



**Strategic  
Housing Finance  
Corporation**  
*of* TRAVIS COUNTY

Board of Directors – Regular Meeting  
August 14th, 2025

# I. Call to Order



# II. Citizen Communication

# III. Director's Report

# Calendar Overview

Ad Hoc Legal Matters Committee ('LEMCO'): Wednesdays, 9:30

## August

- **8/14: Regular Board Meeting**
- 8/19: Executive Committee
- 8/21: Real Estate Committee
- ~8/21: 1st Draft 2026 Budget posted to Forum

## September

- 9/2: Executive Committee
- 9/2: Finance & Admin Cmte
- 9/4: Real Estate Committee
- **9/11: Regular Board Meeting**
- 9/15: Finance & Admin Cmte
- 9/16: Executive Committee
- 9/18: Real Estate Committee
- **9/17-9/19: TALHFA\* Conference, Round Rock**
- 9/30: Executive Committee

## October

- 10/2: Real Estate Committee
- 10/9: Regular Board Meeting
- 10/14: Executive Committee
- 10/16: Real Estate Committee
- **10/16: Travis County Commissioners Court Briefing**
- 10/28: Executive Committee

*\*Texas Association of Local Housing Finance Agencies*

# Financial Report

## June Highlights

- Construction Admin fees, Cash Flow distributions, and Asset Management fees were received in June, totaling 84% of the month's revenue.
- When excluding income from Silver Springs, June is the highest programmatic revenue month so far in 2025.
- As noted in prior months, Silver Springs revenue makes up most of the current YTD income, and when excluding it revenue totals are behind budgeted projections.

## June Financials

	Income	Expenditures
June 2025	\$536,338	\$183,892
Year-to-Date	\$8,184,930	\$1,363,588
% of Annual Budget, YTD	188.46%	38.81%

2025 YTD Assets: \$24,238,348

# Financial Report

## Operating Cash Distribution

	Account Balance	Months of Operating Expenses
Cash in IBC Operating Account	\$ 534,796	1.83
Operating Reserve Fund (TexPool)	\$ 3,600,000	12.30
Housing Production Fund (TexPool)	\$ 15,000,000	N/A
Unallocated Cash in TexPool	\$ 4,802,658	16.41
<b>TOTAL</b>		<b>30.54</b>



# Strategic Housing Finance Corporation of TRAVIS COUNTY

## Strategic HFC Portfolio Overview

June 2025

	Aging Accounts Receivable	Opex per Unit	Budget Variance	End of Month Occupancy	Turnover Rate
# of Properties Reporting	13	12	13	13	13
<b>AVERAGE</b>	<b>\$70,051.97</b>	<b>\$526.89</b>	<b>(\$64,015)</b>	<b>83%</b>	<b>3%</b>
Residences at Decker	\$62,136	\$678.81	(\$25,956)	84%	3%
Silver Springs	\$457,443	\$441.42	(\$149,788)	81%	3%
Cambridge Villas	\$6,989	\$495.96	\$2,413	87%	2%
Beckett	\$85,493	\$559.86	(\$81,089)	85%	4%
Southpark	\$7,624	\$639.56	(\$42,116)	78%	4%
Forest Park	\$14,415	\$242.82	\$247,478	74%	No Data
Villages @ Fiskville	\$42,939	\$470.51	\$21,478	72%	0%
Commons @ Manor	(\$140,847)	\$542.59	(\$23,830)	87%	2%
Menchaca Commons	(\$11,351)	\$584.67	\$48,245	94%	4%
Paddock @ Norwood	(\$20,530)	\$563.64	(\$44,600)	92%	3%
Colorado Creek	No Data	No Data	No Data	No Data	No Data
Creekview	No Data	No Data	No Data	No Data	No Data
Heights on Parmer	\$51,157	No Data	(\$56,779)	73%	3%
Wildhorse Flats	\$108,344	\$655.10	(\$119,059)	80%	4%
William Cannon	\$36,707	\$447.71	(\$32,460)	93%	4%



# JUNE PORTFOLIO KPI OBSERVATIONS



## Data Limitations

- Property management system integration with Lobby CRE continues
- Rise property financial information not received as requested

End of Month Occupancy	Aged Receivables	OpEx Costs	Budget Variance	Turnover Rate
<ul style="list-style-type: none"><li>• Portfolio Average occupancy is 83%</li><li>• January – 83%, February – 82%, March – 81%, April – 83%, June—83%</li><li>• Flagged: Forest Park, Villages at Fiskville, and Heights on Parmer</li></ul>	<ul style="list-style-type: none"><li>• Additional detail needed to ID 30/60/90 days aging</li><li>• Flagged: Silver Springs has an issue due to non-payment and no evictions being filed.</li></ul>	<ul style="list-style-type: none"><li>• Average \$527</li><li>• Flagged: None of the reported properties are of concern this month</li></ul>	<ul style="list-style-type: none"><li>• Limited data pool</li><li>• Portfolio remains under budget. Contributions to this variance has not yet been analyzed.</li></ul>	<ul style="list-style-type: none"><li>• A healthy turnover rate would be no more than 4-5%</li><li>• There has been a decrease in turnover rate.</li></ul>

