 2025. However, as stated above, many line items are overdrawn, so the total completed and stored to date may not reflect actual completion on-site.

CONSTRUCTION PROGRESS			
As of April 2025 Payment Application:			
	Per SF	Per Unit	Total
Original Contract Price	$157.23	$142,079	$39,782,000
Total Net Change by Change Orders	49.25	44,505	12,461,300
Contract Sum to Date	**$206.48**	**$186,583**	**$52,243,300**
Completed & Materials Stored to Date			$52,243,300
Construction Completion %			100.0%
Balance to Finish			$0

SCHEDULE	
Construction Start Date	1/31/2020
Target Completion Date	12/31/2022
Revised Substantial Completion Date	8/31/2025
Delays	974 Days

DEAL STRUCTURE	
Bond / 4% LIHTC	$35M Tax-Exempt & $10M Taxable Bonds
Strategic HFC	GP, GC, and Landlord
Rise Residential Construction	Developer / Prime Subcontractor
42 Equity Partners	Investor Limited Partner
International Bank of Commerce	Initial Funding Lender
Rise PMC	Property Management Company