# IV. Consent Agenda



# **Agenda Item IV.A**

Minutes July 10<sup>th</sup>, 2025

# V. Voting Items



# Agenda Item V.A.

Resolution No. SHFC-2025-22

Employee Code of Conduct

# Employee Code of Conduct

- Intended to establish clear protocols and guidelines regarding the following:
  - General Behavioral Expectations of Employees
  - Accepting or Offering Gifts
  - Drugs and Alcohol
  - Whistleblower protections
- Supplements current Board approved policies:
  - Nondiscrimination and Anti-Harrassment (*Resolution No. SHFC-2024-41*)
  - Workplace Violence (*Resolution No. SHFC-2024-42*)
  - Conflict of Interest (*Resolution No. SHFC-2024-40*)

# Agenda Item V.B.

Resolution No. SHFC-2025-23

Record Management Policy

# Records Management Guidelines

- Intended to establish retention periods for common categories of documents, such as:
  - Employee Documents
  - Organizational Documents
  - Board and Governance Documents
  - Financial Documents
  - Real Estate Documents
- Represents goal outcomes and practices, with an emphasis on good faith records management.



# Agenda Item V.C.

Resolution No. SHFC-2025-24

Revised Bylaws



# REASONS TO REVISE BYLAWS

Texas Open Meetings Act Compliance Post-HB21

- Strategic HFC's meeting practices were consistent with TOMA on a voluntary basis
- HB21, signed into law in May, made TOMA apply to HFCs statutorily
- Bylaws contained some minor language that would cause conflict with statutory TOMA compliance



# NOTABLE PROPOSED REVISIONS

- Clarifying quorum
- Committees
  - Section 4.5: Committees with authority
  - Section 4.6: Advisory committees
  - Section 4.6.3: Real estate committee

# Agenda Item V.D.

Resolution No. SHFC-2025-25

Procurement and Purchasing Standards

# Procurement and Purchasing Standards

- Intended to ensure fairness, transparency, cost-effectiveness, and accountability in all purchasing activities.
- Includes guidelines and best practices for:
  - Vendor selection
  - Ensuring ethical standards are met during purchasing activities
  - Documentation and approval requirements

# Procurement and Purchasing Standards

Purchase Amount	Documentation	Approval	Contract
Under \$5,000	Invoice and Quote(s)	Purchasing card policy OR 1 level approval by Director	Optional
\$5,000 - \$15,000	Invoice and Quote(s)	Purchasing card policy OR 2 level approval by Director and ED	Optional
\$15,000.01 - \$76,000	Completed Specification Form and 2 quotes	2 level approval by Director and ED	Optional
\$76,000.01 - \$250,000	Executed resolution, specification form, and 2 quotes OR Executed resolution and signed exemption	3 level approval by Director, ED, and Board President	Contract required
\$250,000.01 or more	RFP or other Solicitation	3 level approval by Director, ED, and Board President	Contract required

# Agenda Item V.E.

Resolution No. SHFC-2025-26

Cambridge Villas Memorandum of Understanding

# Agenda Item V.F.

Resolution No. SHFC-2025-27

Formation of SHFC Cambridge Villas Land, LLC and other actions related to ground lease



# Agenda Item V.G.

Resolution No. SHFC-2025-28

Acquisition of Investor Limited Partner Interest for Cambridge Villas Apartments LP

# Agenda Item V.H.

Resolution No. SHFC-2025-29

Negotiation and execution of office lease



# CURRENT LEASE

1033 La Posada Dr, Suite 180

## BACKGROUND INFORMATION

3,125 rsf

\$27.97/SF/YR NNN

- \$87,406 annually
- \$7,284 monthly

June 1, 2024 through October 31, 2025

Building occupancy 31%

## PURPOSE OF MOVE

Unresolved heating/cooling issues

- Office closures

Unsatisfactory responsiveness from landlord

Opportunities for favorable terms due to market conditions





# OPTIONS FOR NEW OFFICE

La Costa Centre 6300 La Calma Dr

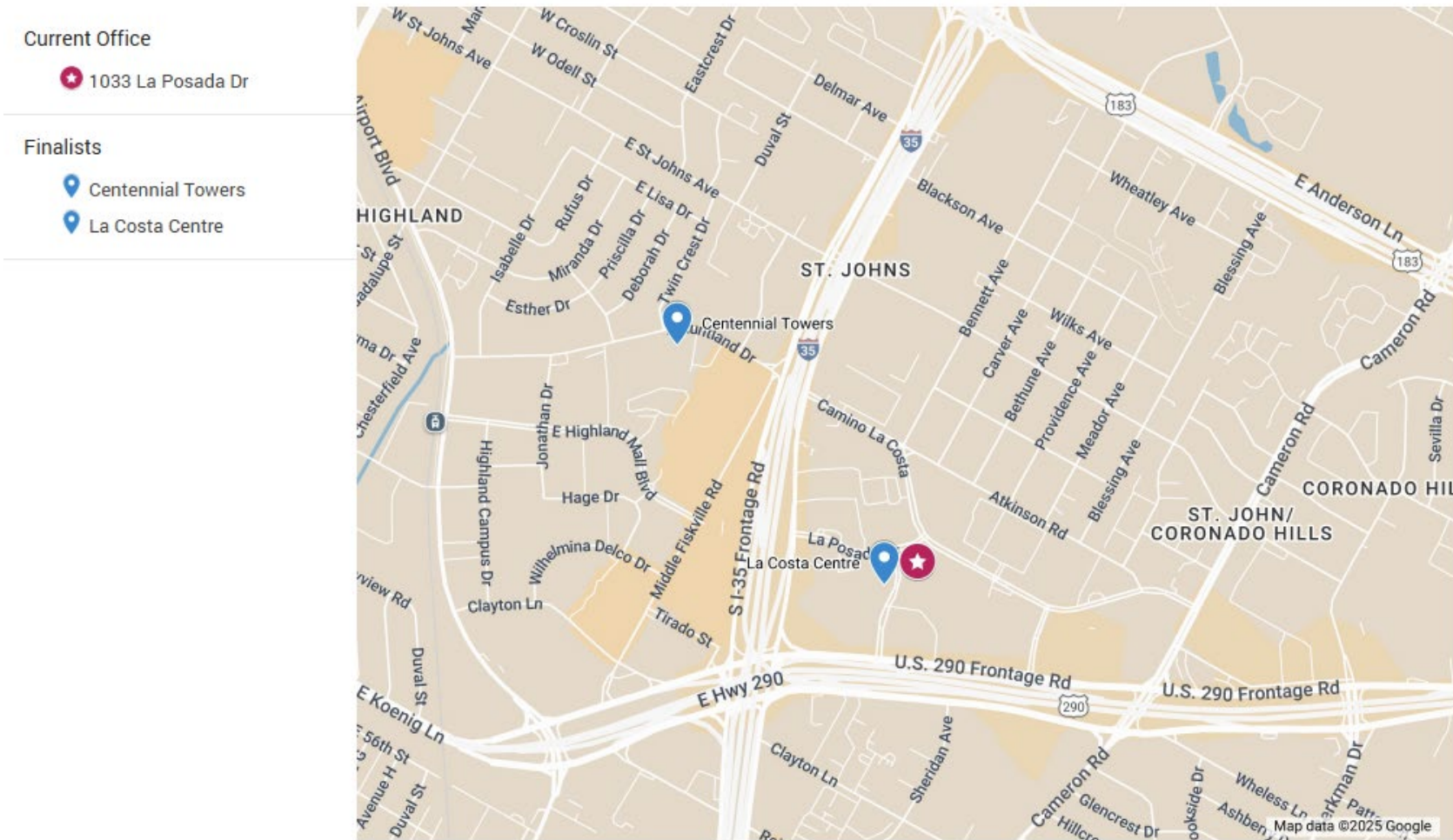


Centennial Towers 505 E Huntland Dr





# OFFICE LOCATIONS





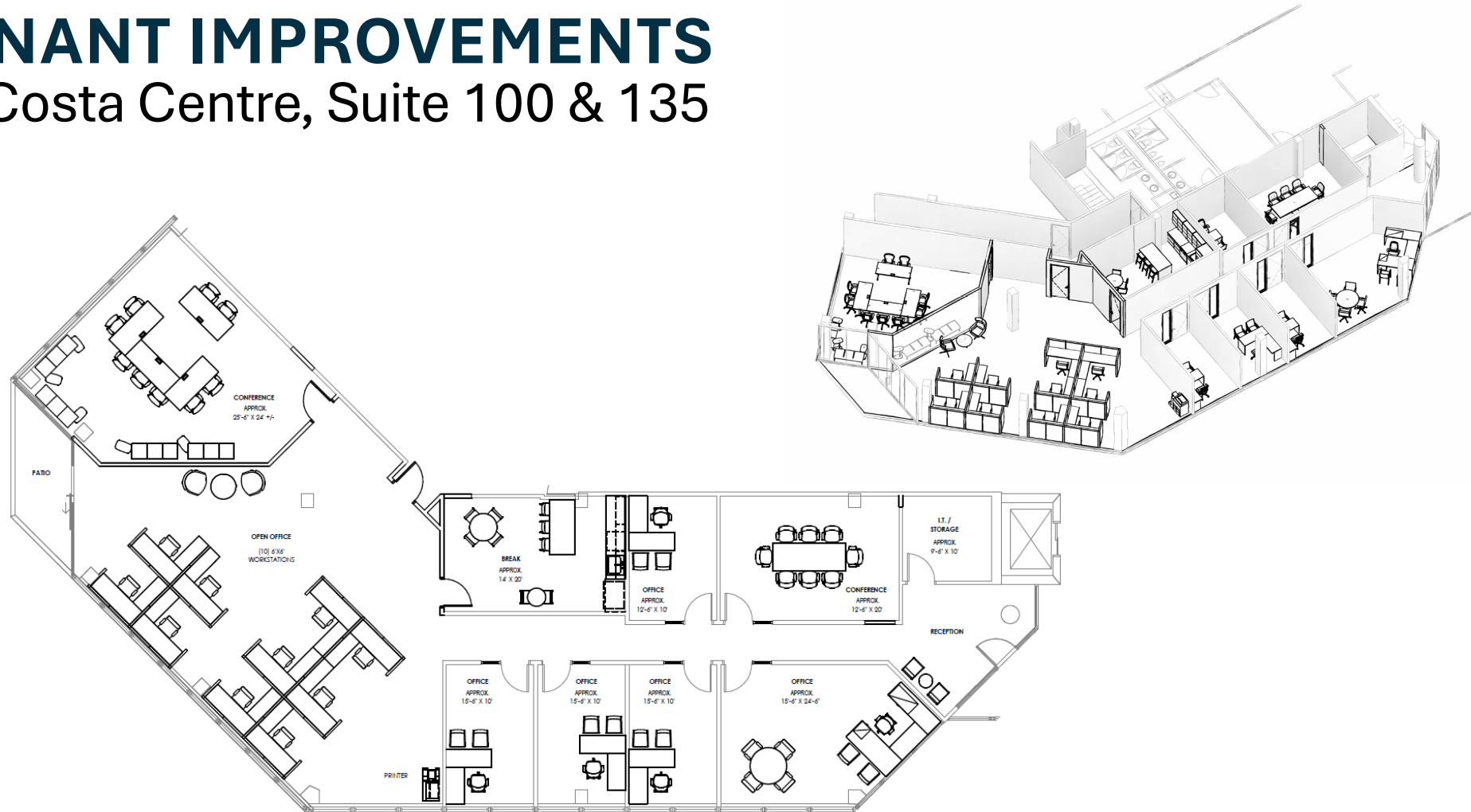
# TENANT IMPROVEMENTS

- Demolition of walls, flooring, cabinetry required
- New paint, flooring, doors, sidelights, and cabinetry
- Landlords will pay all tenant improvements at either property!



# TENANT IMPROVEMENTS

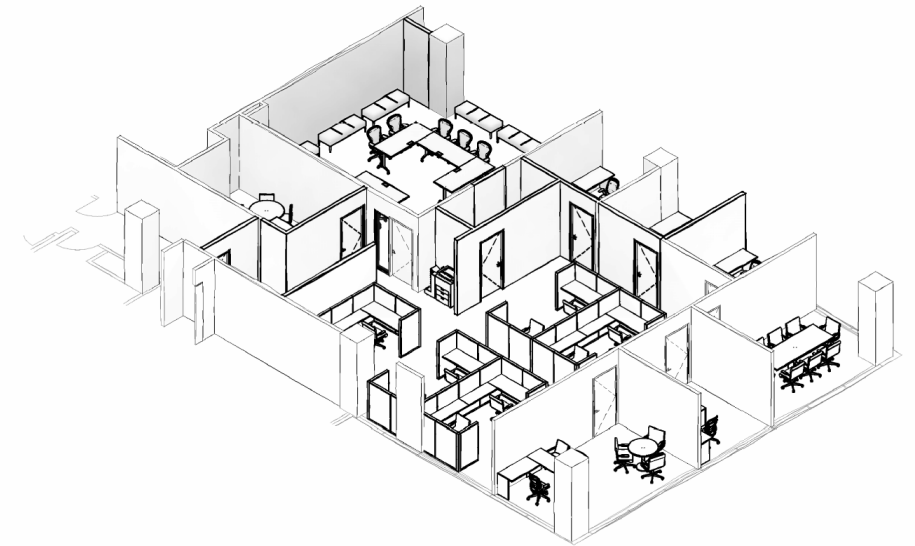
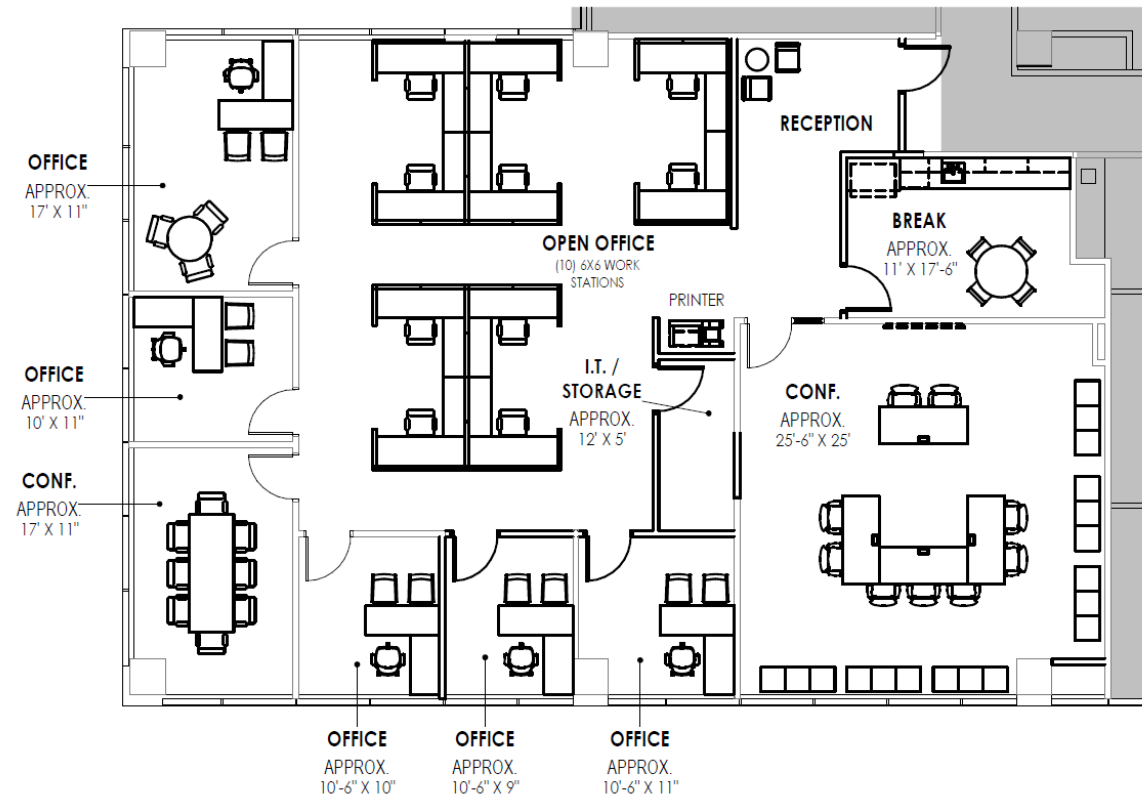
## La Costa Centre, Suite 100 & 135





# TENANT IMPROVEMENTS

## Centennial Towers, Suite 470







# RENTAL RATE COMPARISON

Current Office	Base Rent	OpEx	SF	Monthly Rent	Annual Rent
La Posada	\$20.00	\$7.97	3,125	\$7,284	\$87,406

Property	Base Rent	OpEx	Rent \$/SF/Yr	SF	Monthly Rent	Annual Rent	Increase	Months Abated	Abatement Value	First Year Paid
La Costa Centre	\$26.00	\$0.00	\$26.00	4,172	\$9,039	\$108,472	\$21,066	7	\$63,275	\$45,197
Centennial Towers	\$23.00	\$16.40	\$39.40	3,357	\$11,022	\$132,266	\$44,860	3	\$33,066	\$99,199



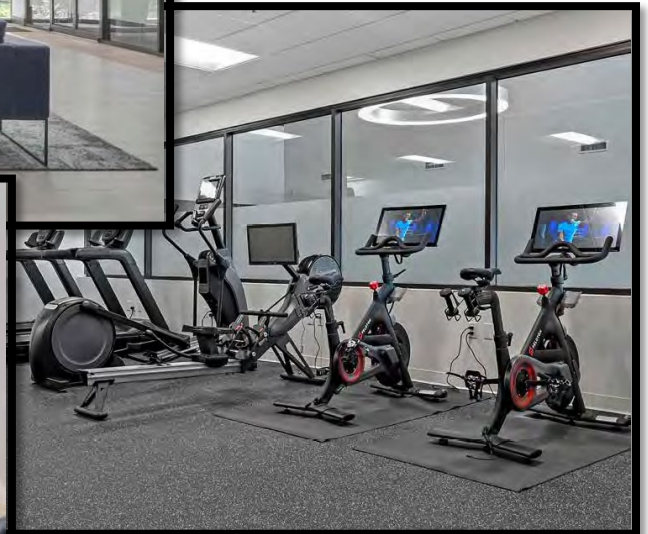
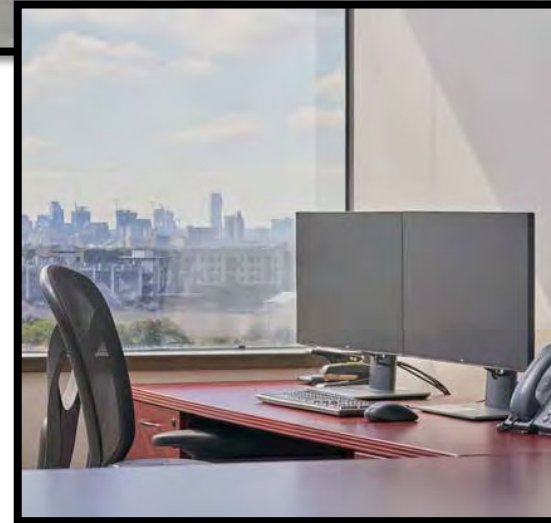
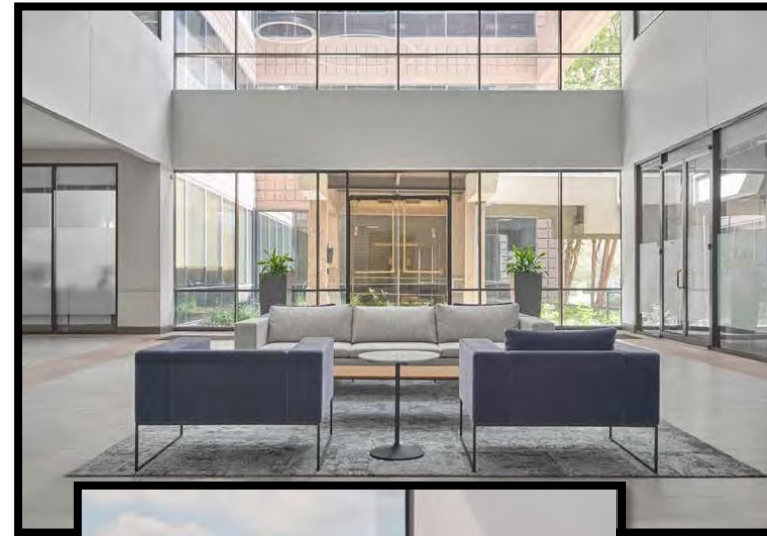
# CONSISTENT TERMS

- Initial 5 year term
- Option to renew an additional 5 years
- 3% rent escalation annually



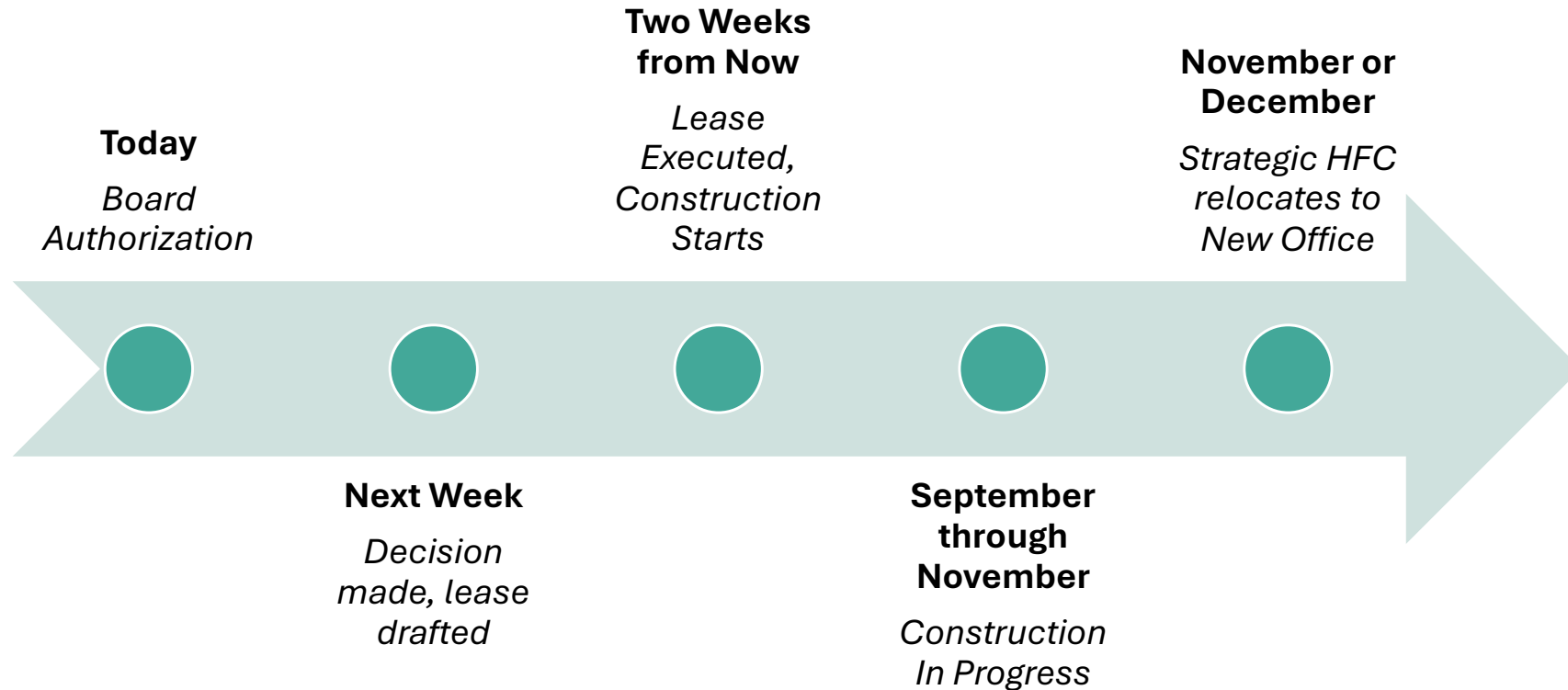
# WHY KEEP CENTENNIAL TOWERS IN THE RUNNING?

- Higher quality building for long term home of Strategic HFC
- Gym w/showers on-site
- Additional conference room space available for signup
- Negotiations not yet complete – could still get price down
- More efficient use of space, better test-fits
- Natural light and views
- Proximity to The Linc and other amenities





# OFFICE RELOCATION TIMELINE





## STAFF RECOMMENDATION

- Authorization to provide maximum flexibility for selection
- Staff directs agents to negotiate further with Centennial Towers
- Leadership team makes a decision in coming days based on economic considerations, test fit arrangements, and “intangibles”

# VI. Discussion Items

# Discussion Item VI.A

## 2026 Revenue Projections

# 2026 Revenue Projections

Revenue Type	Category	As Scheduled	2026 Risk Adjusted	Risk Adjusted Amount for 2026 Budget
Pipeline (Board Approved)	Contingent	\$2,418,416	26% (rated by project)	\$632,512
Construction Admin Fees	Earned	\$1,136,996	75%	\$852,747
Bond Issuer/Admin Fee	Earned	\$512,418	75%	\$384,313
Developer/Origination Fee (lump sum, construction)	Earned	\$1,122,005	75%	\$841,504
Asset/Partnership Management Fee	Cash flow dependent	\$2,051,619	70%	\$1,436,133
Deferred Developer/Origination Fee (operation)	Cash flow dependent	\$437,232	70%	\$306,062
Land Lease	Cash flow dependent	\$230,631	70%	\$161,441
Partnership Cash Flow Distribution	Cash flow dependent	\$273,351	70%	\$191,345
TexPool Interest	Contingent	\$960,000	10%	\$96,000

*\*All revenue types (excluding pipeline and TexPool interest) underwent a series of projections assuming 2025 conditions would remain consistent in 2026 before being additionally discounted by the percentages shown here.*



# Notes on Methodology

During the 2025 budget process, revenue was projected by calculating total possible revenue, and making discounts across revenue categories.

For the 2026 budget process, Strategic HFC collected Net Operating Income (NOI) data for each property in the organization's portfolio. This 2025 data was used as the basis for projecting 2026 revenue, allowing for more realistic expectations of cash flow dependent fees based on what each property experienced in 2025.

Following this process, all programmatic fees (excluding Pipeline projections) were discounted further, to account for any unforeseen additional impacts that may occur in 2026.

# 2026 Budget Timeline

- ✓ **June 5:** Budget template finalized, expense population begins
- ✓ **June 13:** Revenue Planning discussions begin
- ✓ **July 31:** Preliminary Revenue Planning completed
- ✓ **August 14:** Revenue Projections presented to Board
- 📌 **August 21:** Draft Budget posted on Board Forum for review and comments.
- 📌 **September 2:** 2026 Budget discussed in Finance & Administration Committee
- 📌 **September 11:** Board briefing on first draft on 2026 Budget
- 📌 **September 15:** *[TBD]* 2026 Budget discussed in Finance & Administration Committee
- 📌 **October 9:** 2026 Budget presented to Board

# 2026 Budget Snapshot

Category	2026 Budget
Revenue	\$4,902,060
Expense	\$4,210,331
Net Income	\$691,729

# Discussion Item VI.B

## 2026 Budget: Board Priorities

# Discussion Item VI.C

## Portfolio Report 1.0

# MID-YEAR PERFORMANCE REPORT

**Goal:** Provide a concise overview of portfolio performance, key financial and operational trends, and construction progress updates for the board at the halfway mark of the year.

**Format:**

- Portfolio Snapshot
- Construction Projects at a Glance
- Strategic AIM
- Financial Revenue Summary
- Market Trends Outlook
- Property Snapshots





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# OPERATING PORTFOLIO SNAPSHOT

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

- 16 operating properties (3,762 units)
- 1 property in lease up (300 units)
- 6 properties under construction (1,542 units)

Metric	Portfolio	Market
Occupancy Rate YTD (%)	83%	93%
Turnover Rate YTD (%)	5%	4%
Average OpEx Cost	\$6454	\$8950



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# OPERATING PORTFOLIO SNAPSHOT

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 Portfolio Snapshot

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

# Portfolio Snapshots: Operating & Construction



*Swimming Pool and Leasing Center at Wildhorse Flats*



*Drone photograph of Banyan at Braker Lane from July 2025*

# STRATEGIC AIM

Strategic AIM is our comprehensive metric for evaluating a project’s true impact— by the number of units created, and by the depth and duration of affordability, bedroom mix, location quality, and the physical standard of the development.



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

	Average Units	Average AIM by Project	Average AIM/Unit/Year
Operating	251	12,606	1.66
Construction	263	11,507	1.42



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## YEAR TO DATE FEE REVENUE TOTALS

	Sale/Refi	Bond Issuer	Cash Flow Distribution	Partnership Mgmt Fee	Construction Admin	Fee Revenue YTD
Totals	\$7,770,398	\$49,950	\$158,282	\$37,400	\$404,140	\$8,420,170

- Overall 2025 anticipated revenue was \$4,343,147.
- Year to date \$8.4 million received, with the bulk of that coming from the restructuring of the Silver Springs partnership.
- Taking the Silver Springs proceeds out leaves a total of \$ 999,256 received or 23% of total anticipated annual revenue.

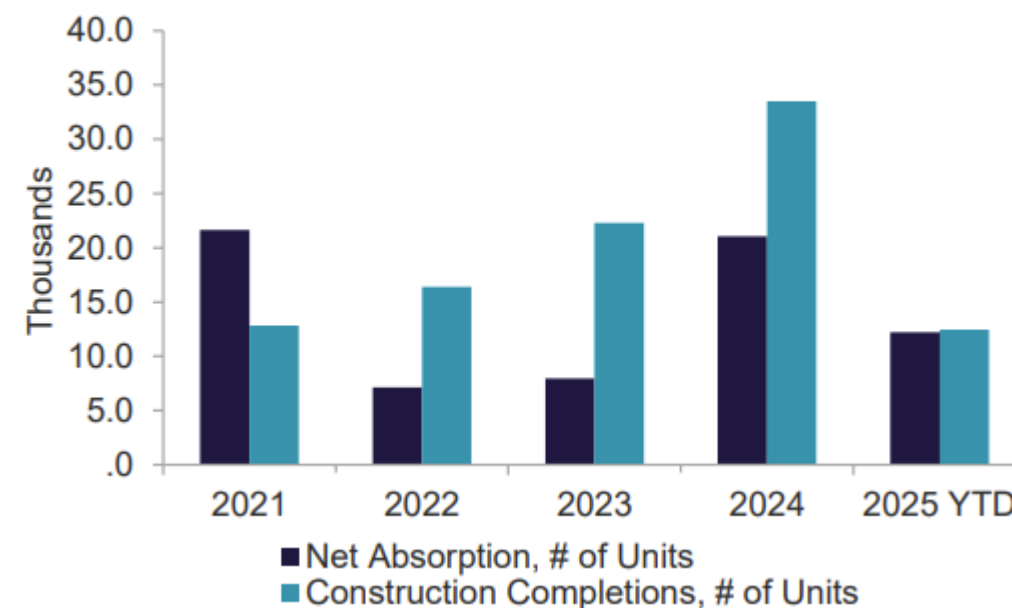


# 2025 MARKET TRENDS

## Supply & Demand

- Multifamily permits fell this year to its lowest level since 2019, indicating moderated supply growth beyond 2025.
- Austin accounts for over 5% of all multifamily deliveries among major markets in 2025.

### DEMAND / DELIVERIES<sup>1</sup>



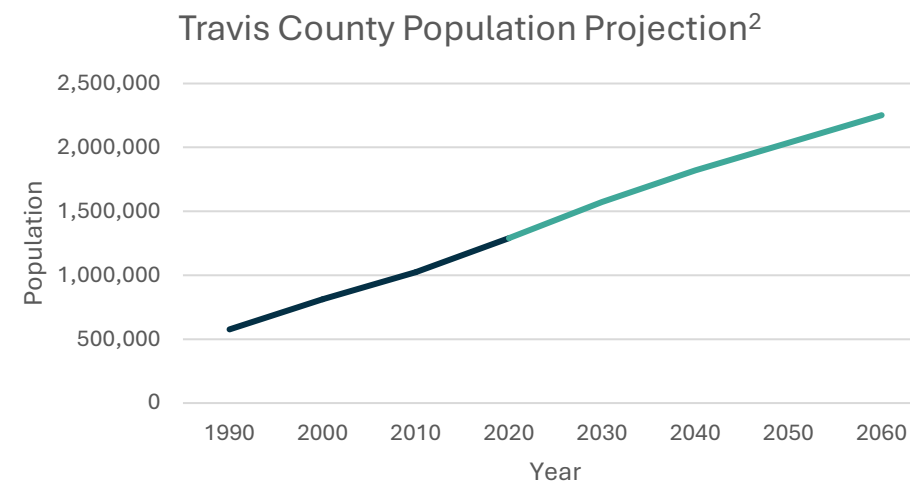
<sup>1</sup>Cushman & Wakefield Marketbeat Austin | Multifamily Q2 2025



# 2025 MARKET TRENDS CONTINUED

## Population & Economy

- Austin employment set to grow 1.6% in 2025, down from the long-term average, but still outpacing the national rate.
- Population of Travis County is projected to grow more than 15% by 2030, and more than 60% by 2060



<sup>2</sup>Population Projections from the Texas Demographic Center



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# MARKET TRENDS

Supply remains high but strong rental demand expected to decrease vacancy levels by end of year

New product being absorbed faster than expected but development pipeline remains moderate.

Austin economy still considered robust and interesting to investors for the long-term future

Austin area population expected to continue to have steady growth for decades to come



# TAKEAWAYS

- Operating properties suffering from low occupancy
- Under construction properties doing well and Daffan Flats is expected to begin lease up this year
- Revenue is lower than anticipated
- Team working to incorporate Strategic AIM moving forward, for reference the existing operating property average AIM score is 3.03/unit/year.
- Market conditions continue to be challenging for operating properties and the start of new deals, with conditions not expected to change until next year





# NEXT STEPS



**SEPTEMBER:**  
STAFF  
PRESENTING  
REVISED RISK  
RATING  
SYSTEM TO  
REAL ESTATE  
COMMITTEE.



**END OF YEAR:**  
BEGIN  
IMPLEMENTATION  
OF RISK RATING  
SYSTEM



**BEGINNING OF  
2026:** STAFF WILL  
PRESENT YEAR  
END 2025  
PORTFOLIO  
OVERVIEW AND  
RISK RATING  
REPORT



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# Executive Session



# VIII. Adjourn

